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# WASHINGTON TOWNSHIP

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## ECONOMIC PROFILE

## SECTION 5.0

### INTRODUCTION

Understanding the characteristics of a community's economy is important in the comprehensive planning process. The amount of land being used for economic generation purpose, its distribution within the community, and the characteristics of these uses have broad impacts on the future of the community. Customarily, these uses provide a source of jobs for local residents and a substantial portion of a community's overall tax base used to finance community facilities services.

The purpose of studying the economy of Washington Township is to provide an understanding of the Township's economic characteristics and their relationship to the larger region within which it is located. Data available from the U.S. Census, as well as other sources, are reviewed to provide a perspective of Washington Township's economy and its role in community planning.

Four components of Washington Township's economy are considered: retail, employment, labor force and industrial. The first portion of this chapter examines the Township's retail characteristics, including the number of establishments by type. Future retail demands are also estimated based on previously projected households and assumptions regarding their spending patterns.

The employment section considers the number and characteristics of those persons working at locations in Washington Township. These characteristics are examined in the context of Macomb County's principal economic activity centers.

The labor force portion of the report examines the occupational and industry of employment characteristics of the Township's resident labor force. Also included in this section is a review of labor force participation rates.

The concluding section considers the Township's future industrial land needs. Projected industrial acreage needs are offered to support the community's projected employment and tax base needs.

### RETAIL CHARACTERISTICS

#### Inventory of Retail and Service Establishments

The land use survey of Washington Township, conducted in 2000, revealed that approximately 318 acres of land were being used for a wide range of commercial purposes. Information on the type of businesses at specific locations was also noted as part of this survey. This information offers an opportunity to understand the type and character of existing commercial uses in the Township by examining the range of available retail and service opportunities.

A total of 176 individual businesses were identified in Washington Township. These businesses were nearly evenly divided into two general classes: retail businesses and service establishments. These classifications were further divided into specific retail and service categories to provide a more complete profile of the number of such businesses (see Tables 23 and 24).

<b>NAICS Code</b>	<b>Category</b>	<b>Number</b>	<b>Percent</b>
444190	Lumber/Building	2	2.30
444130	Hardware	4	4.60
444220	Nurseries/Garden	3	3.45
45299	General Merchandise	3	3.45
445	Food Stores	7	8.05
441	Auto, Boat Sales	3	3.45
448	Apparel	2	2.30
442	Home Furnishings	4	4.60
-	Farm Markets	5	5.75
722	Eating/Drinking	26	29.89
44611	Drug Stores	2	2.30
45321	Stationary Stores	1	1.11
44831	Jewelry	2	2.30
45112	Hobbies/Toys	4	4.60
45311	Florists	3	3.45
45322	Gifts	3	3.45
44711	Gas Stations	3	3.45
-	Community-Wide Retail/Service Establishments	2	2.30
-	Other	8	9.20
<b>Total</b>		<b>87</b>	<b>100.0</b>

TABLE 23  
INVENTORY OF RETAIL  
ESTABLISHMENTS 2000

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Quantitatively, Eating and Drinking establishments were identified as the Township's most common category of retail businesses. A total of 26 such establishments were identified, which accounts for nearly thirty percent of all retail businesses located in the Township. Farm Markets are a category unique to Washington Township and other semi-rural communities. These markets offer a retail outlet for many of the Township's orchards. Five of these markets were identified in Washington. A number of Food Stores were also noted. These include two supermarkets, as well as several convenience and specialty food stores. The number and variety of retail businesses shown in Table 23 generally reflect a convenience commercial orientation.

TABLE 24  
INVENTORY OF SERVICE  
ESTABLISHMENTS-2000

<b>NAICS Code</b>	<b>Category</b>	<b>Number</b>	<b>Percent</b>
52	Banks/Credit Agencies	7	7.87
524	Insurance	6	6.74
531	Real Estate	9	10.11
512131	Movie Theaters	1	1.12
8123	Laundry/Cleaning	2	2.25
8121	Beauty/Barber	11	12.36
81111	Auto Repair/Services	13	14.61
8112	Miscellaneous Repair	2	2.25
53223	Video Tape Rental	2	2.25
71	Recreational Services	5	5.61
621	Medical Offices	12	13.48
54111	Legal	3	3.37
323	Printing	1	1.12
-	Business Services	2	2.25
561510	Travel Agencies	2	2.25
-	Other	11	12.36
<b>Total</b>		<b>89</b>	<b>100.0</b>

The commercial nature of the Township's businesses is further reinforced by the distribution of service businesses shown in Table 24. Medical Offices, Auto Repair Businesses, and Personal Service establishments are among the most frequently occurring service businesses found in Washington Township.

## Development Characteristics

Commercial development can assume several different physical forms. Common and easily recognizable forms include traditional central business districts, planned shopping centers, and general businesses located within linear corridors along major traffic arteries. The pattern of commercial development in a community has a strong impact on the community's success.

Freestanding businesses, each occupying their own sites and located in a linear pattern along major thoroughfares, are the most common form of commercial development in Washington Township. There are also several planned shopping centers located in the Township. While the Township does not include a traditional central business district, the community has had a functional relationship to the Village of Romeo central business district. Historically, Romeo's commercial district served as the principal commercial center for the surrounding townships. The unincorporated Washington Village area, located along Old Van Dyke at West Road, contains a small concentration of commercial activity that exhibits the compact development pattern reminiscent of traditional central business districts, albeit at a reduced scale.

Shopping centers are defined as a group of commercial or service establishments planned, constructed and managed as a single entity, with customer and employee parking provided on-site, provisions for loading and unloading separated from customer access, aesthetic controls and improvements (signage, landscaping and building appearance).

Planned shopping centers may further be identified by size (floor area), type (stores included within the center), and trade area (service radius). The most common shopping centers are identified as follows:

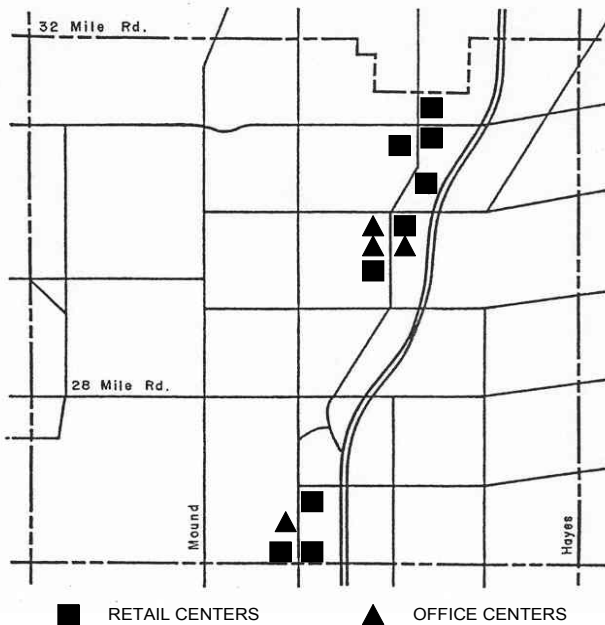
**Neighborhood Strip Centers** - Neighborhood centers generally provide goods and services necessary to meet daily needs, occupy up to ten acres, offer up to 100,000 square feet of retail floor area, and typically draw their customers from a five-minute drive radius from the site.

**Community Shopping Centers** - These centers normally feature an anchor tenant, often a discount or general merchandise store and/or large food store. A minimum floor area of 150,000 square feet are generally provided by these centers. They occupy sites ranging in size from 10 to 25 acres and draw customers from a wider area, generally from a driving radius of ten-minutes. Big Box developments, such as the Meijer's on 26 Mile Road, also fall into this category, due to the variety of goods and services that are offered within the development.

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Regional Centers - Two types of regional centers can be identified: regional shopping centers and super regional centers. The former contains a wide variety of both retail and service establishments, occupy sites of 50 to 100 acres, have one or more anchor tenants, and contain over 400,000 square feet of floor area. Shoppers may travel up to 45 minutes to reach such a center. Super region centers include retail, service and office uses, which collectively occupy more than one-million square feet of gross leasable space. These sites are generally located on sites exceeding 100 acres in total area. Regional centers proximate to Washington Township can be found at numerous locations along the M-59 corridor in Utica, Sterling Heights and Shelby Township.

Illustration 13  
PLANNED RETAIL AND OFFICE  
CENTER LOCATIONS



Not all shopping centers fit neatly into these three categories. This classification system does, however, offer a structured way of viewing commercial development patterns.

A shopping center is defined as any building containing three or more stores, with common parking as well as other unifying site features. The 2000 land use survey identified nine shopping centers in Washington Township. Collectively, these centers serve as the home for sixty-seven individual businesses, or thirty-eight percent of the Township's total retail and service inventory. In terms of quantity of businesses, The Orchard Square Shopping Center and the Alward's Center in the Washington Village area are the Township's largest planned shopping centers. Both facilities feature supermarkets. The locations of these centers are shown in Illustration 13.

### Trade Area

A trade area is the geographical area from which a single business or group of businesses draws most of its customers. This concept assumes that if all factors are equal, the customers will travel to the nearest business. Trade areas are frequently defined as a distance from the business measured as a radius. A community's trade area can be considered to be a sum of the trade areas of businesses located throughout the community.

For the purpose of this study, those households residing and expected to reside in the Township comprise the community's primary trade area. These households generate a demand for retail goods and services that can be absorbed either by locations within or outside of the Township.

Realistically, this concept is subject to other influencing factors which include physical barriers, accessibility, pricing policies, attractiveness, level of service, and the availability of nearby competing retail centers. In reality, a considerable amount of inter-community shopping trips are common. This is especially true within an urbanized region with easy access to competing retail centers in nearby communities. In this context, trade areas will overlap and cross community boundaries. More important, larger commercial concentrations have a drawing power that penetrates the community's primary trade area. This is so because of their size, the variety of merchandise, and other factors including accessibility (travel time).

Washington is located within a reasonable travel distance from several regional commercial areas, including Macomb County's largest located along M-59 between the M-53 Freeway and Romeo Plank Road. The proximity of this regional complex, while not directly abutting Washington Township, has a bearing on the demand for retail within the Township.

### **Market Potential and Buying Power**

Market potential is capable of being arrived at as a generally reliable commercial planning base through an understanding of economic characteristics. The methodology, however, is not capable of forecasting the location of actual retail sales. The retail sales which take place at any given location are contingent upon the willingness of consumers to patronize the particular businesses in the light of available merchandise and alternative shopping opportunities available.

The point is that market potential can only describe the potential spending generated by a given group on the basis of buying power. The willingness of a consumer group to make purchases at a given location becomes a question of motivation. This generally involves specific locational characteristics such as convenience, merchandising (advertising, service and pricing), access, parking circulation, beautification or aesthetics.

Other commercial developments outside of the immediate area can be expected to draw portions of their business from the same source, with the amount left to the subject commercial areas being termed that area's market penetration. The Township's buying power must be visualized as a dynamic phenomenon with changing population characteristics responding to additional competition, and changing shopping patterns reacting to site improvements and other opportunities.

### **Income**

One of the most widely used indicators of affluence is income. Household incomes offer an indication on the type of housing that the community can support, as well as the amount of money that is available to purchase other goods and services. Household incomes are among the variables used to predict the quantity of commercial development that a community may be able to support. According to the year 2000 Census, the reported median household income for Washington Township was \$68,841. The median household income for Macomb County was estimated by the U.S. Census Bureau to be \$52,102.

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### Estimated Retail Needs

It is possible to estimate the Township's future retail needs based on several assumptions regarding disposable income levels and spending habits, resulting in the acreage necessary to support a given quantity of retail floor area.

Assuming that disposable income is equal to 60 percent of the total income, the Township's estimated disposable income for 2000 is \$41,305. The Township's estimate on total households for the year 2010 is based on recent forecasts presented in the previous chapter (Population).

The next step in determining retail sales potential involves allocating the Township's estimated disposable income into various retail categories that can be related to commercial land use. Information on total retail sales for Washington Township in 2000 was broken down by percentage for ten separate retail categories and applied to the Township's disposable income. Percentages were based on the Macomb County spending average, as established by the 1997 U.S. Economic Census. See Table 25.

TABLE 25  
ESTIMATED SPENDING BY  
RETAIL CATEGORY

<u>NAICS Code</u>	<u>Retail Category</u>	<u>Macomb County 2000</u>		<u>Washington Township</u>
		<u>Sales (\$)</u> <u>(x 1000)</u>	<u>%</u>	<u>Sales (\$)</u> <u>(per household)</u>
441 & 447	Transportation	3,476,979	39.0	16,109
442	Home Furnishing	338,674	3.8	1,570
443	Electronics & Appliance Stores	193,617	2.2	909
444	Building Material & Supplies	901,041	10.1	4,172
445	Food and Beverage Stores	1,202,216	13.5	5,576
446	Personal Care Products, Services, Drugs	506,951	5.7	2,354
448	Apparel	319,182	3.6	1,487
451	Sporting Goods, Hobby, Book, and Music Stores	233,412	2.6	1,074
452	General Merchandise	1,465,361	16.5	6,815
453	Misc. Store Retailers	269,376	3.0	1,239
	<b>Total</b>	<b>8,906,809</b>	<b>100.0</b>	<b>41,305</b>



The market potential generated for Tables 26 and 27 shows the projection of dollar and square footage capable of being supported by Township spending for 2000 and 2010. The equivalent commercial acreage was determined by multiplying the square footage supported by the study area, by a multiplier of 6.00 square feet. The multiplier is based on existing commercial sites in the Township and the size of the site in relation to the actual commercial square footage provided. It was determined that a commercial use would require six (6) square feet of site area for every one square foot of building area.

TABLE 26  
ESTIMATED RETAIL NEEDS-2000

Disposable Household Income:  
\$41,305  
Number of Households: 6,132

<u>Retail Group</u>	<u>% of Retail Sales</u>	<u>Retail Sales from Study Area (\$000's)</u>	<u>Sales per Sq. Ft.</u>	<u>Sq. Ft. Supported by Study Area</u>	<u>Equivalent Commercial Acreage</u>
CONVENIENCE:					
Food	13.5	34,193	150.00	227,953	31.4
Personal Care Products, Services, Drugs	5.7	14,437	150.00	96,247	13.3
Misc. Store Retailers	3.0	7,598	150.00	50,653	7.0
<b>Subtotals</b>	<b>22.2</b>	<b>56,228</b>		<b>374,853</b>	<b>51.7</b>
COMPARISON:					
Transportation	39.0	98,780	150.00	658,533	90.7
Home Furnishings	3.8	9,624	150.00	64,160	8.8
Electronics & Appliance Stores	2.2	5,572	150.00	37,147	5.1
Building Materials & Supplies	10.1	25,581	150.00	170,540	23.5
Apparel	3.6	9,118	150.00	60,787	8.4
Sporting Goods, Hobby, Book, and Music Stores	2.6	6,585	150.00	43,900	6.0
General Merchandise	16.5	41,791	150.00	278,607	38.4
<b>Subtotals</b>	<b>77.8</b>	<b>197,321</b>		<b>1,313,674</b>	<b>180.9</b>
<b>TOTALS</b>		<b>253,549</b>		<b>1,688,527</b>	<b>232.6</b>

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The estimated total retail need for 2000, based on the preceding methodology, is 232.6 acres. The quantity of land currently developed for commercial purpose is 318 acres, 85.4 acres above the estimated demand of the local market. The imbalance between supply and demand is a result of past commercial overzoning along Van Dyke. As growth continues in the Township, it is likely that the demand for commercial development will regain its even balance with market supply. Much of the future commercial development that will occur in the Township will include the redevelopment of existing sites along the Van Dyke corridor and new development in the Washington Village area.

TABLE 27  
ESTIMATED RETAIL NEEDS 2010

Disposable Household Income:  
\$41,305  
Number of Households: 8,415

<u>Retail Group</u>	<u>% of Retail Sales</u>	<u>Retail Sales from Study Area (\$000's)</u>	<u>Sales per Sq. Ft.</u>	<u>Sq. Ft. Supported by Study Area</u>	<u>Equivalent Commercial Acreage</u>
CONVENIENCE:					
Food	13.5	46,924	150.00	312,827	43.1
Personal Care Products, Services, Drugs	5.7	19,812	150.00	132,080	18.2
Misc. Store Retailers	3.0	10,427	150.00	69,513	9.6
<b>Subtotals</b>	<b>22.2</b>	<b>77,163</b>		<b>514,420</b>	<b>70.9</b>
COMPARISON:					
Transportation	39.0	135,557	150.00	903,713	124.5
Home Furnishings	3.8	13,208	150.00	88,053	12.1
Electronics & Appliance Stores	2.2	7,647	150.00	50,980	7.0
Building Materials & Supplies	10.1	35,106	150.00	234,040	32.2
Apparel	3.6	12,513	150.00	83,420	11.5
Sporting Goods, Hobby, Book, and Music Stores	2.6	9,037	150.00	60,247	8.3
General Merchandise	16.5	57,351	150.00	382,340	52.7
<b>Subtotals</b>	<b>77.8</b>	<b>270,419</b>		<b>1,802,793</b>	<b>248.3</b>
<b>TOTALS</b>		<b>347,582</b>		<b>2,317,213</b>	<b>319.2</b>

## EMPLOYMENT CHARACTERISTICS

To more fully understand the Township’s local economic base, its relationship to the larger southeast Michigan regional economy needs to be assessed. Southeast Michigan consists of more than 200 individual units of government. Economic activities within each of these communities collectively comprise the region’s economic base. This larger regional economy transcends municipal boundaries and is the sum of many individual parts. This portion of the report examines Washington Township’s position within the regional economy.

### Employment by Place of Work

A sound measure of the Township’s economy and its relationship to southeast Michigan’s economic base is employment by place of work data collected by the U.S. Census Bureau and projected by SEMCOG. In 2000, the Southeast Michigan Council of Governments reported that 3,913 workers were employed at businesses located in Washington Township. This represents one percent of the County’s total work force.

Among Washington’s neighboring communities, both Romeo and Shelby Township have larger employment bases. For example, in 2000, more than 16,000 workers were employed at locations in Shelby Township. Romeo reported 4,424 workers. In the case of Shelby Township, the difference can be explained by the substantial quantity of land that is currently being used for industrial purposes (842 acres), as well as its proximity to the northern end of the Van Dyke/Mound economic activity corridor. The Ford Motor Company plant in Romeo helps explain the larger number of workers in the Village. This single facility alone employs more than 1,000 workers. Projections prepared by the Southeast Michigan Council of Governments anticipate that the number of workers in Washington Township will increase to 5,655 by the year 2020, for an increase of 1,742 jobs, or 77 percent over 1990 levels. In spite of these projected increases, the Township’s share of Macomb County’s overall employment level is not expected to increase substantially over current levels.

<b>Community</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2020</b>
Washington Twp.	2,236	3,913	4,993	5,655
Shelby Township	12,086	16,783	18,887	20,378
Oakland Township	1,055	1,756	2,125	2,680
Bruce Township	1,575	2,362	3,271	3,495
Romeo Village	2,461	4,424	4,540	4,758
Ray Township	545	846	959	979
Macomb County	333,723	381,864	410,574	407,633
Washington Twp. (% of County)	0.67	1.0	1.2	1.4

TABLE 28  
EMPLOYMENT BY PLACE OF  
WORK

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### RESIDENT LABOR FORCE

#### Labor Force Participation

The 2000 Census reported that Washington Township had a resident civilian labor force of 10,101 persons, which is approximately 70 percent of those Township residents over the age of 16. Since 1980, the size of the Township's civilian labor force has increased by more than 6,000 workers. Growth in the Township's population base and increased participation by females in the labor force account for these changes.

During the 1970's, the labor force participation rate for all persons over the age of 16 increased from 58 percent to 65 percent. Another increase to 72 percent occurred between 1980 and 1990. This number decreased by two percent in the past decade. Female participation in the labor force increased from 32.2 percent in 1970, to 48 percent in 1980, to 60.1 percent in 1990, and then decreased to fifty-two (52) percent in 2000. In 1980, females accounted for 36.6 percent of the Township's total labor force. By 1990, this increased to 42.4 percent. 2000 data from the Bureau of the Census reflects a slight increase to 42.7 percent.

#### Industry of Employment

In 2000, approximately 30 percent of the Township's resident labor force was employed in manufacturing-related industries. This is consistent with the characteristics of the County's overall labor force and reflects the dominance of auto manufacturing in the County's economy. Educational, health and social services and retail trade are the next largest industry of employment categories, employing 15.2 and 10.7 percent of the Township's labor force, respectively. Washington Township and Macomb County share similar industry of employment characteristics, as reflected in Table 30.

#### Occupational Characteristics

In 2000, almost two-thirds (62.3 percent) of the Township's resident labor force was employed in white-collar professions and defined as either managers/professionals or technicians, sales and administrative support. This is in line with the 2000 County figure of 59.2 percent. The proportion of managers/professionals in the Township exceeds the County figure by a margin of 35.6 percent to 30.9 percent.

TABLE 29  
LABOR FORCE PARTICIPATION

	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>
Civilian Labor Force:	2,074	3,923	7,119	10,101
Employed	1,917	3,688	6,863	9,814
Unemployed	157	235	256	287
Not in Labor Force	1,483	2,099	2,778	4,419
Labor Force Participation:				
All Persons over Age 16	58.0	65.0	72.0	69.6
Females over Age 16	33.2	48.0	60.1	58.2
Females as a Percentage of Total Labor Force	28.5	36.6	42.4	42.7

<b>Category</b>	<b>Washington Township</b>		<b>Macomb County</b>
	<b>No.</b>	<b>%</b>	<b>%</b>
Construction	938	9.6	6.7
Manufacturing	2,909	29.6	26.1
Wholesale/Retail	1,413	14.4	16.3
Transportation/Utilities	229	2.3	3.2
Information	126	1.3	2.0
Finance, Insurance & Real Estate	513	5.2	5.5
Professional, Scientific, Management Administrative & Entertainment Services	1,507	15.4	17.0
Educational, Health and Social Services	1,495	15.2	15.6
Public Administration	271	2.8	3.0
Other Services	952	9.7	4.4
Other	413	3.5	0.2
<b>Total</b>		100.0	100.0

TABLE 30  
INDUSTRY OF EMPLOYMENT

<b>Category</b>	<b>Washington Township</b>		<b>Macomb County</b>
	<b>No.</b>	<b>%</b>	<b>%</b>
Managers/Professionals	3,490	35.6	30.9
Sales & Office Occupations	2,625	26.7	28.3
Service	1,099	11.2	13.1
Farming, Forestry & Fishing	10	0.1	0.1
Production, Transportation, and Material Moving	1,426	14.5	17.7
Construction, Extractive, and Maintenance	1,164	11.9	9.9
<b>Total</b>	9,814	100.0	100.0

TABLE 31  
OCCUPATIONAL CHARACTERISTICS

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### INDUSTRIAL LAND POTENTIAL

The desire for industrial land is frequently the result of two concerns that are common to most communities: 1) providing employment opportunities for local residents, and 2) achieving a balanced tax structure.

In an urbanized region like Southeast Michigan, a significant amount of commuting occurs across community boundaries for trips to and from work. In this type of setting where jobs are available throughout the region, it is not realistic to expect that 100 percent of the Township's resident labor force will work at locations within the Township. However, because of the reciprocal nature of employment, job generation remains important. More important to community planning is the desirability of providing for industry as a source of value that promotes community facilities and supports community services.

In 2000, Washington Township's industrial uses had a state equalized value of over 17.4 million dollars. This represents 2.18 percent of the total property value in the Township. Developed industrial land in the Township in 2000 occupied 144 acres of land, less than one percent of the Township's developed land area.

The Township's total industrial tax yield is lower than the Macomb County average. Sterling Heights, for example, represents one of the County's more extensively developed communities. The City has a substantial industrial land inventory, representing 9.7 percent of all developed land. Industrial property values in Sterling Heights account for 10.5 percent of the City's real property values. In the more suburbanized community of Chesterfield Township, industrial land values are 8.0 percent of total value, while industrial land accounts for 10.0 percent of all developed land in the community. For Macomb County, the comparable figures are 9.5 percent (developed industrial land) and 9.8 percent (industrial tax revenues).

Determining the appropriate role for industrial land to play in the Township's future is essentially a policy question. If the current amount of zoned industrial land is maintained, this would yield a total industrial inventory of 730 acres at capacity development. Increasing the share of industrial land to reach a standard of ten percent would require the Township to allocate approximately 2,341 acres of land for industrial purposes. This range of industrial acreage projections offers a benchmark against which to evaluate the quantity of land allocated for industry by the Master Plan, and how this relates to the community's overall tax structure.