

MOTOR VEHICLES & PARTS DEALERS, GASOLINE STATIONS AND AUTOMOTIVE SERVICES: Downtown Federal Way

INTRODUCTION

The North American Industry Classification System (NAICS) identifies establishments engaged in restoring machinery, equipment, and other products to working order as NAICS 811. This NAICS identifies establishments that retail automotive fuels (e.g., gasoline, diesel fuel,) automotive oils, or retail of these products in combination with convenience store items under NAICS 447.

Yet there are other NAICS codes included to comprehend the full size and scale of the sector. These include NAICS 811192, which is Car Washes and is identified by NAICS as establishments that are primarily engaged in cleaning, washing, and/or waxing automotive vehicles. There is also NAICS 441, which is Motor Vehicles and Parts Dealers.

For the purpose of this analysis, the three digit NAICS codes 441, 447, and 811 were used to capture the broad array of establishments.

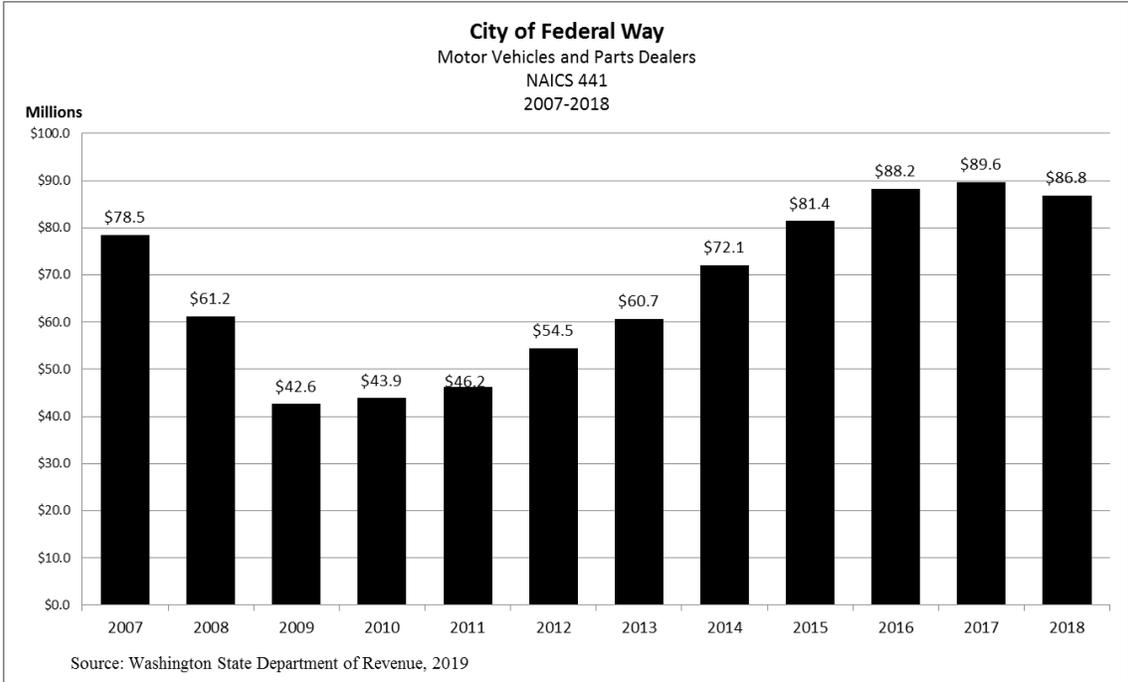
BACKGROUND

According to the Census Bureau's Service Annual Survey, the Repair and Maintenance industry had an estimated total revenue of \$175 billion in 2017.

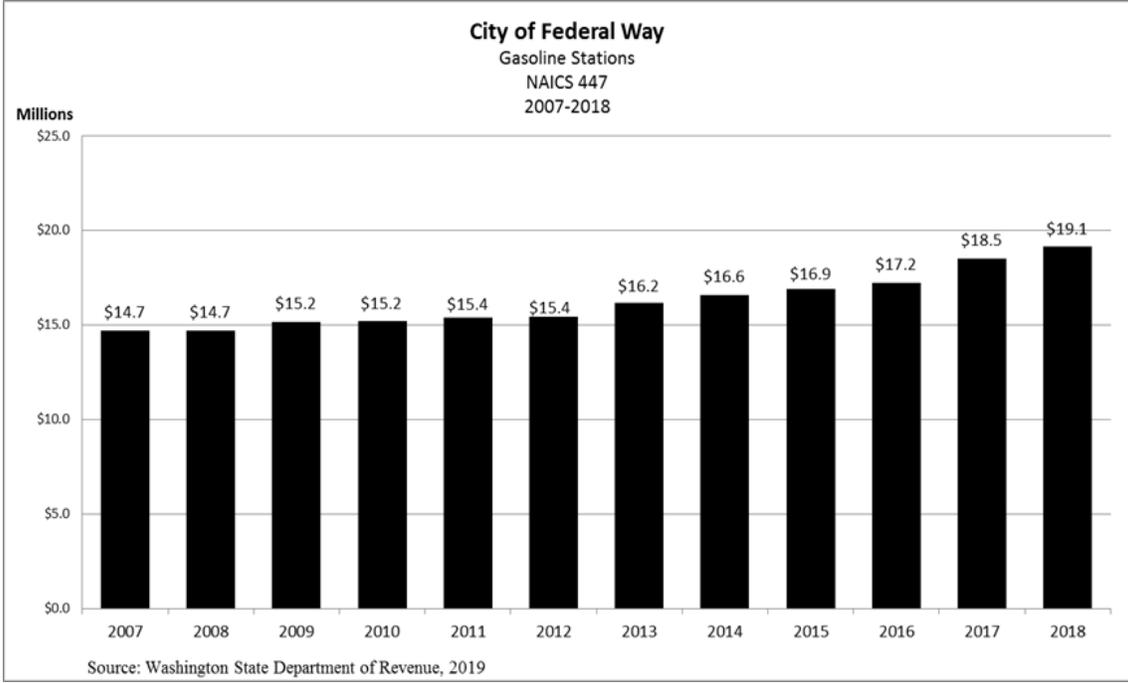
The Service Annual Survey also reports that the gasoline stations subsector had estimated sales of \$452 billion in 2017, which is an increase of sales from the \$418 billion reported for 2016.

The Bureau of Labor Statistics latest estimates show that there were 913,000 people employed in the Car Wash Industry Group in 2016. Gasoline stations employed 946,000 people in 2018 with a majority of those jobs being cashiers.

Research on taxable retail sales from 2007 to 2018 in Federal Way, specifically before and through the recovery from the "Great Recession," has followed the trend of the Great Recession, with a decline beginning in 2008 through 2009. However, this subsector recovered quickly as taxable retail sales have seen a steady increase since 2010 with a high point of \$89.6 million in 2017. In 2018, the annual taxable retail sales dropped by \$2.8 million to \$86.8 million. See chart on following page.



Research on taxable retail sales from 2007 to 2018 in Federal Way, specifically before and through the recovery from the “Great Recession,” has been increasing slightly since 2008. It appears the subsector was not impacted by the recession. However, throughout 2007 to 2012 during the recession there was hardly any growth. In 2007 and 2008, taxable retail sales were \$14.7 million. This increased to \$15.2 million in 2009 and remained the same in 2010. By 2011, taxable retail sales had increased to \$15.4 million and remained the same in 2012. Starting in 2013, there was a major growth in taxable retail sales for gasoline stores when it increased \$800k to \$16.2 million. In 2018, the annual total was \$19.1 million. See chart below.



MARKET

Downtown Federal Way offers a variety of automotive services. Currently, there are four gas stations, two car washes, one auto detailing service, one auto maintenance center, one motor parts store and one auto electronics store.

Recent Gas Station Closure

The ARCO gas station on S 320th St closed in 2019. The site is being impacted by the future light rail development.

The Shell gas station on Pacific Hwy S closed 2016-2017. The site has not been redeveloped.

Recent Automotive Maintenance Closure

Due to the closure of the Sears store in 2018, their automotive maintenance facility was closed as well.

TRENDS

There are several trends that impact the sector nationally, statewide, and locally.

First, when gasoline prices are high, consumers tend to use their vehicles less often to save on transportation costs. A decrease in vehicle use generally results in dampened demand for industry services, as vehicles need fewer repairs. Moreover, consumers with access to public transportation typically avoid using their vehicles when gasoline is relatively expensive. (The world price of crude oil is expected to rise in 2019, representing a potential threat to the industry).

The average length of vehicle ownership for both new and used vehicles has increased by 60 percent in the last ten years according to the market research company, Spectrio. People who own older cars are more likely to seek out professionals for services such as changing the oil, air filters, spark plugs, and more.

A trend affecting gas stations at all levels is their connection to convenience stores. The National Association of Convenience Stores indicates that convenience stores sell nearly 80 percent of the gasoline purchased in the U.S., and that gasoline is currently the fuel of choice for nearly 40 million U.S. drivers who fill up every day. All gas stations in Downtown Federal Way are attached to a convenience store or even a grocery store such as Safeway.

Car washes are phasing out their free vacuum services. According to Tommy Car Wash Systems, a car wash developer, free vacuum services are likely to be phased out of car washes in 2019 and beyond. The reason is that operators are tired of expending significant resources on high-maintenance, high-cost services without a clear return on investment.

SOURCES

- US Dept. of Labor, Bureau of Labor Statistics
- US Dept. of Commerce, Census Bureau
- Washington State Department of Revenue
- City of Federal Way
- ESRI
- Interactive Advertising Bureau
- North American Industry Classification System
- National Association of Convenience Stores
- Spectrio
- Tommy Car Wash Systems

Motor Vehicles & Parts Dealers and Automotive Services



This map is intended for use as a graphical representation. The City of Federal Way makes no warranty as to its accuracy.
Aerial Photo: May 2018
Date Published: June 2019

Motor Vehicles & Parts Dealers, Gasoline Stations and Automotive Services

Establishments in the Repair and Maintenance subsector restore machinery, equipment, and other products to working order. These establishments also typically provide general or routine maintenance (i.e., servicing) on such products to ensure they work efficiently and to prevent breakdown and unnecessary repairs. Downtown Federal Way offers a variety of automotive services. Currently, there are four gas stations, two car washes, one auto detailing service, one auto maintenance center, one motor parts store, and one auto electronics store.

Year Built is the calendar year in which at least 50 percent of the original construction was complete. Effective Year Built is the adjusted year built taking into account any subsequent new construction or major rehabilitation.

1. ProWash Car Wash

2535 S 320th St.
Located: Union 76
Automated car wash offering various automobile cleaning services.
Year Built: 1995

2. Union 76

33800 1st Way S
National gas station chain established in California.
Year Built: 1982

3. O'Reilly Auto Parts

32411 Pacific Hwy S
Located: Adjacent to downtown
Variety of auto parts, supplies, and accessories for cars, trucks, and SUVs, as well as boats, trailers, ATVs, and lawn and garden equipment.
Square Footage: 10,000
Year Built: 1972 (Eff. Year: 1990)

4. Safeway Fuel Station

1207 S 320th St
Gas station.
Year Built: 2011

5. ARCO

31855 Pacific Hwy S
Gas station and convenience store.
Year Built: 1987

6. Car Toys

31610 Pacific Hwy S
Retail chain specializing in mobile phones & auto electronics, from speakers & alarms to GPS tools.
Square Footage: 10,000
Year Built: 1980 (Eff. Year: 1995)

7. Elephant Car Wash

31458 Pacific Hwy S.
Full service car wash facility established in Seattle in 1951, with multiple locations serving the Puget Sound Region.
Year Built: 1970

8. Protouch Auto Interiors

31414 Pacific Hwy S.
Auto restoration company specializing in interior/exterior detailing and custom upholstery.
Year Built: 1977

9. Walmart Auto Care Center

1900 S 314th St.
Auto maintenance center offering tire, battery, oil, and fuel system services.
Year Built: 1999

10. Chevron

31204 Pacific Hwy S
Gas station and convenience store.
Year Built: 1988