



Department of Commerce

Associate Development Organizations

2015-16 Biennial Report per RCW 43.330.082

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Report to the Legislature
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Associate Development Organizations

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Introduction

Overview

Associate Development Organizations (ADOs) serve as local economic development partners for the Washington State Department of Commerce (Commerce). ADOs are local organizations designated by each county to coordinate business recruitment, retention and expansion activities within their service area(s), as well as provide export assistance. ADOs also support research, planning and implementation of regional and local economic development strategies.

RCW 43.330.080¹ directs Commerce to contract with county-designated ADOs. It also directs organizations that are designated as ADOs to build strong relationships with public and private partners within their community. ADOs leverage their state funding to obtain financial support from their partners in order to drive job creation, economic growth and capital investment in their communities. Because each ADO is a local entity, they are focused on local activities and results.

The statute states that the services delivered by each ADO include:

- Participating in the development of a county-wide economic development plan.
- Performing as the local economic development point of contact for both public and private partners.
- Providing information on state and local permitting processes, tax issues, export assistance and other essential information for operating, expanding or locating a business in Washington.
- Marketing their county and the state as an excellent place to invest, or expand or relocate a business.
- Collaborating with local partners to meet workforce development needs.
- Providing business retention and expansion services.
- Partnering with other organizations, such as Small Business Development Centers and Service Corps of Retired Executives (SCORE) to improve business support services.
- Collecting data for use in local and statewide program evaluation.
- Participating in region-wide economic development planning and research.
- Sharing best practices with other associate development organizations at least two times each year.

In 2012, the Legislature made several changes to the annual contractual and reporting requirements of the ADOs, as well as Commerce's responsibilities. One of these changes required that ADOs meet and share best practices with each other at least twice annually. Commerce coordinates these meetings. Additionally, the ADOs must provide a "summary of best practices shared and implementation" in their annual reports to Commerce (Appendix A).

¹ <http://app.leg.wa.gov/RCW/default.aspx?Cite=43.330.080>

ADO/Commerce Relationship

The formation of ADOs dates back to 1985 and the *Team Washington* strategy, when ADOs were created to provide local economic development services in every county. Originally, the Local Economic Development Assistance Program provided administrative grants to the 33 ADOs that served the state's 39 counties. This work was shifted to the Department of Trade and Economic Development in the Growth Management Act of 1990, which formally recognized the ADO network as the delivery system for local economic development resources and program oversight. Today, the Department of Trade and Economic Development is known as the Department of Commerce.

ADO contracts are negotiated with Commerce on a biennial basis. This negotiation process requires ADOs and Commerce staff to jointly determine and agree upon target goals for a set of performance measures for each county. Currently, Commerce maintains contracted partnerships with 34 ADOs that oversee all 39 counties.

Commerce's Office of Economic Development and Competitiveness (formerly, the Business Services Division) is charged with maintaining the ADO contracts and provides support to the ADO network. This relationship between the OEDC and ADOs plays out on two distinct levels. The first level is a contractual one, where grants are made to ADOs and results are monitored by Commerce. The second level is one of economic partnership between state and local entities to coordinate activities, jointly market the state to businesses and investors, and leverage state and local branding, messaging, resources and staff to create a unified strategy for growing the economy and strengthening communities.

For example, Commerce serves as liaison between client businesses and other government agencies to help streamline the site selection and permitting processes, as well as provide access to certain loans and incentives, such as Work Start or the Strategic Reserve Fund. When necessary, Commerce is able to elevate projects to the Governor's Office on behalf of the ADOs, as well as coordinate recruitment and expansion projects so that businesses receive a timely, coordinated state-level response to their requests for proposals that may include responses from several local economic development organizations.

ADOs serve as the principal contact for Commerce regarding local economic development efforts. ADOs help Commerce gather data about community profiles, industrial sites, plans for business development and retention, reports on business activities and proposals for other economic activities in their service areas.

Report Scope and Methodology

Commerce is mandated to report ADO performance results to the Legislature by December 31 of each even-numbered year. The report must include the performance results of the contracts with ADOs as required by RCW 43.330.082.² Additional background information on local economic development around the state and recent program improvements may be presented as part of this report.

For this report, Commerce used ADO self-reported performance measurement data from the contract management database, information collected directly from the ADOs, and economic, demographic and budget information published by federal and state agencies.

ADO Performance Data

ADOs report quarterly to Commerce the types and quantities of economic development activities funded by their grant and local match for each county through Commerce's Salesforce portal. ADOs also report the number of businesses, jobs and capital investments leveraged with the ADO grant funds. Performance data has been available since 2008, though the actual metrics have changed over time.

Commerce transitioned to Salesforce in 2011 in order to more accurately track data on business recruitment, retention, expansion and startups agency-wide. This system was designed to provide greater context and detail about the outcomes reported by the ADOs and enable Commerce staff to review the data more efficiently. Further, this tool was designed to allow ADOs to input quarterly updates on the businesses they are working with for tracking and reporting purposes. This is particularly helpful because many economic development projects are lengthy and/or multi-phased, extending over multiple reporting periods or even biennial reporting cycles.

The measurements were revamped in 2013 to coincide with the new grant contracts. These metrics were jointly developed by a committee of ADO representatives in collaboration with Commerce staff. The new reporting system was intended to capture a wider set of variables that more accurately reflected the actual work performed by individual organizations within the ADO network.

Annual goals were self-selected by each ADO for the 2013-14 reporting period. While this new reporting system expanded the breadth of reporting, it did not contribute to increasing the accuracy of the reporting nor did it show a tangible relationship between local economic development efforts and recruitments, retentions, expansions, jobs or capital investment. As such, the reporting process was restructured again in 2015 at the prompting of a state audit to provide more accurate and consistent data reporting across the ADO ecosystem.

² <http://app.leg.wa.gov/rcw/default.aspx?Cite=43.330.082>

Data Limitations

Even with the updated reporting process, ADO performance measurement data have several limitations that cannot be completely overcome:

- Data are self-reported by each ADO. The reporting system does not employ performance measures that are verifiable by a third party. Therefore, Commerce staff is not able to fully audit the performance reports.
- Several ADOs report difficulty determining the value of certain measures, such as the amount of capital investment leveraged and employment wages for many projects. Gathering this information depends greatly on the strength of the relationship between the ADO and the individual business they are reporting on, so results are often inconsistent.
- Each ADO focuses on different aspects of recruitment, retention, expansion and trade, so reporting is not consistent between ADOs. For example, a small county like Asotin has fewer resources than an urban county in Western Washington, so its efforts are typically focused on a smaller set of deliverables.

Key Outcomes

In State Fiscal Year (SFY) 2016, ADOs reported that they:

- Helped 134 companies throughout the state relocate, expand and grow through retention or startup.
- Recruited 28 companies to locate new facilities within the state, a 42.8 percent increase over SFY 2014.
- Supported 39 expansions of businesses.
- Worked on the recruitment/expansion of 11 businesses.
- Retained 29 businesses.
- Worked with 55 startups.

Combined, these efforts led to 3,465 jobs being created and/or retained and \$260.2 million in private investment. In comparison, ADOs created and retained 2,095 jobs and supported \$485 million in private investment in SFY 2014.

Business Recruitment

ADOs recruited 28 companies statewide in SFY 2016, generating 964 new jobs. This included 79 new jobs in King County, 663 in Spokane County, and 74 in Whatcom County. These three counties accounted for 85 percent of all jobs created in the state according to ADO reports. Counties not listed did not report job numbers.

Business Retention and Expansion

ADOs completed 29 retention projects and supported 39 expansions for the reporting period. The 29 retention projects retained 1,133 jobs.

Business Startups

ADOs provided business startup services to 55 new businesses during 2015-16, compared to 53 in 2013-14.

This slight increase is probably due to improving economic conditions statewide following the Great Recession. Note that the Legislature approved two new startup centers in Asotin and Whitman counties in FY 2016. This increased local focus on the startup community may further increase the number of startups in the next reporting cycle, as these two new centers are already demonstrating results.

Table 1: Total Jobs Created and Retained in SFY16

County	New Jobs Created	Jobs Retained
Adams		80
Asotin	1	1
Chelan	1	7
Cowlitz	72	
Douglas	17	
Grant	224	
Island	9	3
King	346	250
Kitsap	11	
Klickitat	26	2
Lincoln		15
Pacific	70	
Pend Oreille	1	104
Pierce	60	86
San Juan	42	8
Skagit	88	116
Skamania	5	61
Snohomish	175	55
Spokane	729	184
Stevens/Ferry	3	7
Wahkiakum	3	3
Walla Walla	6	
Whatcom	74	465
Yakima	55	
Totals	2,018	1,447

Source: ADO Quarterly Reports

State Audit Findings and Recommendations

A *Performance Measures in Economic Development Programs* audit was conducted by the state Auditor's Office in 2014. The purpose of the audit was to explore the role of ADOs as an economic driver in the areas of business recruitment, retention, expansion, investment and jobs.

The audit found it difficult to isolate the direct impact of ADO services, largely because so many variables must be factored into any local economic development effort, such as the availability of loans, suitable property, company sales, inflation rates, the price of raw materials and other factors outside the control of local economic developers.

The [*Performance Measures in Economic Development Programs, Audit Number 1012412*](#), concluded, in part that:

- Commerce cannot accurately measure ADO impacts due to a number of factors, including cross-collaboration between economic development interests; the difficulty in counting actual job gains/losses; the long timeline many projects take to reach fruition; and self-reported data that relies on uncorroborated numbers provided by the companies that were assisted.
- Commerce lacks the tools to collect accurate data required for decision making, as well as clear authority to withhold grants based on missing performance targets.
- ADOs self-select their reporting criteria, potentially skewing data towards lower-priority activities in order to reach stated targets. The potential for skewing also exists within the different missions of each ADO, since many rural organizations focus on other economic development tasks that are not related to jobs, investments, recruitments or expansions.
- Commerce's ability to set clear and consistent ADO goals is limited by the state's statute regarding ADO grant funding and its desire to increase service effectiveness, efficiency, and outcomes. As such, outcome measures reflect only some ADO activities because some activities, such as capacity building and long-range planning, are difficult to track using outcome measures.

The audit closed with the recommendations that the Legislature:

- Establish clear goals for the program in consultation with Commerce and the ADOs.
- Reform reporting requirements for both Commerce and the ADO program.
- Improve performance measures based on clarified program goals, including reducing the number of measures, and development of measures that communicate ADO progress, such as quality of work as well as program processes and outputs.
- Clearly define all measures while requiring that they be applied consistently throughout all ADO partnering organizations.

The State Auditor's Office presented its findings at the Joint Legislative Audit Review Committee I-900 hearing on October 15, 2014.

As a result of this audit, Commerce changed the ADO's reporting practices to include a standardized reporting approach with uniform measures based on clarified program goals. This resulted in a reduction of measures, and each measure was more clearly defined in the reporting program so results are more uniform among ADOs, regardless of program location, size or areas of focus.

Appendix A: ADO Reports by County

Adams County Development Council

Summary of Best Practices Shared and Implementation

Grantee: Adams County Development Council

Grant Number: S14-75106-408

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

NOTE: CHANGES IN UNEMPLOYMENT RATES REQUIRE BROAD SHIFTS IN HIRING AND JOB CREATION/ELIMINATION. ADO's FOCUS ON KEY STRATEGIC PRIVATE INVESTMENTS THAT RESULT IN HIGH WAGE JOB CREATION IN SECTORS WITH STRONG MULTIPLIERS. THIS DOES NOT ALWAYS RESULT IN GREAT MOVEMENTS IN UNEMPLOYMENT NUMBERS – WHICH INCLUDE ALL WAGE LEVELS – NOT JUST HIGH WAGE JOBS.

- Current employment and economic information for the community or regional area produced by the employment security department;

Adams County Unemployment Rate:

April 2014: 6.3%

Source: Washington State Employment Security Department
Most recent data available

- The net change from the previous year's employment and economic information using data produced by the employment security department;

Adams County Unemployment Rate

April 2013: 8.1%

April 2014: 6.3%

Net Change from April 2013 – April 2014: 1.8%

Source: Washington State Employment Security Department
Most recent data available

- Other relevant information on the community or regional area;

Entrepreneur Week, November 18-22, 2013

Adams County Development Council, reached out to local high schools hoping to motivate, engage and equip high school students in Othello and Ritzville with the vision of becoming an entrepreneur.

Recommendation for QUADCO Transportation Advisory Board, November 18, 2013

Adams County Development Council recommended board member Patrick Boss for the “Railroad” Position on the QUADCO Transportation Advisory Board. In terms of rail service and infrastructure, Burlington Northern Santa Fe Railway and Union Pacific Railroad have rail lines that run through the eastern half of the Adams County. Additionally, Columbia Basin Railroad Line (an 86-mile long short line) runs through the irrigated western half of the Adams County and provides rail service to Othello, Bruce and Schrag for many grains, frozen and fresh produce and other shippers.

Recommendations for the Port of Othello, January 14, 2014

Adams County Development Council asked the Washington State Commerce Department to consider grant funding for a feasibility study for the Port of Othello, in Eastern Washington State. The funding was granted and will be used by the Port of Othello for development of an additional 42 acres adjacent to the Bruce Industrial Park. Interest in shovel-ready sites has been expressed by several companies. This development will aid in bringing economic stability to Adams County and Othello by providing increased growth and full time jobs. Adams County is an agricultural county with seasonal workers who seek year around work for a better quality of life. Interested businesses are reluctant to sign a contract until shovel-ready sites are available. This study will enable the Port to continue their development of this property and allow growth and stability in Adams County. A feasibility study is a requirement by state and federal funding sources for future infrastructure funding.

Assisted a small business in writing a business plan, Othello, January, 2014

Foreign Trade Zone, April 2014

After many meetings and study the Adams County Development Council gained the participation of the Othello Port District and the Adams County Commissioners to move forward with acquiring an application to the Foreign Trade Zones Board to include Adams County within the Service area of FTZ No. 203. Currently the Port of Moses Lake has accepted the proposal; we are waiting for the final documents. This could take up to 8 months.

Export Readiness Seminar on March 12-13, 2014

Adams County Development Council provided several scholarships to four Adams County Businesses. Partnering with the Washington Small Business Development Center we hosted a two day event including Trade Finance information, Export Banking service Representatives, one on one reviews with Trade Specialists and testimonials from local businesses that have moved onto the international market.

Recommendation for the Adams County Workforce Council, April 2014

Adams County Development Council requested the nomination of Polo Garza, owner of Oasis Trucking Company, to represent Adams County with the Department of Social and Health Services on the Workforce Development Council as a board member.

Recommendation for the Adams County Workforce Council, June 2014

Adams County Development Council requested the nomination of Ken Johnson, owner of Johnson's Glass, to represent Adams County with the Department of Social and Health Services on the Workforce Development Council as a board member.

- The amount of funds received by the ADO through its contract with the department;

	FY 14	FY15	Total
Commerce Funds Awarded	\$ 36,397.00	\$36.397.00	\$72,794.00

- The amount of funds received by the ADO through all sources;

Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		FY 14	FY 15	Total
	Private	\$7,265.00	\$7,500.00\$	\$14,765.00
	Local	\$10,100.00	\$10,500.00	\$20,600.00
	State			
	Federal			
Total Budget		\$	\$	\$35,365.00

- The ADOs impact on employment through all funding sources.
 - ACDC during this period assisted a handful of businesses with questions regarding local business license practices, planning and permitting contacts and access to the Small Business Development Council's support team.
 - Supported the City of Ritzville in its efforts to welcome the Love's Truck Stop during the groundbreaking and ribbon cutting marking the opening of the new facility.

Southeast Washington Economic Development Association – Asotin, Columbia, Garfield & Whitman Counties

Summary of Best Practices Shared and Implementation

Grantee: Southeast Washington Economic Development Association – Asotin, Columbia, Garfield and Whitman Counties

Grant Number: S14-75106-432

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

- Current employment and economic information for the community or regional area produced by the employment security department;

Asotin Co – 5.1% Unemployment down from the previous year-- Labor Force 9520

Garfield Co – 7.2% Unemployment – Labor Force 800

Columbia Co. – 8.4% Unemployment – down from previous year – Labor Force 1420

Whitman Co. – 5% Unemployment – down from previous year – Labor Force 20990

- The net change from the previous year's employment and economic information using data produced by the employment security department;

Asotin Co. - Net change – Labor Force down 260. -2.6% change

Columbia Co. – Net Change – Labor Force same at 1420 no change.

Garfield Co. – Net Change – Labor Force down 160

Whitman Co. – Net Change – Labor Force down 120 -1.5% change

- Other relevant information on the community or regional area;

The ADO employees in Asotin, Columbia, Garfield, and Whitman Counties for the Southeast Washington Economic Development Association (SEWEDA) engage with the development and retention of local and regional businesses throughout the four Counties. This is accomplished through:

- Recruitment and Marketing

Recruitment opportunities are few in the rural region of SE Washington, but have included working with Department of Commerce leads, as well as

developing opportunities developed locally. Specific opportunities have presented themselves in: value-added agriculture, analytic/scientific laboratory, agricultural by-product manufacturing and light manufacturing.

- Business Retention and Expansion
Regional business retention and expansion is a primary focus area for SEWEDA in all four counties. Consistent efforts are made to maintain current information regarding available buildings and assistance programs. Connections are consistently made between the needs of businesses and resource providing organizations. SEWEDA provides leadership connecting the PKC with the WWCC/Avista Entrepreneurship Program and Blue Mountain Station, from Pullman through Dayton.
- Business Assistance
Direct assistance has been made to businesses in: value-added agriculture, 'Main Street' service businesses, technical business startups, large scale agriculture operations, small manufacturers within several industries, and with a number of startup companies establishing regional operations.
- Readiness and Capacity Building
Direct involvement with marketing industrial properties, seeking grant funding for regional programs, and continuing leadership in regional business education workshops.

- The amount of funds received by the ADO through its contract with the department;

	FY 14	FY15	Total
Asotin County	\$37,904.00	\$37,904.00	\$75,808.00
Columbia County	31,020.00	31,020.00	62,040.00
Garfield County	30,350.00	30,349.00	60,699.00
Whitman County	45,879.00	45,879.00	91,758.00
Commerce Funds Awarded	\$145,153.00	\$145,152.00	\$290,305.00

- The amount of funds received by the ADO through all sources;
Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		FY 14	FY 15	Total
	Private			
Counties/Cities	Local	4725	4725	9450
	State			
EDA	Federal	75,000	75,000	150,000
Total Budget		\$79,725	\$79,725	\$159,450

- The ADOs impact on employment through all funding sources.

Wind: Two recent projects, one in Whitman County, and a currently being constructed project in Columbia County have provided numerous temporary positions for construction activities, provide permanent positions, as well as substantial monetary investments into the projects. SEWEDA has facilitated local sourcing for contractors and labor, permitting issues, and local contact facilitations.

Blue Mountain Station: The Port of Columbia, with SEWEDA assistance on some grants and technical assistance has opened BMS, and artisan food center that houses 5 start-up value-added agriculture operations that are expanding their markets. 9 FTE's created, with five new business starts to date.

In Garfield County, two new business start-ups assisted through SEWEDA with assistance from business education classes and Technical Assistance provided. Five FTE's created, \$500,000 in capital improvements and investments.

Local assistance provided to recruiting with the Department of Commerce as a partner, the Westwinn Group that has merged with Renaissance Marine to add approximately 20 jobs to their jet boat manufacturing facility in Clarkston. Additional support made to Renaissance through the Governor's strategic investment in their supervisory training at \$140,000 to date.

Deep impactful involvement upon the Technical Assistance Committee, Celebration Committee, and as mentor with the Avista/Walla Walla Community College Entrepreneur Development Program which graduated the first cohort of 11 businesses in June, undetermined number of jobs created and retained. Investments are projected to be between \$1.5 to \$2 million for these businesses at start-up for the group total, once the businesses are fully formed and in operation. Two current businesses are planning expansions, with employment and investment numbers unavailable at this time.

Lead agency for grant acquisition for the initial Palouse Knowledge Corridor's 'Be the Entrepreneur' Bootcamp held in June. 13 businesses attended to develop their models, with several startups in the mix. Additional support was provided through the Whitman County ADO position as lead conference facilitator, with additional mentoring support through regional economic development. As this was a multi-state effort, many organizations on both sides of the border were involved in making the event a success from a business development perspective.

Consistent technical support given, from all four counties, to Columbia Pulp -, a start-up pulp mill utilizing surplus wheat straw. Facilitation services across the four counties to tie the management to resource producers, ongoing technical assistance to minimize permitting issues, financing assistance, and community facilitations provided. Construction slated to start in 2015, with 160 FTE's projected after construction is completed on phase one.

Tri-City Development Council – Benton & Franklin Counties

Summary of Best Practices Shared and Implementation

Grantee: Tri-City Development Council – Benton, Franklin Counties

Grant Number: S14-75106-439

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

- Current employment and economic information for the community or regional area produced by the employment security department;

See attachments

The net change from the previous year's employment and economic information using data produced by the employment security department;

Increase in 4,670 jobs from July 2013 to July 2014

- Other relevant information on the community or regional area;

Economic activity in Benton and Franklin Counties slowed and employment decreased as stimulus funded projects at the Hanford Nuclear Reservation were completed in 2012. Historically, such downsizing severely impacted the local economy. This time, however, TRIDEC's success in promoting business growth and diversity softened the blow. Agriculture and food processing, education and healthcare services, retail trade and food services combined to lessen the impact of job losses at Hanford.

Population growth continues to drive demand for education and healthcare services. Manufacturing and agriculture, wholesale trade, transportation and warehousing industries are growing. Research and development, manufacturing, and food processing will play a big role in the future prosperity of Benton and Franklin Counties.

- The amount of funds received by the ADO through its contract with the department;

	FY 14	FY15	Total
Benton County	\$91,850.00	\$91,849.00	\$183,699.00
Franklin County	52,583.00	52,583.00	105,166.00
Commerce Funds Awarded	\$144,433.00	\$144,432.00	\$288,865.00

- The amount of funds received by the ADO through all sources;

Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		FY 14	FY 15	Total
	Private	\$629,400	\$629,400	\$1,258,800
	Local	235,313	235,313	470,626
	State	485,000	0	485,000
	Federal	406,100	311,273	717,373
Total Budget		\$1,755,813	\$1,175,986	\$2,931,799

- The ADOs impact on employment through all funding sources.

The Tri-City Development Council (TRIDEC) is the lead economic development organization serving the Kennewick-Pasco-Richland, Washington Metropolitan Statistical Area (MSA). The MSA includes Benton and Franklin Counties and is also known as the "Tri-Cities". TRIDEC is organized as a private not-for-profit corporation governed by a forty member Board of Directors. TRIDEC is supported by 350 member firms and local governments. The organization is designated as the Community Reuse Organization (CRO) for the Hanford Site by the Department of Energy and the Associate Development Organization (ADO) for the Tri-Cities by the Washington Department of Commerce.

TRIDEC's marketing program has followed a Regional Marketing Strategy developed by Angelou Economics, an Austin, Texas based consulting firm. The Strategy has been refined to focus on three target industry sectors; Research & Development, Technology Manufacturing with an emphasis on energy, and Food Processing/Value Added Agriculture. In July 2013 TRIDEC Staff developed a Request for Proposal and Scope of Work for a "New Economy Target Industry Program" which would update the Angelou study. Seven responses to the RFP were received in August. Three finalists were selected and interviewed in September. In November 2013 TRIDEC signed a contract with TadZo Consultants for a "New Economy Target Industry Analysis". TadZo is a Yakima, Washington based economic development consulting firm. The analysis was completed in March 2014 and was presented to TRIDEC's membership at the 2013 Annual Meeting. The report included a Competitiveness Report Card, Competitor Intelligence, Target Industry Recommendations as well as recommendations on activities that TRIDEC could do to be more successful in recruiting new business. Based on the TadZo recommendations TRIDEC's current and future business recruitment efforts will focus on Logistics, Food

Processing, Machinery Manufacturing, Carbon Fiber Manufacturing, Training, and Energy, including smart grid, solar testing, biofuels, and small modular reactors.

Also in FY 2014 TRIDEC, the Tri-City Visitor and Convention Bureau and the Tri-City Regional Chamber of Commerce retained the firm of Roger Brooks International to develop a Tri-City Community Brand. Ten firms responded to an RFP sent out in mid-summer. Five firms were selected for interviews. The concept was introduced to the community in October 2013. As part of the process the Brooks team spent a week in the Tri-Cities in January conducting interviews and familiarizing themselves with the community. In March they conducted a “Brand Camp” which included introducing a preliminary concept to the principals. The process is scheduled to be completed in June 2014.

Throughout the FY 2014 TRIDEC participated in many tradeshow and events to bring attention to the Tri-Cities and make industry contacts. In September 2013 and the spring of 2014 TRIDEC staff participated in the semi-annual meeting of the Industrial Asset Manager’s Council (IAMC) meeting in Salt Lake City, Utah, and Pinehurst, North Carolina. IAMC is a national association of corporate real estate executives and site selection consultants. TRIDEC sponsored a breakfast at the meeting which was attended by approximately 200 corporate executives, site selection consultants and other economic development organizations. TRIDEC also took the lead in organizing a private dinner for several corporate real estate executives and two site selection consultants. The dinner was hosted by the States of Washington and Oregon, TRIDEC, and the City of Renton Washington.

Other shows TRIDEC participated in were PowerGen, and the Northwest Food Processors and Packaging meeting in Portland, Oregon. PowerGen is one of the country’s largest trade shows focused on energy. A number of good contacts were made and TRIDEC committed for booth space for the 2014 show.

TRIDEC also is extensively involved in efforts to improve the availability and quality of workforce education and training programs in the Tri-City region. These programs include:

The Advisory Council for Washington State University Tri-Cities (ACT) is comprised of business, civic, and education leaders who have a strategic interest in WSU Tri-Cities. The Advisory Council’s primary mission is to foster closer ties between WSU Tri-Cities, its alumni, plus the community, region, and state. The ACT has supported development of the WSU Tri-Cities Wine Science Center. The center is critical to the future growth of the Washington wine industry, positioning the Tri-Cities and WSU as one of the top leading research and teaching programs in the world of wine.

Benton-Franklin Workforce Development Council – The Benton - Franklin WDC is a business led board that coordinates and leverages workforce investments and strategies with stakeholders from education, economic development, labor and community based organizations to advance the economic health of their communities through a skilled and competitive workforce.

Delta High School offers courses with a heavy focus on the STEM fields: science, technology, engineering, and mathematics. STEM is an acronym referring to the academic disciplines of science, technology, engineering, and mathematics. STEM programs improve competitiveness in technology development, having implications for workforce development, national security concerns and immigration policy.

Port of Chelan County

Summary of Best Practices Shared and Implementation

Grantee: Port of Chelan County

Grant Number: S14-75106-410

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

- Current employment and economic information for the community or regional area produced by the employment security department;

Chelan / Douglas Counties (Wenatchee MSA) Labor Area Summary for May 2014 states Unemployment is 7.3%; local nonfarm jobs filled were 41,100, total labor force was approximately 56,850; agricultural employment stays strong with anticipated good harvest conditions.

- The net change from the previous year's employment and economic information using data produced by the employment security department;

Chelan / Douglas Counties (Wenatchee MSA) Labor Area Summary for states Unemployment has decreased from 7.9% in 2013 to 7.3% in 2014; local nonfarm jobs filled increased from 40,300 in 2013 to 41,100 in 2014, total labor force decreased slightly from 57,250 in 2013 to 56,850 in 2014.

- Other relevant information on the community or regional area;

Activity in the region continues to gain in job growth, reducing the unemployment rate. Development activity continues in Wenatchee with the new Pybus Public Market open for one year, and many construction projects including work live apartment complex. Holden Mine continues with clean up increasing activity this past year. The Port of Chelan County assisted in Confluence Health expansion with a contact center employing 32, US Mat employing 50, and multiple small businesses looking for business assistance to expand, strengthen their business to maintain jobs, as well as start-ups.

- The amount of funds received by the ADO through its contract with the department;

	FY 14	FY15	Total
Commerce Funds Awarded	\$57,900.00	\$57,899.00	\$115,799.00

- The amount of funds received by the ADO through all sources;

Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		FY 14	FY 15	Total
Lease Income	Private	\$1,278,850	\$1,311,250	\$ 2,590,100
Tax Collected & Local Project Passthrough	Local	\$2,783,648	\$2,468,639	\$5,252,287
DOE Project/CERB Projects	State	\$2,965,060	\$3,599,505	\$6,564,565
FHWA Project	Federal	0	\$168,145	\$168,145
Total Budget		\$7,027,558	\$7,547,539	\$14,575,097

The Port of Chelan County operates under a Calendar Fiscal year. Numbers provided in FY14 column are Calendar Budget numbers from 2013, and FY15 are Projected Calendar Year 2014. Pangborn Memorial Airport operations are a separate entity and are not included in this funding summary.

- The ADOs impact on employment through all funding sources.

The Port of Chelan County has a total of 17 tenants that employ 380. Separately, the Port owned Pybus Public Market building, located in Wenatchee, is leased to the Pybus Market Foundation. The facility has 19 retail businesses employing approximately 50. The Port owned Industrial Building #3 now houses the Confluence Health Contact Center employing 32 and included \$1,000,000 in private capital investment. The Port of Chelan County assisted with the move of US Mat from Oregon to Chelan County brought 50 jobs and additional unknown capital investment. The Port successfully recruited Yahoo Japan for datacenter space with additional capital investment. Business assistance through the Small Business Development Center continues to help with business retention, expansion and start-up businesses.

Clallam County Economic Development Council

Summary of Best Practices Shared and Implementation

Grantee: Clallam County Economic Development Council

Grant Number: S14-75106-411

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

- Current employment and economic information for the community or regional area produced by the employment security department;
- Current employment and economic information for the community or regional area produced by the employment security department;
 - Civilian Labor Force – 26,820
 - Employment – 24,620
 - Unemployment – 2,200
 - Unemployment rate – 8.2%
- The net change from the previous year's employment and economic information using data produced by the employment security department;

NET CHANGE

- Civilian Labor Force – Down by 780
 - Employment – Down by 460
 - Unemployment – Down by 320
 - Unemployment Rate – Down by 0.9%
- Other relevant information on the community or regional area;
Our main focus was the forestry industry and these are the greatest needs and concerns:
 - L & I insurance high costs are crippling many businesses
 - Government regulations are cumbersome, and create challenges and obstacles.
 - Permitting process is time consuming and length.

- Basic skilled labor needed in the area of CDL drivers, mechanics, welders
- Focus on Forks with respect to pairing students or unemployed with Forks Businesses
- Those in the Timber Industry need more input or collaborate to manage forest
- Allow salvage of timber downfall, allowing for an equal balance of needs to the eco system, clean water/air, while reducing numbers of forest fires by selective salvage of downfall for import/export
- Private lands are available, however more and more regulations of state forest/trust lands are squeezing out the independents in the Industry
- Funding/resources needed to be in line with government regulations based on clean air/water act

Marine trades needs and concerns:

Leased properties respect to expansion (if it were to be considered) to have an incentive for expansion to the property lessee. Example: Resources/funding for infrastructure improvements or upgrades necessary for expansion.

Composites companies that were visited did not address and needs or concerns at this time and expressed that overall the composites industry is doing well.

Retail needs and concerns:

- Could use more customers and tourism is down, which equates to lower volumes of sells, especially with respect to more rural areas between Port Angeles and Forks.
- The smaller, specialty retail businesses struggle against the competition of the box stores.

The number of these visits that were located outside of the City of Port Angeles was 14 the remaining 10 were from Port Angeles.

These needs and concerns have been brought to the Clallam EDC board of directors so that we can develop a plan in how we are going to address the needs and concerns of the businesses that were visited this quarter.

In addition to the business retentions visits above the Executive Director, Bill Greenwood has visited many businesses over the last three months. He has been making connections with the local businesses and introducing himself as the new director and gaining a great understanding of the businesses throughout Clallam County.

- The amount of funds received by the ADO through its contract with the department;

	FY 14	FY15	Total
Commerce Funds Awarded	\$ 36,397.00	\$36.397.00	\$72,794.00

- The amount of funds received by the ADO through all sources;
Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		FY 14	FY 15	Total
	Private	\$15,475.00	\$15,475.00	\$30,950.00
	Local	\$104,315.00	\$104,315.00	\$208,630.00
	State			
	Federal			
Total Budget		175,827.00\$	175,827.00\$	351,654

- The ADOs impact on employment through all funding sources.

The number of business that we have conducted Business Retention, Expansion, and Innovation for this quarter was 24. Broken down by industry. These are the number of business that we have visited and addressed needs and concerns of doing business in our county.

- Forestry Industry - 13
- Marine Trades - 3
- Composites - 2
- Retail – 6

Columbia River Economic Development Council – Clark County

Summary of Best Practices Shared and Implementation

Grantee: Columbia River Economic Development Council

Grant Number: S14-75106-412

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

- Current employment and economic information for the community or regional area produced by the employment security department;

On the positive side, Clark County in May had the fastest growth rate for any metropolitan county in the state, at 3.7 percent. Employment growth has been broad-based, with every sector except for manufacturing and government adding jobs at a healthy clip. The county has more than recovered the jobs lost in the recession. However, after adjustment for population growth, the county is still well below the number of jobs it needs. Unemployment remains more than a point above the state average. A large number of people have dropped out of the labor force. There are a lot of long-term unemployed. And there has been a shift towards more part-time employment. (Provided by Scott Bailey at WA ESD)

- The net change from the previous year's employment and economic information using data produced by the employment security department;

The county has added 5,100 jobs (3.7 percent) in the past year. In 2013, the average annual wage was \$44,753, well below the state average of \$52,635. (Provided by Scott Bailey at WA ESD)

- Other relevant information on the community or regional area;

Clark County has identified six key target sectors poised for growth over the next ten years:

- Technology Services
- Technology Products (high tech, advanced manufacturing)
- Wealth Management Services
- Agricultural Processing
- Healthcare Management
- Logistics and Distribution

CREDC is the program administrator for the Greater Portland's five federal agency Advanced Manufacturing Jobs and Innovation Accelerator Challenge Grant "Innovations in Advanced Materials and Metals Manufacturing Project", which focuses on growing the advanced manufacturing sector in the Portland region through activities such as supply chain development, increasing foreign direct investment and promoting imports/exports, and supporting the manufacturing workforce.

CREDC is also a subcontractor on the Portland Development Commission's Jobs and Innovation Accelerator Challenge Grant "Clean Tech Advance", which promotes strengthening the clean tech and clean tech manufacturing industries in Clark County.

- The amount of funds received by the ADO through its contract with the department;

	FY 14	FY15	Total
Commerce Funds	\$164,324.00	\$164,324.00	\$328,648.00

- The amount of funds received by the ADO through all sources;

Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		FY 14	FY 15	Total
	Private	\$431,775	\$431,775	\$863,550.00
	Local	\$185,150	\$185,150	\$370,300.00
	State	\$164,324	\$164,324	\$328,648.00
	Federal	\$192,068	\$192,068	\$384,136.00
Total Budget		\$973,317.00	\$973,317.00	\$1,946,634.0

- The ADOs impact on employment through all funding sources. Please see attached CREDC's Annual Report.

2013 ANNUAL REPORT

Accelerating Business Growth and Innovation

Serving Clark County since 1982, the Columbia River Economic Development Council (CREDC) is a private-public partnership of 140 investors and strategic partners working together to advance the economic vitality of Clark County through business growth and innovation. The mission of the CREDC is to develop a strong, innovative Clark County, Washington business environment in collaboration with our private and public sector partners. Below is an overview of the work completed in 2013 on CREDC's strategic initiatives to assist new and existing Clark County companies grow. For more information, go to www.credc.org.

BUSINESS GROWTH

- Visited over 100 traded sector companies
- Assisted five "new-to-market" and four "new-to-export" companies
- Conducted four business forums
- Partnered in the coordination of a business development trade mission including seven regional metal fabricators, which resulted in at least \$1 million in business opportunities with each other and several other opportunities to provide fabricated subassemblies and components to the region

BUSINESS RECRUITMENT & EXPANSION

- Assisted eight companies with relocation to Clark County
- Worked with five existing companies on successful expansion projects
- Together, 2013 recruitment and expansion projects will bring an estimated 650 jobs and \$30 million in new capital investment upon completion

ENTREPRENEURSHIP & INNOVATION

- Produced five PubTalk(TM)* events
- Co-sponsored event with Keiretsu Forum to connect selected Clark County start-up companies with angel investors
- Coordinated the first Digital Innovation Showcase
- Partnered on successful Department of Commerce Innovation Partnership Zone designation: Vancouver-Camas Applied Digital Technology Accelerator
- Contracted for CREDC Entrepreneurial Strategy 2.0 report to guide entrepreneurship efforts

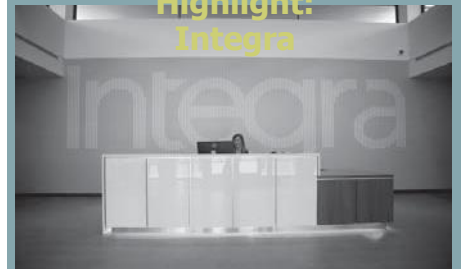
LAND FOR JOBS

- Continued three Land for Jobs subcommittees comprised of both public and private partners: Permitting Policy, Land Inventory, and Site Certification
- Continued efforts to advocate for an infrastructure-focused legislative agenda
- Continued to work with the Department of Ecology and Department of Commerce to meet the industrial development needs of Clark County

EDUCATION

- Developed new Internship Resources website page through Education Committee
- Participated in Engineering Showcase at WSUV and Mechatronics and Machining Open Houses at Clark College
- Highlighted WSUV Creative Media and Digital Culture faculty and student projects at Digital Innovation Showcase
- Represented economic development on the Southwest WA STEM Network, WSUV Advisory Committee, Clark College Worker Retraining Advisory Committee, CTE General Advisory Committee, VPS Management Task Force, Clark County Skills Center Advisory Committee

Business Recruitment Highlight: Integra

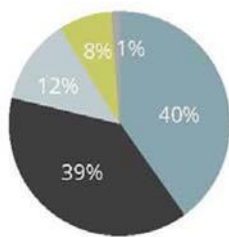


Founded in 1996, Integra is one of the largest facilities-based providers of communication and networking services in the western United States, with approximately 1,800 employees and more than 85,000 customers across eleven states.

After collaboration and strong leadership by the City of Vancouver, Integra announced in April 2013 that it would be relocating its corporate headquarters to Vancouver, bringing over 400 employees and allowing the company to consolidate most workers under one roof. After renovating 85,000 square feet of the former Hewlett-Packard campus,

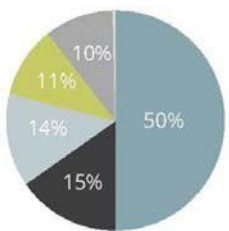


completed the move in May 2014 slightly ahead of schedule.



2013 Revenues by Source

- Private Investors: \$447,773 (40%)
- Public/State Contracts: \$431,178 (39%)
- Federal Grants: \$138,037 (12%)
- Earned Income: \$86,683 (8%)
- Other Revenue: \$12,605 (1%)



2013 Expenditures by Source

- Administrative/Office: \$549,085 (50%)
- Grants: \$167,653 (15%)
- Business Growth/Innovation: \$150,382 (14%)
- Business Recruitment: \$115,234 (11%)
- Investor Relations/Capital Campaign: \$111,315 (10%)
- Land for Jobs: \$4,078 (<1%)

*The service mark PubTalk (TM) is owned by Oregon Entrepreneurs Network, and is being used with OEN's permission.

Business Expansion Highlight: Foods In Season



Cowlitz Economic Development Council

Summary of Best Practices Shared and Implementation

Grantee: Cowlitz Economic Development Council

Grant Number: S14-75106-413

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

Current employment and economic information for the community or regional area produced by the employment security department;

The current unemployment rate as of May 2014 is 8.5%

- The net change from the previous year's employment and economic information using data produced by the employment security department;

The previous year's unemployment rate was 10.4% with a net change of -1.9%

- Other relevant information on the community or regional area;

In November of 2013 we attended the Mission to China along with the Governor's Office, Department of Commerce and colleagues. The result of the mission was belief that the NW Innovations project could be successful as a tenant at the Port of Kalama. Since the mission, the company and Port agreed to a long term lease. Permitting is now underway and could result in a \$1.8 Billion capital investment and 240 family wage jobs for Cowlitz County.

The trip revealed the potential for our area for more trade and economic opportunity in China. In April of 2014 the CEDC again travelled to China with our partners at Lower Columbia College and the City of Longview. The result was an MOU signing with a college in China to bring students to LCC and an MOU signing with a District in China to develop a Sister city relationship. The college expects some students to arrive this Fall and a delegation from China will be in Longview in July to continue discussions on the Sister city relationship. We continued our partnership with Site Location Partners who attend Trade Shows across the United States for us. This is an inexpensive way for us to leverage our resources, market to a large audience and save on the cost of travel.

In the last few months we engaged Point B, a consulting firm, and began a process to update our Strategic Plan. Our last plan came out in 2010 and the Board and staff felt it is time for an update. The plan will roll out in September of 2014 with a large community event.

- The amount of funds received by the ADO through its contract with the department;

	FY 14	FY15	Total
Commerce Funds Awarded	\$70,317.00	\$70,316.00	\$140,633.00

- The amount of funds received by the ADO through all sources;

Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		FY 14	FY 15	Total
	Private	\$165,483.00	\$170,000.00	\$ 335,483.00
	Local	96,500.00	126,500.00	223,000.00
	State	70,317.00	70,316.00	140,633.00
	Federal	97,000.00	97,000.00	194,000.00
Total Budget		\$429,300.00	\$463,816.00	\$893,116.00

- The ADOs impact on employment through all funding sources.

Below is a list of projects that have taken place or are currently in the permitting phase and their job impacts or potential impacts. The projects are a variety of recruitment, retention and expansion cases. In all cases the CEDC has worked multiple hours assisting with permitting, workforce, incentives and a myriad of other issues.

Millennium Bulk – Permitting phase for a \$650mm coal export facility creating over 100 jobs.

NAP Steel – 90K sq ft expansion and 30 new jobs.

Portland Recycling – Purchased a closed manufacturing facility and will put in a \$10mm capital investment and employ over 30 people.

KapStone – Our second largest private employers continues to expand adding over 50 new jobs.

Haven Energy – Started permitting for a \$240mm propane/butane facility which will create 300 construction jobs for 2 years and over 50 permanent jobs.

Ashtown Brewing – New investment with craft brew and restaurant. 10 new jobs, but even more importantly it opens new sector for the area.

NW Innovation Works – Recently signed a 50 year lease and are permitting a \$1.8 Billion methanol manufacturing plant which will create 1,000 construction jobs for 6 years and over 240 full time jobs to operate the plant.

Temco Grain Elevator – Expanding and completing a \$200mm upgrade of the facility.

Bennu Glass – Hired 10 new employees at the wine bottle manufacturing plant.

AcTech - rock crushing/conveyor manufacturing firm located and created 25 new jobs.

AIMMCO – Injection molding company in Woodland expanded by 15 new jobs.

Columbia River Carbonates – Manufactures calcium carbonate products are currently permitting a new berth on the Columbia River to expand their business.

American Paper Converting - Expanding their facility Woodland facility by 60K sq ft and hiring 30 new employees.

Port of Douglas County

Summary of Best Practices Shared and Implementation

Grantee: Port of Douglas County

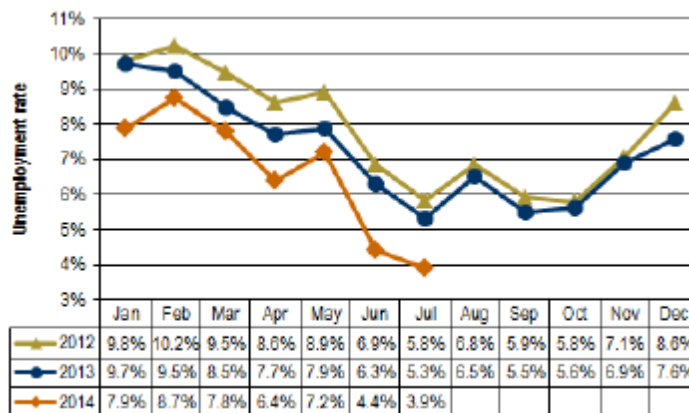
Grant Number: S14-75106-414

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

- Current employment and economic information for the community or regional area produced by the employment security department;

Local nonfarm employers provided 43,500 nonfarm jobs this July, a 1,200 job and 2.8 percent expansion from the 42,300 jobs tallied in July 2013. The Wenatchee Metropolitan Statistical Area (MSA) has now registered year-over-year employment increases for the past 26 months (from June 2012 through July 2014). The Wenatchee MSA's Civilian Labor Force in July 2014 was 73,350, a 3% increase from July 2013. This increase is likely due to strong agricultural hiring during July 2014 (the peak of the cherry harvest). Overall the labor force expanded and the number of unemployed contracted causing the unemployment rate to decrease one and four-tenths percentage points down to 3.9% – good news for our local economy.

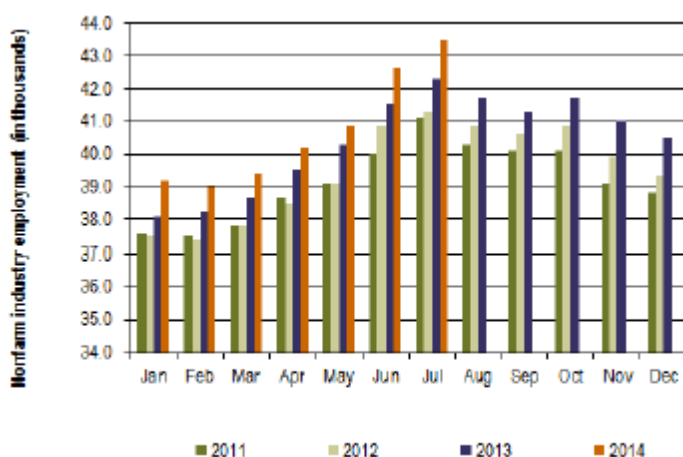


2014 unemployment rates by month

- The net change from the previous year's employment and economic information using data produced by the employment security department;

The Wenatchee MSA's nonfarm labor market provided 900 new jobs between 2012 and 2013, an annual average increase of 2.3 percent, identical to the job growth rate statewide during 2013.

The Wenatchee MSA's Civilian Labor Force (CLF) decreased 2.9 percent in 2013. It continued to shrink in the first six months of 2014. But, this scenario changed in July 2014 when approximately 73,350 Chelan and Douglas county residents were in the labor force, a 3.0 percent increase from the 71,210 residents in the CLF in July 2013. Also, 890 fewer residents were unemployed in July 2014 versus July 2013.



Not seasonally adjusted estimates indicate that Wenatchee MSA nonfarm employment rose to 43,500 in July 2014 from the 42,300 jobs tallied in July 2013, a 1,200 job and 2.8 percent increase. Highlights of year-over-year changes follow (as shown in *Figure 3*):

Mining, logging and construction employment in the Wenatchee MSA provided 2,200 jobs in July 2013 and 2,500 jobs in July 2014, a strong 13.6 percent and 300 job increase. Most jobs in the combined "mining, logging and construction" category are in construction. Year over year, construction employment has been growing in the Wenatchee MSA for the past 19 months (from January 2013 through July 2014) and on an annual average basis, this industry netted 300 new jobs last year. However, according to the August 2014 Real Estate Snapshot newsletter published by Pacific Appraisal Associates, in the Wenatchee Market (i.e., in Wenatchee, Malaga, East Wenatchee, Orondo and Rock Island, WA), the number of homes and condos sold from January through July 2014 was 436, down 8.0 percent from the 474 sold in the corresponding first seven months of 2013. The dollar volume of these homes and condominiums sold also decreased, from \$114.5 million in January through July 2013 to \$112.3 million in the corresponding period this year, a 1.9 percent downturn. However, the median home price in the Wenatchee Market increased to \$225,000 in the first seven months of 2014 compared with \$215,000 in January through July 2013, a 4.7 percent upturn. Thus, fewer homes and condominiums were sold in the Wenatchee Market in the first seven months of 2014 versus the corresponding seven-month period last year and the dollar volume sold also declined over the year. These data suggest that a greater proportion of construction hiring is occurring at industrial,

commercial, or institutional building projects than at residential construction sites.

Private education and health services increased by 100 jobs, up 1.5 percent, between the Julys of 2013 and 2014. Year over year, the Wenatchee MSA's private education and health services industry has added jobs for 19 months (from January 2013 through July 2014). Statewide, this industry has been adding workers for at least the past 79 months (from January 2007 through July 2014).

The Wenatchee MSA's leisure and hospitality industry (primarily hotels and restaurants) has lost jobs, year over year, for the past two months. Between the Julys of 2013 and 2014 leisure and hospitality decreased from 5,900 to 5,700 jobs across Chelan and Douglas counties, a 200 job and 3.4 percent contraction. Conversely, Washington's leisure and hospitality industry has grown for 46 months (from October 2010 through July 2014).

Between the Julys of 2013 and 2014, local government employment increased from 6,500 to 6,600 positions, a 100 job and 1.5 percent increase.

Figure 3

Figure 3

					Change	
	Preliminary	Revised	Revised	Jun-14	Jul-13	Jul-13
Wenatchee MSA	Jul-14	Jun-14	Jul-13	Jul-14	Jul-14	Jul-14 %
Labor force and unemployment						
Civilian labor force	73,350	63,930	71,210	9,420	2,140	3.0%
Resident employment	70,480	61,120	67,450	9,360	3,030	4.5%
Unemployment	2,870	2,810	3,760	60	-890	-23.7%
Unemployment rate	3.9	4.4	5.3	-0.5	-1.4	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	43.5	42.6	42.3	0.9	1.2	2.8%
Total private	34.8	33.9	33.7	0.9	1.1	3.3%
Goods producing	5.3	5.1	4.9	0.2	0.4	8.2%
Mining, logging and construction	2.5	2.4	2.2	0.1	0.3	13.6%
Manufacturing	2.8	2.7	2.7	0.1	0.1	3.7%
Service providing	38.2	37.5	37.4	0.7	0.8	2.1%
Private services providing	29.5	28.8	28.8	0.7	0.7	2.4%
Trade, transportation, warehousing and utilities	10.3	10.0	10.4	0.3	-0.1	-1.0%
Retail trade	5.9	5.9	5.9	0.0	0.0	0.0%
Education and health services	6.6	6.6	6.5	0.0	0.1	1.5%
Leisure and hospitality	5.7	5.6	5.9	0.1	-0.2	-3.4%
Government	8.7	8.7	8.6	0.0	0.1	1.2%
Federal government	1.0	0.9	1.0	0.1	0.0	0.0%
State government	1.1	1.0	1.1	0.1	0.0	0.0%
Local government	6.6	6.8	6.5	-0.2	0.1	1.5%
Workers in labor/management disputes	0.0	0.0	0.0	0.0	0.0	
¹ Excludes proprietors, self-employed, members of the armed services, workers in private households and agriculture. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month. Columns may not add due to rounding.						

- Other relevant information on the community or regional area;
According to reports from our Airport manager Pangborn Memorial Airport has experienced a year over year increase in passenger travel every month in 2014.

In 2005 the Port worked with Douglas County and the Douglas County Sewer District to complete a sewer extension to the Pangborn Industrial Service Area. From 2006 to 2012 the assessed property valuations for the industrial service area increased from \$12,798,400 to \$88,894,800 (\$76,096,400 increase) and this was during the recession.

According to the department of revenue Douglas County experienced a 26% increase in taxable retail sales between 20012 and 2013.

Douglas County Taxable Retail Sales Comparison 2012 to 2013

By North American Industrial Classification System (NAICS)

Industry and NAICS Number	Taxable Retail Sales	Taxable Retail Sales	Year over Year Change	
	2012	2013		
Retail Trade 44-45				
Total:	\$280,088,174	\$324,073,842	\$43,985,668	16%
Agriculture, Forestry, Fishing 11				
Total:	\$631,223	\$983,055	\$351,832	56%
Mining 21				
Total:	\$7,457	\$176,164	\$168,707	2262%
Utilities 22				
Total:	\$695,558	\$909,652	\$214,094	31%
Construction 23				
Total:	\$78,904,317	\$142,858,245	\$63,953,928	81%
Manufacturing 31-33				
Total:	\$9,792,090	\$18,396,994	\$8,604,904	88%
Wholesale Trade 42				
Total:	\$57,905,268	\$88,600,910	\$30,695,642	53%
Transportation & Warehousing 48-49				
Total:	\$2,348,448	\$2,971,173	\$622,725	27%
Information 51				
Total:	\$22,188,701	\$21,714,137	(\$474,564)	-2%
Finance, Insurance 52				
Total:	\$1,470,531	\$1,647,780	\$177,249	12%
Real Estate, Rental/leasing 53				
Total:	\$7,244,531	\$8,776,260	\$1,531,729	21%
Professional, Scientific & Technical Services 54				
Total:	\$52,529,145	\$42,875,632	(\$9,653,513)	-18%
Management, Education & Health Services 55-62				

Grant County Economic Development Council

Summary of Best Practices Shared and Implementation

Grantee: Grant County Economic Development Council

Grant Number: S14-75106-417

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

- **Current employment and economic information for the community or regional area produced by the employment security department;**

Total Employment in a city or county or state are influenced by factors beyond any one entities ability to control or influence. For example in Grant County a hailstorm that wipes out large portions of the cherry crop severely limits the number of people working at the processing facilities for cherries. Even though our organization has helped these processing plants expand and add jobs, this isolated event can still negatively affect total employment numbers at these plants even though it has nothing to do with the ADO's performance or the businesses efforts.

2013 total nonfarm employment (not seasonally adjusted): 38,020

2013 unemployment rate: 8.8%

"The average annual total covered wage in 2012 was \$34,482, well below the state's average annual wage of \$51,964. Although 2012 median wage data are not available for Grant County, the median hourly wage in 2011 was \$15.06, below the state's median hourly wage of \$21.59" (<https://fortress.wa.gov/esd/employmentdata/reports-publications/regional-reports/county-profiles/grant-county-profile#wages>)

- **The net change from the previous year's employment and economic information using data produced by the employment security department;**

2013 total nonfarm employment (not seasonally adjusted): 38,020

2012 total nonfarm employment (not seasonally adjusted): 37,520

Difference: 500

2013 unemployment rate: 8.8%
2012 unemployment rate: 9.6%
Difference: -0.8

- **Other relevant information on the community or regional area;**

Grant County's competitive business assets include an international airport, a foreign trade zone, low electric rates, inexpensive land, a high speed fiber optic network, a local community college, Interstate 90, easy access to rail via intermodal terminals, a highly trained workforce, and over 1,800 farms that annually produce crops and livestock valued at \$1.19 billion.

As one of the largest agriculture counties in the nation, increasing agricultural processing capacity in key Grant County areas will greatly improve profitability and efficiency for fruit and vegetable production. Many of the crops grown locally are processed in the County. Over 2,100 people work directly in food processing, making it a \$364 million industry that has plenty of room to grow as growth in raw agriculture product continues to expand.

With a higher concentration of industrial manufacturing workers than Spokane or Seattle, this sector of the economy is ready for continued growth. Innovative companies in this sector benefit from all of the assets listed above and the EDC specifically targets those companies that have the greatest comparative advantage for a Grant County location.

To build on these assets for continued economic growth the Grant County EDC has established an innovative industrial and agri-business recruitment strategy. The main goals of the economic growth strategy are:

- *Assist with expansion of local agriculture and industrial related business*
- *Assist companies in establishing new facilities in Grant County with focus in the following sectors: aerospace, agribusiness, chemical, composites, and general manufacturing.*
- *Grow the retail and service sector*
- *Assist in economic development infrastructure projects that result in new job creation and new business development in Grant County. Projects could include but are not limited to roads, rail, intermodal, water and sewer, fiber optic capacity, building rehabilitation, etc.*

- **The amount of funds received by the ADO through its contract with the department;**

	FY 14	FY15	Total
Commerce Funds Awarded	\$63,391.00	\$63,391.00	\$126,782.00

- The amount of funds received by the ADO through all sources;

Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		FY 14	FY 15	Total
	Private	\$152,460.00	\$152,460.00	\$304,920.00
	Local	\$229,150.00	\$229,150.00	\$458,300.00
	State	\$63,391.00	\$63,391.00	\$126,782.00
	Federal	\$0.00	\$0.00	\$0.00
Total Budget		\$445,001\$	\$445,001\$	\$890,002

- The ADOs impact on employment through all funding sources.

Job Creating Success Stories - The Grant County EDC assisted the following companies with site selection, environmental and city permitting, utilities, and incentives:

- SGL Automotive Carbon Fibers (Project Chinook) completed primary construction of its second facility and broke ground on a third facility to make its Washington plant the largest carbon fiber manufacturing operation the world. An additional 120 jobs are being added to the facility (46 positions have already been filled) and employment will be at 200 by mid-summer 2015. Current employment is 126. In total, SGL Automotive Carbon Fibers will have invested \$300 million in this manufacturing plant.
- AstaReal, (Project Jackson) a nutraceutical company, located a new facility in Moses Lake and hired 45 people. The 59,000 square foot facility represents an investment of over \$30 million and will be in full operation in July of 2014.
- Amway/Nutrilite (Project Way) has finished construction on its 48,000 square foot facility in Quincy and hiring is continuing to bring the total workforce up to approximately 60 employees. The plant will become fully operational in the summer of 2014. The company invested \$38 million in this project
- Boeing 777X announced that Washington State would be the home of the new 777x final assembly including wing fabrication. The executive Director of the Grant County EDC served actively on the board of the Washington Aerospace Partnership along with other ADO's. As a statewide economic development organization, the Washington Aerospace Partnership worked closely with Boeing to ensure the project stayed in Washington. This project represents an investment of \$4 billion and thousands of aerospace jobs.

Job Creating Projects Started – The Grant County EDC hosted eleven company visits to the County. The EDC facilitated meetings agencies and organizations as requested including ecology, local governments, utility providers, real estate representatives, workforce training providers including employment security, the community college, and others.

The Grant County EDC also responded to an additional nineteen requests for information from companies that are considering constructing new facilities in Grant County. Information provided included; demographics, workforce characteristics, wage data, cost of living, utility

rates, available properties, transportation and other infrastructure, largest employers, regulatory processes, incentives, and other information as requested.

Workforce Development – *The Grant County EDC facilitated the process of connecting the following companies with workforce training programs to aid in employee retention and skills. This also leads to higher earnings for those trained. The EDC continues to work closely with these companies and Big Bend Community College:*

- *REC Silicon*
- *SGL Automotive Carbon Fibers*
- *General Dynamics*

Job Creating Infrastructure Development – *The Grant County EDC assisted with the following infrastructure projects that enable continued economic growth and create or retain jobs:*

- *Port of Royal Slope Rail Project*
- *Port of Moses Lake Rail Project*
- *Port of Warden Rail Project*
- *Port of Quincy Rail Project*
- *City of Soap Lake Main Street Project*
- *City of George Water Project for New Industrial Park*
- *Port of Royal Slope Water Project for Existing Industrial Park*

Small Business Development – *The Grant County EDC assisted eighty-two startups with business planning support including financial planning, marketing planning, and export planning. The EDC also hosted two small business startup workshops.*

Greater Grays Harbor, Inc.

Summary of Best Practices Shared and Implementation

Grantee: Greater Grays Harbor, Inc.

Grant Number: S14-75106-418

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

- Current employment and economic information for the community or regional area produced by the employment security department;

Climbing out of the recession has been a slow process for many of the rural counties in the state and Grays Harbor has been no exception. The situation has been a wait and see attitude as most sectors of the economy have suffered losses that will take some time to regain. The closing of a major mill and the waiting for a buyer has been indicative of the county trying to pull itself up but lacking the financial resources to do so.

Nonfarm employment has, as expected also seen better days. The nonfarm total has not been above 23,000 in Grays Harbor since December 2008. Currently the total has been hanging around the 21,000 area with service-providing employment now accounting for the vast majority of those jobs. With closures in the paper industries, the goods producing sector continue to take hits.

- The net change from the previous year's employment and economic information using data produced by the employment security department;

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2012	14.3%	14.2%	14.0%	12.7%	12.8%	12.4%	12.0%	12.0%	11.2%	11.0%	11.6%	12.6%
2013	13.7%	13.3%	12.8%	12.1%	12.0%	11.8%	11.0%	11.0%	10.6%	10.9%	11.0%	11.7%
2014	11.3%	11.9%	11.5%	9.7%	10.5%							

Even though our unemployment rates have gone down from 2013 to 2014, we are still in the double-digits, and have consistently had the highest unemployment rates in the state.

- Other relevant information on the community or regional area;

Retention continues to be a large component of the economic mix for GH County. GH Community Hospital is in danger of closure or large scale job loss. This is due to the current situation of employers in GH County and the lack of jobs with private sector insurance. Currently 75% of all participants at GH Hospital are either Medicaid or Medicare clients. This currently pays 68% and 90% of cost for hospital operations. Only 20% of patients have private insurance and 5-7% is charity care. GGHI has worked for last two years on retention with senior hospital staff and the Department of Commerce. Currently a campaign is underway to create a Public Hospital District for higher reimbursement rates and public tax dollars to support the operation. GGHI is an active partner to ensuring that this key attribute for the local community and any future recruitment is retained.

NOTE: As of the August 6th, 2014 election, The Public Hospital District #2 measure passed with a 61% yes vote, but there are still several things that need to be addressed. The danger of closure or large scale layoffs has been averted for now.

GGHI is also currently implementing a new marketing and recruitment program geared toward building and maintaining the based opportunities for development in GH County. A county wide system geared at representing the industrial properties available with highest competitive advantages is under construction. This replaces the prior State of Washington "Washington Prospector site" which was cut for services offered in 2012.

In addition, GGHI has contracted with a third party private company "Site Location Partnership" of Austin Texas to develop a new outreach marketing plan geared toward site consultants and private companies on regional, national, and international level. GGHI is also partnering in development of regional alignment for marketing and recruitment with 4 other regional county economic development organizations.

We continue to respond to RFP's as received. We are currently working on two relocation possibilities, one a lumber distribution Company, and a Storage Shed manufacturer; both are in the beginning stages of the vetting process, so nothing significant to report.

We continue to partner with our local WorkSource, Community College, Port, PUD, SBA, and others to provide workshops and business forums to assist our local businesses.

GGHI facilitated a meeting with Public officials from the local & State level, as well as Genesee & Wyoming Rail Road after there were 3 derailments in less than 2 weeks in our County. Concerns were raised about the reliability and safety of the rail. All issues were addressed to the satisfaction of all attending. We also organized a meeting with the railroad and our local Fire & Police departments. They will continue to meet on monthly basis.

- The amount of funds received by the ADO through its contract with the department;

	FY 14	FY15	Total
Commerce Funds Awarded	\$ 36,397.00	\$36.397.00	\$72,794.00

- The amount of funds received by the ADO through all sources;

Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		FY 14	FY 15	Total
	Private	\$220,000	\$220,000*	\$ 440,000
	Local	\$96,400	\$96,400*	\$192,800
	State	\$154,200	\$154,200 *	\$308,400
	Federal	\$0	\$0 *	\$0
Total Budget		\$470,600	\$470,600*	\$941,200

*We do not do our 2015 budget until Nov. of 2014. So the figures in 2015 are estimated. We are hoping to stay the course. We may or may not see more monies in 2015. A lot of our funding is based on local government contracts and membership to our organization, and we cannot assume that we will get funding at the same level from year to year.

- The ADOs impact on employment through all funding sources.

The largest impact facing Grays Harbor is retention of 650 jobs currently underway at Grays Harbor Community Hospital. The narrative or the situation is included above.

In addition, we are currently working on the recruitment of Halo Steel Pipe Manufacturing in McCleary WA. This is a 50 million 450 job project the Dept. of Commerce is involved with and has the ability to bring additional manufacturing jobs to high unemployment area.

In addition, we are currently involved with the Port of Grays Harbor for the RFP for the New Wood Manufacturing plant in Satsop Business Park.

On a different front, GGHI is developing a new world class Business center and visitor information center at the entrance of City of Aberdeen, This center will create a one stop resource center for entrepreneurial support and business support resource for the region. It will include SBDC, GH College, and the City of Aberdeen.

Island County Economic Development Council

Summary of Best Practices Shared and Implementation

Grantee: Island County Economic Development Council

Grant Number: S14-75106-420

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

- Current employment and economic information for the community or regional area produced by the employment security department;

**NAICS Industry Title	May-14
Total Nonfarm	15,600
Total Private	10,980
Goods Producing	1,350
Natural resources and mining	760
Manufacturing	590
Service Providing	14,250
Trade, Transportation, and Utilities	2,440
Retail Trade	2,060
Information and Financial Activities	790
Professional and Business Services	1,230
Education and Health Services	2,310
Leisure and Hospitality	2,170
Government	4,620
Federal	1,390
State and Local Government	3,230
State and Local Government Education	1,460

Item	Date - May 2014
Unemployment Rate	7.1%
Initial Unemployment Claims	252
Continued Unemployment Claims	501

- The net change from the previous year's employment and economic information using data produced by the employment security department;

NAICS Industry Title ³	May 2013 to May 2014 Change
Total Nonfarm	200
Total Private	130
Goods Producing	70
Natural resources and mining	130
Manufacturing	-60
Service Providing	130
Trade, Transportation, and Utilities	-20
Retail Trade	-20
Information and Financial Activities	-50
Professional and Business Services	-80
Education and Health Services	170
Leisure and Hospitality	40
Government	70
Federal	-10
State and Local Government	80
State and Local Government Education	90

Item ⁴	Change – May 2013 to May 2014
Unemployment Rate	-0.5%
Initial Unemployment Claims	+27
Continued Unemployment Claims	-21

Industry and NAICS Number ⁵	2013 Units	2013 Annual Taxable Retail Sales	2012 Units	2012 Annual Taxable Retail Sales	Units Change	Sales Change
Retail Trade 44-45						
Motor Vehicles & Parts 441	158	\$26,232,337	160	\$27,490,538	-2	(\$1,258,201)
New & Used Auto Dealers 4411	30	\$11,353,480	25	\$11,168,349	5	\$185,131
Rv, Boat, Motorcycle Dealers 4412	44	\$2,086,510	53	\$3,811,096	-9	(\$1,724,586)
Automotive Parts & Tire 4413	84	\$12,792,347	82	\$12,511,093	2	\$281,254
Furniture & Home Furnishing 442	190	\$14,988,071	181	\$13,117,970	9	\$1,870,101

³ Source: Washington State Employment Security Department

⁴ Source: Washington State Employment Security Department

⁵ Source: Washington State Dept of Revenue

Industry and NAICS Number ⁵	2013 Units	2013 Annual Taxable Retail Sales	2012 Units	2012 Annual Taxable Retail Sales	Units Change	Sales Change
Electronics & Appliances 443	264	\$16,541,838	249	\$15,255,417	15	\$1,286,421
Building Materials, Garden Equip & Supplies 444	227	\$60,422,477	228	\$54,624,545	-1	\$5,797,932
Building Materials 4441	168	\$56,416,503	172	\$50,884,553	-4	\$5,531,950
Lawn & Garden Supplies & Equip 4442	59	\$4,005,974	56	\$3,739,992	3	\$265,982
Food & Beverage Stores 445	124	\$33,066,485	122	\$31,401,290	2	\$1,665,195
Grocery & Convenience Stores 4451	15	\$29,341,385	14	\$27,813,041	1	\$1,528,344
Other Food & Beverage Stores 4452, 4453	109	\$3,725,100	108	\$3,588,249	1	\$136,851
Drug/health Stores 446	195	\$11,308,782	188	\$10,085,919	7	\$1,222,863
Gas Stations & Convenience Stores W/pumps 447	18	\$15,819,098	18	\$15,236,058	0	\$583,040
Apparel & Accessories 448	265	\$8,080,277	245	\$7,682,301	20	\$397,976
Clothing & Shoe Stores 4481, 4482	223	\$6,407,184	202	\$6,000,414	21	\$406,770
Jewelry & Luggage Stores 4483	42	\$1,673,093	43	\$1,681,887	-1	(\$8,794)
Sporting Goods, Toys, Book & Music Stores 451	286	\$5,988,846	280	\$5,833,605	6	\$155,241
Sporting Goods, Toys, Hobby/craft Stores 4511	201	\$5,152,495	190	\$4,977,918	11	\$174,577
Book/periodical/music Store 4512	85	\$836,351	90	\$855,687	-5	(\$19,336)
General Merchandise Stores 452	35	\$50,314,169	29	\$49,646,708	6	\$667,461
Department Stores 4521	5	\$2,163,749	5	\$2,158,940	0	\$4,809
General Merchandise Stores 4529	30	\$48,150,420	24	\$47,487,768	6	\$662,652
E-commerce & Mail Order 4541	501	\$19,658,716	451	\$15,902,101	50	\$3,756,615
Miscellaneous Retailers 453, 4542, 4543	1,534	\$46,082,501	1,602	\$43,990,319	-68	\$2,092,182

Industry and NAICS Number ⁵	2013 Units	2013 Annual Taxable Retail Sales	2012 Units	2012 Annual Taxable Retail Sales	Units Change	Sales Change
Total:	3,797	\$308,503,597	3,753	\$290,266,771	44	\$18,236,826
Agriculture, Forestry, Fishing 11						
Total:	72	\$1,161,642	81	\$1,240,788	-9	(\$79,146)
Mining 21						
Total:	8	\$411,469	8	\$1,072,473	0	(\$661,004)
Utilities 22						
Total:	13	\$2,028,110	18	\$1,644,916	-5	\$383,194
Construction 23						
Construction Of Buildings 236	584	\$76,014,518	574	\$68,535,446	10	\$7,479,072
Heavy Construction & Highways 237	80	\$7,017,840	86	\$7,871,037	-6	(\$853,197)
Special Trade Contractors 238	1,432	\$53,278,722	1,439	\$45,261,666	-7	\$8,017,056
Total:	2,096	\$136,311,080	2,099	\$121,668,149	-3	\$14,642,931
Manufacturing 31-33						
Total:	868	\$17,508,759	783	\$14,230,846	85	\$3,277,913
Wholesale Trade 42						
Durable Goods 423	1,233	\$22,475,783	1,193	\$22,544,894	40	(\$69,111)
Nondurable Goods 424	594	\$29,698,479	547	\$29,261,253	47	\$437,226
Electronic Markets, Agents & Brokers 425	14	\$550,441	16	\$277,087	-2	\$273,354
Total:	1,841	\$52,724,703	1,756	\$52,083,234	85	\$641,469
Transportation & Warehousing 48-49						
Total:	46	\$937,689	45	\$1,415,777	1	(\$478,088)
Information 51						
Total:	443	\$46,937,146	417	\$42,665,478	26	\$4,271,668
Finance, Insurance 52						
Total:	85	\$4,290,049	79	\$3,983,477	6	\$306,572

Industry and NAICS Number ⁵	2013 Units	2013 Annual Taxable Retail Sales	2012 Units	2012 Annual Taxable Retail Sales	Units Change	Sales Change
Real Estate, Rental/leasing 53						
Total:	277	\$11,933,857	282	\$11,686,942	-5	\$246,915
Professional, Scientific & Technical Services 54						
Total:	621	\$12,566,611	604	\$12,675,560	17	(\$108,949)
Management, Education & Health Services 55-62						
Total:	894	\$28,851,352	911	\$26,170,751	-17	\$2,680,601
Arts, Entertainment & Recreation 71						
Total:	202	\$12,191,752	193	\$11,766,510	9	\$425,242
					0	\$0
Accommodations & Food Services 72					0	\$0
Accommodations 721	135	\$16,755,632	134	\$14,288,003	1	\$2,467,629
Restaurants, Food Services & Drinking Places 722	197	\$68,080,625	199	\$66,444,293	-2	\$1,636,332
Total:	332	\$84,836,257	333	\$80,732,296	-1	\$4,103,961
Other Services 81						
Repair & Maintenance 811	360	\$16,032,520	355	\$15,629,729	5	\$402,791
Personal Service 812	136	\$4,215,735	145	\$4,631,197	-9	(\$415,462)
Religious, Civic & Other Organization 813, 814	51	\$1,725,671	44	\$1,805,588	7	(\$79,917)
Total:	547	\$21,973,926	544	\$22,066,514	3	(\$92,588)
Public Administration, Other 92,00						
Total:	11	\$645,782	10	\$173,584	1	\$472,198

Total Taxable Retail Sales ⁶	2012	2013	Change
Island County	\$695,544,066	\$743,813,781	6.90%

⁶ Source: Washington State Department of Revenue

Sales & Use Tax ⁷	2013 May Basic	2013 May Optional	2012 May Basic	2012 May Optional	Change - Basic	Change - Optional
Island County	\$205,048.45	\$203,382.13	\$180,731.56	\$180,438.53	\$24,316.89	\$22,943.60
Coupeville	\$14,565.19	\$14,445.21	\$15,583.30	\$15,558.26	(\$1,018.11)	(\$1,113.05)
Langley	\$10,679.97	\$10,591.10	\$12,560.91	\$12,540.87	(\$1,880.94)	(\$1,949.77)
Oak Harbor	\$118,201.59	\$117,241.79	\$114,222.20	\$114,036.87	\$3,979.39	\$3,204.92
Total:	\$348,495.20	\$345,660.23	\$323,097.97	\$322,574.53	\$25,397.23	\$23,085.70

- Other relevant information on the community or regional area;

Government Employers:

NAS Whidbey	8,300	(Federal Government - Active Duty:5,900; Civilian and Contractor: 2,400)
Whidbey General Hospital	669	(Health Care)
Oak Harbor School District	660	(Education)
Island County	491	(County Government)
Skagit Valley College	224	(Education - Whidbey Campus)
South Whidbey School District	200	(Education)
Navy Exchange	197	(Retail)
City of Oak Harbor	135	(City Government)
Island Transit	133	(Transportation – fare-free local transit system)
Coupeville School District	100	(Education)
Commissary	63	(Retail)

Private Employers:

100+ employees

Boeing	1,175	(Aerospace Mfg)
Nichols Brothers Boat Builders	221	(Manufacturing – fluctuates due to contracts)
Waste Management ⁸	140	(Waste Services - Call Center)
Safeway	150	(Retail)
IDEX Health & Science	150	(Manufacturing)
Whidbey Island Bank	116	(Financial Services)
Careage of Whidbey	131	(Healthcare)
New Leaf	102	(Contractor to NASWI)
Payless Food	109	(Retail)
Technical Services Inc	113	(Manufacturing)
Whidbey Telecom	110	(Telecommunications - provider for South Whidbey)

⁷ Source: Washington State Department of Revenue

⁸ Waste Management will close the call center in Sept 2014 in a back-office consolidation effort to Phoenix.

Recruitment

In January the EDC board removed recruitment as a primary goal. Doing so was based on the disproportionate challenges Island County faces in attempting to attract out of county or state businesses as compared to other locations.

- Challenges
 - Distance to interstate corridor
 - Distance to large regional airport
 - Limited infrastructure (sewer, water, roads, rail, seaport, etc.)
 - Political will (resident opposition to large businesses recruitment)
 - Limited zoning for larger businesses

Expansion

What the board decided was emphasis on 'growing our own' could result in a higher success rate in developing the local economy. For that reason EDC staff now focuses efforts on growing local businesses.

Local business support runs a broad spectrum. Whether it's helping an electronics firm solve a microscopic level soldering problem by partnering them with WSU or helping a booming business strategic plan, the EDC uses its staff knowledge and network connections to solve business problems and help them grow.

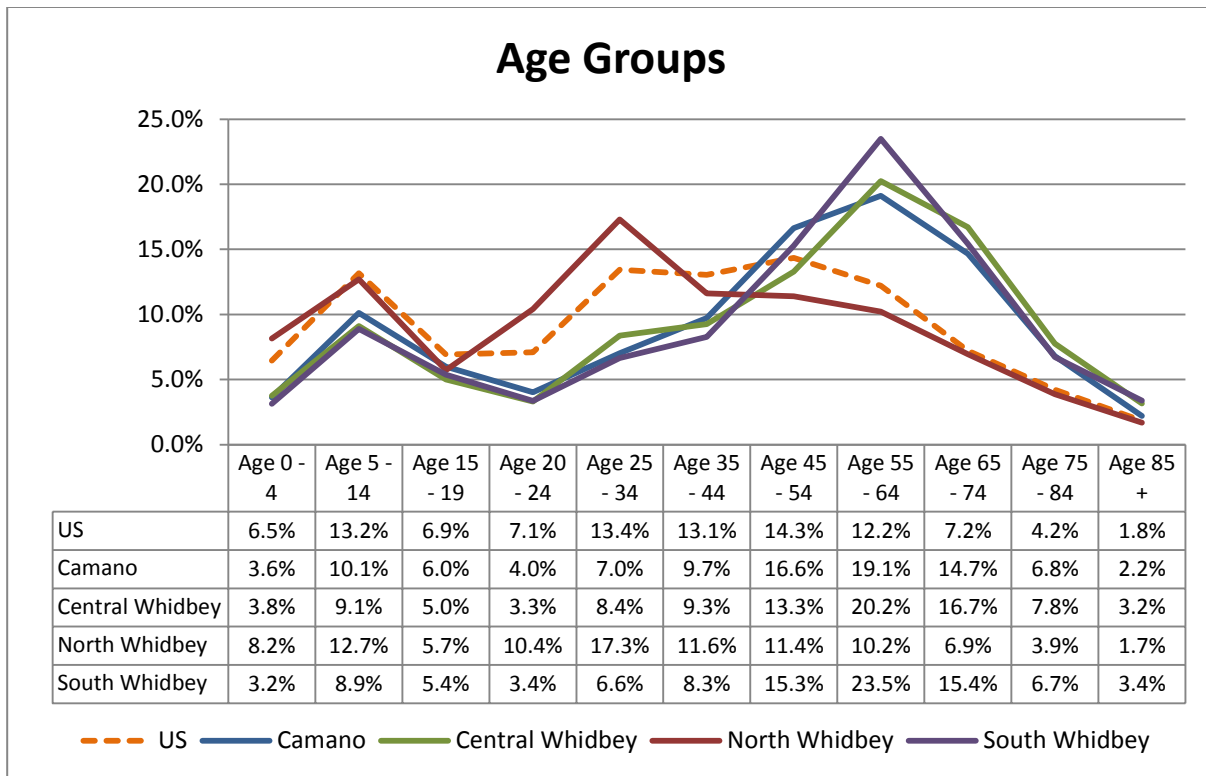
It's the small, entrepreneurial businesses that can have the largest impact for a rural county. In the '80s an electronics person started a business in his garage that today employs over 100 people. Mukilteo Coffee started about a decade ago and now exports around the world. Small businesses can also run into expansion problems in a rural location and leave.

In the '80s Whidbey Coffee started with a coffee cart at the county fair. Due to the transportation and workforce limitations of Island County, the business moved its headquarters off island. Such actions make Island County business development a challenge.

Demographics

The higher number of older residents in Island County has a direct impact on the economy. Elderly people dampen retail activity due to their reduced need to replace clothing or other such times as compared to a young family. An older population also has a lower fertility rate which lends itself to creating a demographic which becomes progressively older over time. Chronic health problems also increase with an older demographic and can place a higher demand on healthcare services. Island County's older than average population places unique challenges on economic development.

The EDC is targeting the growth of living wage jobs within the county to help offset long term economic issues related to a disproportionately sized aging demographic. Focus is being placed on growing light manufacturing, information technology and professional service business. These businesses fit within the resource, infrastructure and workforce limitations of the county and conform to the retention of 'rural character and charm' as desired by the county's residents.



- The amount of funds received by the ADO through its contract with the department;

	FY 14	FY15	Total
Commerce Funds Awarded	\$60,270.00	\$60,269.00	\$120,539.00

- The amount of funds received by the ADO through all sources;

Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		FY 14	FY 15	Total
	Private	\$22,750.00	\$	\$22,750.00
	Local	\$138,000.00	\$	\$138,000.00
	State	\$60,270.00	\$	\$60,270.00
	Federal	\$0.00		\$0.00
Total Budget		\$221,020.00	\$	\$221,020.00

- The ADOs impact on employment through all funding sources.

NAS Whidbey Island

Naval Air Station (NAS) Whidbey Island, with over 10,000 military, civilian and contract employees, continues as the dominant employer in Island County and northwest Washington. In 2010 the EDC learned of a move by the Navy to not locate the P-8 Orion mission at NAS Whidbey but instead place all squadrons at NAS Jacksonville and Marine Corps Base Kaneohe. The EDC took action by completing a thorough cost and airfield encroachment study of Jacksonville and Kaneohe. NAS Whidbey forwarded the final report to Navy leadership. Scott Smith, program manager at NAS Whidbey, stated that the report was key in the Navy's decision to site 6 P-8 squadrons on Whidbey. Because of the decision Island County will not suffer a loss of 1,700 military positions, the base will spend \$111 million in construction and the area will see \$171 million in value added economic activity⁹. The Navy's Record of Decision was announced in June¹⁰.

Success in recruiting the P-8 mission was based on the knowledge that active duty military and Dept of Defense civilians cannot 'lobby'. Third party, independent agencies like EDCs can. However, return on investment to the Dept of Defense in missions and cost savings must be clearly demonstrated.

Fairgrounds Strategic Plan

The EDC entered into a contract with the Board of Island County Commissioners to develop a strategic plan for the Island County fairgrounds property. For several decades the Island County Fair Association has managed the property and, due to the cost of building upkeep, can no longer do so. Landerman-Moore Associates, an Anacortes firm specializing in fairground property planning, was hired by the EDC to create a 10-year plan for a cost of \$65,000.

Final determination by the planner was to focus on producing events the entire year, not just at fair time. Cash flow projections provided in the plan shows a viable business model but residents had grave concerns about the plan. Currently the plan resides with the county for further action.

⁹ Source: Final Supplemental Environmental Impact Statement for the Introduction of the P-8A Multi-Mission Maritime Aircraft into the U.S. Navy Fleet, April 2014

¹⁰ Federal Register /Vol. 79, No. 112 /Wednesday, June 11, 2014

Economic Development Council of Jefferson County

Summary of Best Practices Shared and Implementation

Grantee: Economic Development Council of Jefferson County

Grant Number: S14-75106-421

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

- Current employment and economic information for the community or regional area produced by the employment security department;
- The net change from the previous year's employment and economic information using data produced by the employment security department;

5/2013	8.9%
5/2014	8.0%

- Other relevant information on the community or regional area;

Fort Worden, part of the State Park system for many decades, was leased to the Fort Worden PDA, an independent entity connected with the City of Port Townsend. This effort to enhance the viability of this valuable historical site for use as a center for Lifelong Learning, is a truly important State and local government partnership.

- The amount of funds received by the ADO through its contract with the department;

	FY 14	FY15	Total
Commerce Funds Awarded	\$41,090.00	\$41,090.00	\$82,180.00

- The amount of funds received by the ADO through all sources;

Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		FY 14	FY 15	Total
	Private	\$12500	\$12500	\$25000
	Local	50000	25000	75000
	State	41090	41090	82180
	Federal	0	0	0
Total Budget		\$103590	\$91090	\$194860

- The ADOs impact on employment through all funding sources.

We have been directly responsible for the retention of a company with 18 employees in Jefferson County.

Through our business planning classes, which are held twice each year, 6 businesses have either started a new business or implemented their plan to grow their business. At a minimum, this has resulted in 8 additional jobs.

Annual reports may include the impact of the ADO on:

- Wages
- exports,
- tax revenue, As a result of our proactive creation of a community corporation to fund and open a general merchandise store in downtown Port Townsend, an estimated \$200,000 in additional sales tax revenues have flowed into government coffers.
- small business creation,
 - 6 businesses have either started or entered an expansion effort through our direct involvement with them.
- foreign direct investment,
-
- business relocations,
 - we have been working with a small boat manufacturer in CA interested in moving to Jefferson County. They should make a decision about where in Washington to move by the end of this year. 8 direct jobs. 2-4 indirect.
- expansions,
- terminations, and
- capital investment

Economic Development Council of Seattle & King County

Summary of Best Practices Shared and Implementation

Grantee: Economic Development Council of Seattle and King County (EDC)

Grant Number: S14-75106-416

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

- Current employment and economic information for the community or regional area produced by the employment security department;

Note: Changes in unemployment rates require broad shifts in hiring and job creation/elimination. ADOs focus on key strategic private investments that result in high wage job creation in sectors with strong multipliers. This does not always result in great movements in unemployment numbers, which include all wage levels, not just high wage jobs.

May 2014 employment: 1,276,000

May 2014 unemployment: 54,450, 4.7%

Net gain: 41,700 jobs

<u>By sector:</u>	Construction:	62,100	<u>Net Change from 2013:</u>	7,300
	Manufacturing:	108,800		3,400
	Trade, Transport:	232,700		10,300
	Information:	84,800		3,000
	Financial:	72,200		1,400
	Prof. Services:	206,900		7,100
	Education/Health:	167,000		3,900
	Leisure/Hospitality:	125,500		4,000
	Other Services:	45,000		100
	<u>Government:</u>	<u>171,000</u>		<u>1,200</u>
	Total:	1,276,000		41,700

- The net change from the previous year's employment and economic information using data produced by the employment security department;

May 2013 employment: 1,234,300

May 2013 unemployment: 56,300, 4.9%

<u>By sector:</u>	Construction:	54,800
	Manufacturing:	105,400
	Trade, Transport:	222,400
	Information:	81,800
	Financial:	70,800
	Prof. Services:	199,800
	Education/Health:	163,100
	Leisure/Hospitality:	121,500
	Other Services:	44,900
	<u>Government:</u>	<u>169,800</u>
	Total:	1,234,300

All information from WA Department of Employment Security

- Other relevant information on the community or regional area;

The EDC of Seattle and King County targets the following industry sectors:

- | | |
|-------------------------------|---------------------------------|
| • Aerospace | • Maritime |
| • Life Sciences & Health Care | • Financial & Business Services |
| • Information Technology | • Global Trade & Investment |
| • Clean Technology | • Fashion & Apparel |

In addition to our day-to-day, one-on-one business assistance programs, we are actively working to improve and advance our targeted industry sectors. Specifically, from July 1, 2013 to June 30, 2014, we:

- Helped establish and serve as the administrative agent and convener for the King County Aerospace Alliance, which held meetings at multiple aerospace companies in King County;
- Recruited companies and investment at multiple trade shows, including, among others, the Pacific Northwest Aerospace Alliance, the Aerospace & Defense Supplier Summit, and led a delegation to GLOBE 2014, the clean technology conference in Vancouver, BC.
- Co-founded and serve on the Board of the Washington Clean Technology Alliance;
- Served on the Board of the Washington Biotechnology & Biomedical Association;
- Administered the Innovation Partnership Zone (IPZ) for Financial Services in King County;
- Co-administered with the City of Redmond the IPZ for Interactive Media;
- Served on the Steering Committee for the Medical Device IPZ in Bothell;
- Operated two incubators for computer game developers, in Seattle and Redmond;
- Prepared and promoted an economic impact study of the Maritime Sector in Washington;
- Prepared and promoted an economic impact study of the Interactive Media industry in Washington;

- Served on the advisory boards of several community colleges on workforce and curriculum development;
- Co-managed with the Trade Development Alliance the Greater Seattle Metropolitan Area Global Trade and Investment Plan Pilot Project, an initiative of the Brookings Institution/JP Morgan Chase Global Cities Initiative focused on Foreign Direct Investment.
- Presented an annual Economic Forecast Conference, looking at national and regional prospects and focusing each year on a specific sector which was attended by over 700 people; and
- Hosted sector-specific events on topics of interest to our constituents.

- The amount of funds received by the ADO through its contract with the department;

	FY 14	FY15	Total
Commerce Funds Awarded	\$220,134.00	\$220,133.00	\$440,267.00

- The amount of funds received by the ADO through all sources;

Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		FY 14	FY 15	Total
	Private	\$257,500	\$	\$
	Local	488,616		
	State			
	Federal			
Total Budget		\$1,045,700	\$	\$

- The ADO's impact on employment through all funding sources.

From July 1 ,2013 to June 30, 2014, in addition to ongoing client work rolling over from prior years, the EDC provided retention and expansion assistance to 60 companies within King County, and recruited 49 companies to King County. Examples of major impacts included:

Booking.com Recruitment: The EDC led recruitment efforts for the establishment of Booking.com's third customer service center in the US in King County. The EDC provided customized research on King County covering a variety of subjects from economic statistics to language and demographic data. Additionally, the EDC provided several community briefings to the Booking.com site location team. Booking.com is part of Priceline (NASDAQ: PCLN) and is the world's leader in online accommodation bookings. Based in the Netherlands, the company has more than 100 offices in over 50 countries. In 2012, the company opened an office in Seattle that moved to downtown Bellevue in 2013. Plans

announced in July 2013 for the new customer service center include up to 350 new jobs for the region.

Aerospace Sector: The EDC of Seattle and King County partnered with many other organizations with the aim of keeping Boeing jobs in the region, and in turn, growing the aerospace sector and related supply chains. Boeing's decision to build the 777X in Washington was a double win: in addition to the estimated 8,000 jobs across the Puget Sound region, and multi-billion dollar investment, we are now able to recruit other aerospace companies as suppliers, and we have several related recruitment projects underway. There are currently more than 65,000 aerospace jobs in King County, in 478 establishments.

Interactive Media: Through our game development incubators, we have nine start-up companies to become commercially viable, with an estimated impact of 50 jobs. One of these companies was recently acquired by a major game developer in a multi-million dollar deal.

The EDC works directly with businesses, consultants, site selectors and other decision makers to provide insight and information on demographics, tax structure and incentives, education and training, connections with the labor market and hiring, utilities, transportation, identifying and touring facilities, cost of living, housing, cultural and recreational amenities, and contact with local authorities. Factors influencing site decisions vary broadly – even within industries – and EDC's assistance is customized and tailored to the specific client's needs and interests.

The EDC teams with property developers and real estate brokers, other business and industry leaders, the Port of Seattle, Puget Sound Energy, workforce development, education and training institutions, labor union leaders, elected officials and staff from King County and its cities, Washington State Department of Commerce and others on recruitment efforts. Our partners' responsiveness and proven ability to deliver are critical components of successful recruitment.

Kitsap Economic Development Alliance

Summary of Best Practices Shared and Implementation

Grantee: Kitsap Economic Development Alliance

Grant Number: S14-75106-422

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

- **Current employment and economic information for the community or regional area produced by the employment security department;**

Unemployment Rates

2014	Jan	Feb	March	April	May
Kitsap	6.2%	7.0%	6.6%	5.4%	6.1%

Nonfarm Industry Employment (not seasonally adjusted)

2014	Jan	Feb	March	April	May
Kitsap	82,900	82,900	83,100	83,500	83,700

- **The net change from the previous year's employment and economic information using data produced by the employment security department;**

Kitsap County (Bremerton-Silverdale MSA)				Change		
Labor force classification (place of residence)	Preliminary May-14	Revised Apr-14	Revised May-13	Apr-14 May-14	May-13 May-14	May-13 May-14 %
Civilian Labor Force	115,550	114,810	116,380	740	-830	-0.7%
Employment	108,460	108,600	108,240	-140	220	0.2%
Unemployment	7,090	6,210	8,140	880	-1,050	-12.9%
Unemployment Rate %	6.1%	5.4%	6.9%	0.5%	-0.8%	-11.6%

- **Other relevant information on the community or regional area;**

- ✓ Kitsap named one of the counties in the Puget Sound Aerospace Manufacturing Community designation from EDA
- ✓ Harrison Hospital affiliates with Franciscan Health System in 2013. In May, they announced a planned move of all major hospital functions to a new hospital in Silverdale adjacent to the existing Harrison Hospital facilities. The Bremerton location's future is to be determined, but will likely include keeping an ER and urgent care center open. Harrison is a KEDA client.
<http://www.bizjournals.com/seattle/blog/health-care-inc/2014/05/harrison-medical-center-may-move-hospital-care-to.html>
- ✓ Olympic College has submitted a proposal to continue providing instruction for the Puget Sound Naval Shipyard's apprenticeship program. This is a substantial program of OC; outcome will be determined later in 2014. KEDA maintains a close working relationship with OC – providing research as they explore new BAS degrees, partner with them on workforce development and sit on the president's advisory council.
- ✓ The Trails at Silverdale, a 17.6 acre retail development in Silverdale began construction in May 2014.
<http://www.centralkitsapreporter.com/news/258363301.html>
- ✓ Port Madison Enterprises (PME), Suquamish Tribe, is near completion of Phase 1 of a four phase expansion of Clearwater Resort.
<http://www.northkitsapherald.com/news/209742601.html> PME is a KEDA and PTAC client, receiving ongoing assistance regarding expansion, construction RFPs and training.
- ✓ NASSCO Earl Industries (a subsidiary of General Dynamics) was recently awarded the ship repair contract at Puget Sound Naval Shipyard. NASSCO has pledged to work with KEDA to utilize local/regional subcontractors and become involved in the community.

- The amount of funds received by the ADO through its contract with the department;

	FY 14	FY15	Total
Commerce Funds Awarded	\$99,124.00	\$99,124.00	\$198,248.00

- **The amount of funds received by the ADO through all sources;**

Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		Actual Figures FY 14	Budgeted FY 15	Total
	Private	\$180,068	\$173,000	\$353,068
	Local	227,995	194,000	228,189
	State			
	Federal	27,511	25,000	52,511
Total Budget (Includes Commerce Funds Above)		\$534,698	\$491,124	\$1,025,822

Note: FY14 includes restricted funds for special projects that are not included FY15 numbers.

- **The ADOs impact on employment through all funding sources.**
 - ✓ PTAC (Procurement Technical Assistance Center) sub center provides counseling and guidance for companies interested in government contracting. Since 2007, over \$179M in contract awards have been made to Kitsap companies who have received PTAC assistance from KEDA
 - ✓ ATS (a tech firm) with offices in Silverdale and DC area has 300 employees split between two locations; 90% of their government work is done here. This is a PTAC/BRE client receiving ongoing assistance from KEDA
 - ✓ Recruitment of Omohundro from California resulted in 24 initial jobs, investment of \$3.6M and additional 25 jobs for expansion
 - ✓ Starwood Retail purchased Kitsap Mall (Silverdale) for \$111M; paid \$6.5M for additional retail properties in Silverdale based on demographic and real life info provided to investors; Mall plans expansion and improvement projects in 2014/2015
 - ✓ First Federal Savings and Loan expanded to Silverdale (opened in May 2014); KEDA provided demographics in their review process (improvements: \$377,375)
 - ✓ TMF, a machining firm, acquired AS9100 certification and is expanding from defense to aerospace
 - ✓ Trulife's parent company (based in Ireland) purchased a machine shop in Bellingham based on recommendations to diversify manufacturing infrastructure to aerospace. The Poulsbo location will perform some of the work for the Bellingham location. (NOTE: The newly formed venture from Trulife and the machine shop, Sequoia, will be part of the WA contingent at Farnborough).

Kittitas County Chamber of Commerce

Summary of Best Practices Shared and Implementation

Grantee: Kittitas County Chamber of Commerce

Grant Number: S14-75106-423

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

NOTE: CHANGES IN UNEMPLOYMENT RATES REQUIRE BROAD SHIFTS IN HIRING AND JOB CREATION/ELIMINATION. ADO'S FOCUS ON KEY STRATEGIC PRIVATE INVESTMENTS THAT RESULT IN HIGH WAGE JOB CREATION IN SECTORS WITH STRONG MULTIPLIERS. THIS DOES NOT ALWAYS RESULT IN GREAT MOVEMENTS IN UNEMPLOYMENT NUMBERS – WHICH INCLUDE ALL WAGE LEVELS – NOT JUST HIGH WAGE JOBS.

- Current employment and economic information for the community or regional area produced by the employment security department;

Kittitas County Unemployment Rate:

April 2014: 6.2%

Source: Washington State Employment Security Department

- The net change from the previous year's employment and economic information using data produced by the employment security department;

Kittitas County Unemployment Rate:

April 2013: 7.0%

April 2014: 6.2%

Net Change April 2013-April 2014: -.8%

Source: Washington State Employment Security Department

- Other relevant information on the community or regional area;

Our economic development strategy is focused on the following:

1. Prioritized expansion and recruitment sectors:
 - Manufacturing/Light Industry
 - Resource Energy
 - Recreation and Outdoor related Industries (Retail, Repair, Tourism)

2. Retain and expand existing businesses
 3. Establish an Upper County Economic Development Strategy – Cle Elum Area
- The amount of funds received by the ADO through its contract with the department;

	FY 14	FY15	Total
Commerce Funds Awarded	\$43,325.00	\$43,324.00	\$86,649.00

- The amount of funds received by the ADO through all sources;

Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		FY 14	FY 15	Total
	Private	\$67,446	\$	\$
	Local	76,525		
	State			
	Federal			
Total Budget		\$143,971	\$	\$

- The ADOs impact on employment through all funding sources.

Geddis Building – Partnership with the City of Ellensburg and the Ellensburg Business Development Authority has led to the revitalization of an historic downtown building that had been nearly vacant for the last eight years. Six residential units, all leased, and eight commercial spaces. Five commercial spaces are leased including two startups, two relocations, and an expansion. One of the relocations allowed an existing business to expand into their old vacated space of a different downtown building.

Incubator – One tenant transitioned out of the facility, successfully moved to space downtown, and expanded over the last twelve months. Their transition out allowed another Incubator tenant to expand within the Incubator and two startup companies have moved into the remaining vacant space. The end result is increased manufacturing activity with a variety of products being delivered throughout the Northwest and West coast.

Resource Energy – We secured a Department of Commerce grant to conduct a woody bio-mass study for the feasibility of delivering enough supply to fuel a 5-8 MW power and steam co-gen facility within Kittitas County. If study results are positive it could revive the forestry industry in Kittitas County, address forest health and wild fire issues.

Tourism – Implemented a county wide tourism program in partnership with the City of Cle Elum, City of Ellensburg, and Kittitas County along with several non-profit event managing organizations. This partnership has increased overnight stays, increased

attendance at events, and supports the business community throughout Kittitas County. Contributed to business retention, expansion, and created new or retained jobs county wide.

Water Park/Conference Center – This project was put on hold in 2008-09 with the collapse of the economy. We continue to provide regulatory and legislative support and recent activity indicates ground breaking later this summer. 7-10 businesses are anticipated to locate in the complex.

Klickitat County Public Economic Development Authority

Summary of Best Practices Shared and Implementation

Grantee: Klickitat County Public Economic Development Authority

Grant Number: S14-75106-424

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

- Current employment and economic information for the community or regional area produced by the employment security department;

According to ESD, May 2014 employment in Klickitat County totaled 8,970 of a 9,710 labor force, leaving 740 people (7.6%) unemployed. Klickitat County's "niche" in the aerospace industry which helped bolster the county through the great recession has experienced recent chinks in its armor as a direct reflection of national defense spending reductions.

- The net change from the previous year's employment and economic information using data produced by the employment security department;

According to ESD, 200 fewer people were unemployed in May of 2014 than in May of 2013; however, 190 fewer were working in May of 2014 than in May of 2013 due to shrinkage in the local labor force from 10,100 in 2013 to 9,710 in 2014 and a resulting drop in unemployment rates from 9.3% in May of 2013 to 7.6% in May of 2014. While the decrease in unemployment rates is encouraging, the continuous loss in total labor pool is of concern locally and regionally. Shrinkage in labor force often translates into diminished buying power or, put differently, fewer dollars being spent and, consequently, fewer tax revenues to support public functions.

- Other relevant information on the community or regional area;

Klickitat County is home to the former Insitu, now Boeing-Insitu, a leading Unmanned Aerospace Systems (UAS) firm in Bingen. The firm presence has, almost singlehandedly, resulted in Klickitat County's having the highest average wages in the 5-county Mid-Columbia River Gorge area. In June of this year Boeing-Insitu celebrated occupancy of its new 128,000 square foot facility at Port of Klickitat in Bingen. Klickitat County, Port of Klickitat, and Klickitat County Public Economic Development Authority played key roles in first making leased space available to Insitu; then by responding aggressively to Insitu's FRI seeking a permanent location; and, most recently by providing infrastructure improvements at their selected Bingen Point location.

Interesting to note that while many signs are pointed upward in Klickitat County, fact remains Klickitat County has a higher percentage of people living in poverty than any other county in the region.

- The amount of funds received by the ADO through its contract with the department;

	FY 14	FY15	Total
Commerce Funds Awarded	\$ 36,397.00	\$36,397.00	\$72,794.00

- The amount of funds received by the ADO through all sources;

Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		FY 14	FY 15	Total
	Private	\$	\$	\$
	Local	\$14,181.00		14,181.00
	State			
	Federal			
Total Budget		\$14,181.00	\$	\$14,181.00

- The ADOs impact on employment through all funding sources.

Lewis County Economic Development Council

Summary of Best Practices Shared and Implementation

Grantee: Lewis County Economic Development Council

Grant Number: S14-75106-425

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

- Current employment and economic information for the community or regional area produced by the employment security department;

Lewis County Unemployment rate as of May 2014: 9.5%

- The net change from the previous year's employment and economic information using data produced by the employment security department;

Lewis County Unemployment rate:

May 2013: 11.1%

May 2014: 9.5%

Net change = 1.6%

- Other relevant information on the community or regional area;

Industry Clusters

Lewis County, in collaboration with Thurston, Mason, Grays Harbor, and Pacific Counties, have identified 5 regional clusters that affect us all. Those are:

- Food Manufacturing
- Wood Products
- Glass, Plastics and Chemicals
- Internet and Computer Technology
- Health Sciences

The five county region (nicknamed the Pac5) works cooperatively on two fronts: All 5 EDC's sit on the Pacific Mountain Workforce Development Council's Board of Directors (the WDC is using the clusters to focus their work, also), and second the Pac5 produce the Innovation Expo Conference each year in December. 2014 will be our 5th year. This event has grown to host over 350 participants in a daylong expo and education/workshops event.

The Lewis EDC attends to the clusters as long-term strategies for education and training, site expansions, and supply-chain recruitment or expansions. This activity does not restrain us from the day-to-day opportunities of retention, expansion and recruitment.

The EDC board is working to add new board members (as terms are up) that represent both the individual clusters and the local supply chains for each cluster.

Health Sciences: Providence Hospital in Centralia is Lewis County's largest private sector employer with an average of 880 employees. Providence has been represented on the EDC board by their Chief Operations Officer. Our focus on serving the hospital staff and visitors has been in support of the Centralia Station project. This project is being developed by the Port of Centralia and will add approximately 50 acres of retail and office space within a short distance to the hospital. Currently, there are no services within walking distance (or a short drive) to the hospital and surrounding clinics. The Centralia Station project will create that service center. Land development is proceeding with building projected to begin later this year.

Forest Products: This is Lewis County's largest (by dollar volume) industry. In cooperation with several EDC board members and the PacMtn Workforce Development Council, work has begun to develop safety training curriculum for logging employees. This is critically important for two reasons: First, younger loggers are beginning to experience injuries, sometime fatal; second, the state department of Labor and Industries costs for logging employees is at nearly \$20 per hour to the employer, before the employee gets paid. We will continue to push this issue to keep our loggers safe and to bring down L&I rates. International timber and lumber sales have been robust the first half of 2014. Domestic lumber sales are still sluggish, but are anticipated to speed up sales as building inventories shrink.

Skills training is occurring at the Hampton Lumber mill in Randle. Over 40 employees will upgrade their skills on-site. The state Board for Community and Technical Colleges is funding this effort through Centralia College. The result of this training will allow the company to create less skilled openings as starter jobs and focus on training new hires.

Other mills are interested in training new front line supervisors as they are promoted. A committee of the PacMtn WDC (co-chaired by Michael Cade, Thurston EDC and Dick Larman, Lewis EDC) are surveying companies in the PacMtn 5 county region to determine if front-line supervisory training is needed across the five clusters.

Food Manufacturing: Participated, for the second year, on steering committee to produce the second "Grains Conference". This conference is focused upon returning boutique grain production to western Washington. WSU is the lead agency in this effort. Attendees were from western British Columbia, Washington, Oregon. And, were primarily farmers, brewers, and distillers. Lewis County historically has

produced high quality grains and hops. We endeavor to recreate success in those crops and uses. National Frozen Foods (primarily frozen vegetables) has been in production for 102 years and is poised for more expansion. EDC attended the annual Food Manufacturing show in Portland, Oregon to generate new working relationships in the food business.

Glass, Plastics and Chemicals: These industries, in Lewis County, have traditionally been driven by the national housing market (window and door glass, plastic sewer and water pipe). The glass industry modified its focus to include back-panels for the solar energy company and actually added over 70 employees during the housing downturn.

Internet and Computer Technology: Our primary focus this year has been on the incredible strides take by a local telco. ToledoTel (a small telco in Toledo, Washington – part of Lewis County) has delivered to every business and home in Toledo the option of up to 1 gigabyte of upload and download internet capacity. According to experts this is the fastest available speed in rural Washington, and perhaps most urban areas. We have been targeting companies requiring high-speed internet service. Currently, we are working with two interested companies. Hopefully decisions will be forthcoming this calendar year.

Lewis EDC waves the “readiness” banner. In all these clusters, and in other recruitment, expansion projects the communities must be able to accept new development. The land must be ready (fully serviced) or have the ability to be serviced in a timely fashion. And, the people must be ready to work (education and workforce development). These are our two consistent conversations with local governments, local educators, and local developers. We have found it difficult for trust in future development to cause local public investments in any robust way this year. Uncertainty has frozen many decisions to move forward.

- The amount of funds received by the ADO through its contract with the department;

	FY 14	FY15	Total
Commerce Funds Awarded	\$59,449.00	\$59,448.00	\$118,897.00

- The amount of funds received by the ADO through all sources;

Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		FY 14	FY 15	Total
	Private	\$40,000	\$40,000est	\$80,000
	Local	\$282,000	\$137,000est	\$419,000
	State	\$96,000	\$96,000	\$192,000
	Federal			
Total Budget		\$418,000	\$273,000	\$691,000

- The ADOs impact on employment through all funding sources.

Lewis EDC is a contractor with WSU to provide an Energy Efficiency program for industrial and commercial buildings. Sara Bowles, energy program coordinator has visited over 100 companies throughout Lewis County to determine energy conservation needs and educate the businesses about “buy-down” programs to help defray the cost of new, more energy efficient lighting and equipment. Sara also makes referrals to the EDC for BRE program needs.

Lewis EDC also contracts with Impact Washington to market their products and services to the manufacturing community. This year we have had two completed projects with manufacturing companies. One aerospace and one wood products. Lewis EDC contracts with Site Location Partnership to work 6 national and international trade shows that relate to our clusters. We average 15 to 20 leads per show. EDC (Matt Matayoshi, Marketing Director) follows up on those leads. Matt also makes direct contact with site selectors, property developers, real estate brokers to ensure Lewis County is noticed as a potential site.

We have also been involved in ensuring the Industrial Park at TransAlta has proper marketing materials, including a web-site, and background information to help market large lot (100+ acres) industrial sites. Initially, there is 1,000 acres available.

Lewis EDC sits on two advisory boards for Centralia College, Lewis County Thrives (a county-wide youth programs group), the Pacific Mountain Workforce Development Council, and until April 2014 served for over ten years on the Impact Washington Board.

Lincoln County Economic Development Council

Summary of Best Practices Shared and Implementation

Grantee: Lincoln County Economic Development Council

Grant Number: S14-75106-426

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

- Current employment and economic information for the community or regional area produced by the employment security department;

Background: Lincoln County is 2,317 square miles and 73% of the land is in agricultural production. The population (2010 US Census) is 10,570, 4.6 persons per square mile. In comparison, Washington as a whole has 101.2 persons per square mile.

According to ESD, the number of business establishments for all industries has remained fairly steady since 2004, averaging 567 over the period of 2002 to 2012 (most recent available.) The most establishments, 609, were seen in 2002 and the least, 544, in 2008.

The number of nonfarm employees for all industries over the same eleven-year period averaged 2,936 with a high of 3005 seen in 2004 and a low of 2,876 seen in 2009. Since 2012, ESD reports that Lincoln County nonfarm employment averaged 2,630 in the first half of 2013 compared to 2,700 for the same period in 2012. In 2013 nonfarm employment realized some gains in construction and manufacturing, but most of the increase was offset by decreases in Government.

According to ESD, the number of Unemployment Insurance (UI) claims for all industries in Lincoln County from 2003 to 2013 averaged 580 per year with the highest number of claims being in 2009 (784) and 2010 (741.) Claims have steadily declined since: 2011 saw 587; 2012 saw 527; and 2013 saw 451. For the first half of 2014, UI claims are the lowest seen for that timeframe since 2007.

- The net change from the previous year's employment and economic information using data produced by the employment security department;

May 2013 – Lincoln County's unemployment rate was 7.2%.

May 2014 – Lincoln County's unemployment rate was 6.1%, reflecting a 1.1% reduction.

- Other relevant information on the community or regional area;

Lincoln County is an agricultural county and is regularly the second largest wheat producing county in the nation. Some of our farm jobs are not included in the US census process, the basis for much of ESD's data. The USDA 2012 Census of Agriculture (most recent) indicates that agricultural production was valued at \$183 million, up from \$126.2 million reported in the USDA 2007 Census of Agriculture. According to the 2012 census this production came from 897 farms, up 12% since the 2007 agricultural census. (The Ag census is taken every 5 years.)

Livestock is also strong. The 2012 census valued livestock and livestock products at \$9.6 million, an 8.8% increase over the 2007 totals. Lincoln County is home to Stockland Livestock Auction, one of only two auction yards in eastern Washington, and is home to the region's only USDA-Inspected livestock processing plant. This CERB-funded project not only created jobs (reported in 2013,) it allows livestock producers within a 200-mile-radius to get more value from their herds by enabling them to sell their product directly to restaurants, stores and institutions.

In addition to agriculture, tourism is an economic strength for Lincoln County. The EDC contracts with Lincoln County to act as the Visitor & Convention Bureau. As the Bureau, the EDC provides the administrative services and the County provides lodging tax funds to advertise our recreational opportunities which, in turn, benefits the local businesses that support those activities. Our entire northern boundary is comprised of Lake Roosevelt National Recreation Area and we promote the lake's houseboat vacation rentals, boating, camping and fishing. We also promote the fishing, hunting, hiking, biking and ORV opportunities available on over 100,000 acres of public land located within our boundaries. The Visitor & Convention Bureau partnership is in its fourth year and we have seen lodging tax totals increase since its inception.

The amount of funds received by the ADO through its contract with the department;

	FY 14	FY15	Total
Commerce Funds Awarded	\$33,505.00	\$33,504.00	\$67,009.00

- The amount of funds received by the ADO through all sources;

Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		FY 14	FY 15	Total
	Private	\$5,750.00	\$6,100.00	\$11,850.00
	Local*	\$58,958.20	\$60,182.00	\$119,140.20
	State			
	Federal			
Sub Total		\$64,708.20	\$66,282.00	\$130,990.20
Total Budget		\$98,213.20	\$99,786.00	\$197,999.20

**Local funds include \$48,576.20 in support from Lincoln County without which we would have one part time employee instead of 1.5 fulltime employees we have now.*

- The ADOs impact on employment through all funding sources.

The EDC is the single resource for business assistance located within the County. We administer the County's economic development strategy and we do so by partnering with other entities (the Spokane SBDC office, WSU Extension, USDA-RD are examples.) We provide direct business assistance as well as workshops and networking opportunities.

FY 14 Project Report:

The EDC has been assisting intelliPaper, a 5-year-old technology company that manufactures recyclable, paper-based USB flash drives, since 2012. Owners have invested \$2 million in the company and, at the end of FY 14, intelliPaper received a \$750,000 Craft3 loan to increase production. I reported 13 employees in our project report for FY 14. Since then the company has added a second shift.

Even though the company is expanding, this was listed as a retention project. While the President and product developer lives in Lincoln County, there are other owners who live out of state (California, Missouri and Alaska) and they would like to see the company moved to their home states. The EDC will continue to work with intelliPaper, making every effort to see the growing company remain in Washington.

Economic Development Council of Mason County

Summary of Best Practices Shared and Implementation

Grantee: Economic Development Council of Mason County

Grant Number: S14-75106-428

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

NOTE: CHANGES IN UNEMPLOYMENT RATES REQUIRE BROAD SHIFTS IN HIRING AND JOB CREATION/ELIMINATION. ADOs FOCUS ON KEY STRATEGIC PRIVATE INVESTMENTS THAT RESULT IN HIGH WAGE JOB CREATION IN SECTORS WITH STRONG MULTIPLIERS. THIS DOES NOT ALWAYS RESULT IN GREAT MOVEMENTS IN UNEMPLOYMENT NUMBERS – WHICH INCLUDE ALL WAGE LEVELS – NOT JUST HIGH WAGE JOBS.

- Current employment and economic information for the community or regional area produced by the employment security department;

Mason County Unemployment Rate:

May 2014: 8.4%

Source: Washington State Employment Security Department

- The net change from the previous year's employment and economic information using data produced by the employment security department;

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2012	11.8%	12.0%	11.5%	10.4%	10.5%	10.4%	10.3%	10.3%	9.7%	9.0%	9.3%	10.3%
2013	11.3%	11.2%	10.6%	9.8%	9.9%	10.0%	9.3%	9.2%	9.0%	8.7%	8.5%	9.4%
2014	9.2%	9.9%	9.2%	7.6%	8.4%							

Source: Washington State Employment Security Department, Labor Market and Performance Analysis

Mason County Unemployment Rate:

May 2013: 9.9%

May 2014: 8.4%

Net Change: -1.5%

Source: Washington State Employment Security Department Fiscal Year 2013 in review:

Fiscal Year 2013 in review:

The EDC of Mason County has two full time employees and we were without an executive director for about half of the year. Despite the lack of paid staff during this time, the EDC was able to achieve many goals by utilizing Board Members.

Workforce:

- After not having a fulltime director at the Shelton campus for some time, Olympic College needed to become reacquainted with the community. The EDC played a key role in reintroducing the College to the community by facilitating forums and events.
- The executive director of the EDC joined the Pacific Mountain Workforce Development Board. Along with serving on the Board of Director's, we assisted in a research project to identify middle- and high-wage occupations projected to have at least twenty annual openings in the five-county region between 2013 and 2018 . The ultimate goal was to determine whether the region would be able to produce job-ready employees to meet that industry demand and, if not, to identify additional training services or approaches to address shortcomings and, thereby, stabilize the workforce side of a broader industry retention and expansion effort.

Entrepreneurial Development:

- The EDC partnered with the high school to hold a youth business plan competition. Sixteen students participated in the competition which entailed writing a business plan and then making a presentation to a panel of five community leaders.
- The EDC partnered with both Chambers of Commerce, two ports, Washington State University and Olympic College to develop and hold a community forum entitled "Getting to Yes: Enhancing our Entrepreneurial Environment". The forum was well attended by community leaders and a SWOT analysis was conducted.

Business Assistance:

- The EDC has been working to retain three manufacturing businesses, assisting two businesses with expansion plans and worked with one new business that will be operational at the end of the summer.
- The EDC worked with a fabricator to assist in getting additional work. They are delving into the boat building industry and we are hopeful that we will see their opportunities for this new market grow.
- The EDC assisted a local hatchery project in selling their business to Pacific Shellfish. The new owners intend to rear steelhead to fingerling size and then transfer them to their fish rearing site in Omak on the Columbia River. They are very interested in continuing to grow the fin fish side of their operation.
- SCORE is a nonprofit association dedicated to helping small businesses get off the ground, grow and achieve their goals through education and mentorship. The EDC recruited a volunteer and put him through the training to become a certified SCORE Counselor.

Infrastructure:

- The EDC has been working with Port of Shelton to fill their industrial buildings. They are at 100% capacity for the first time in several years.
- The EDC has assisted the Mason Transit Authority in developing plans to build a community center.
- The EDC has worked with local legislators and public entities to find ways to fund the Belfair sewer project.
- The EDC has worked with Public Utility District 3 to help keep utility rates considerably lower than surrounding counties. Mason PUD 3 has been designated as a diamond level utility in this year's Reliable Public Power Provider (RP3) program from the American Public Power Association (APPA). The designation recognizes PUD 3 for providing its customers with the highest degree of reliable and safe electric service. PUD 3 is one of 94 of the nation's more than 2,000 public power utilities to earn the RP3 recognition and one of 29 to reach the diamond level.
- The EDC has been working on an expansion to bring more industrial land into the UGA. The City of Shelton, Mason County, and property owners have signed an MOU that clearly defines roles and responsibilities of each party.
- The EDC continues to work on connecting the Belfair Sewer Facility with the South Kitsap Industrial Area (SKIA) project in Kitsap County. This includes the Port of Bremerton, City of Bremerton, Mason County, and Congressman Kilmer's office.

Partnerships:

- The EDC facilitates a monthly lunch of administrators. These meetings are by invitation only and do not include elected officials. The administrators of the city, county, public works, utility districts, ports, tribes and others are invited to an informal lunch gathering. Partnerships have been formed and in a casual setting we have been able to save time and money by exploring ways to work together. For example, the city was working on extending a water line out to the Washington State Patrol and the Port had a water tower they weren't using that was closer to the site. They were able to come to an agreement and a considerable amount of money and time was saved.
- Kitsap Regional Coordinating Council – entities from Kitsap and Mason County have formed a partnership to support a regional transportation priority list.
- Five ADOs have formed a regional partnership that we call the Pac 5. We meet regularly to explore ways to work together and promote our region for business development. One of the things we work together on is an annual Regional Economic Forecast and Innovation Expo.

The amount of funds received by the ADO through its contract with the department;

	FY 14	FY15	Total
Commerce Funds Awarded	\$51,649.00	\$51,648.00	\$103,297.00

- The amount of funds received by the ADO through all sources;

Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		FY 14	FY 15	Total
	Private	\$ 27,500.00	\$ 27,500.00	\$ 55,000.00
	Local	146,420.00	146,420.00	292,840.00
	State	51,648.52	51,648.52	103,297.04
	Federal		21,000.00	
Total Budget		\$ 225,568.52	\$ 246,568.52	\$ 472,137.04

- The ADOs impact on employment through all funding sources.

It's extremely difficult to measure the direct impact that the ADO has on unemployment rates. However; the ADO has worked with many local businesses to provide technical assistance in matters such as permitting, finance gaps, site location needs, zoning requirements, business planning, continuity of operations plans, succession planning, workforce issues, public support, environmental issues, as well as any other issues they may be having to include landlord/tenant disagreements. The ADO plays an all important role of advocating for business as well as providing leadership and advising local governments in policy setting that affects businesses.

Summary of Best Practices Shared and Implementation

Grantee: Economic Alliance, Okanogan County

Grant Number: S14-75106-415

Time Period Covered: July 1, 2013 – June 30, 2014

- Current employment and economic information:

According to the April 2014 Labor Market Summary compiled by the Employment Security Department, Okanogan County's unemployment rate decreased from 9.6% to 7.8% between April, 2013 and April 2014. The Civilian Labor Force in Okanogan County was reduced by 0.9% between the same period, mostly from discouraged workers and retirements. Mining, logging and construction employment increased from 610 jobs in April 2013 to 60 jobs in March 2014. The construction employment has either stabilized or grown year over year for the last four months.

Leisure and hospitality (primarily hotels and restaurants), in Okanogan County jumped by 140 jobs from April 2013 to April 2014. The Colville Tribe has started construction on a \$40 million dollar resort, which will be located just out of Omak. This will be a destination resort with a conference center, hotel, and casino. 300 construction jobs will be needed to complete this facility.

According to the Eastern Washington University Public Policy Institute, population in Okanogan County has had slow growth for the past 10 years, from 39,564 in 2000 to 41,193 in 2013. Recent in-migration has recently been from births and deaths, not from people moving into the county. Median age in Okanogan County is 43.56 compared to Washington State's at 37.13 and per capita personal income is \$37,674 compared to Washington State's at \$43,735. Wages contributes 53.6% of personal income followed by transfer payments (26.2%) and investment income (19.8%). Income generated in the five largest sectors includes Government (30.9%), Farm Earnings (18.8%), Retail Trade (9.8%), and Health Care and Forestry. Strategy for recruitment/retention of businesses includes strengths such as labor force, power, location, taxes. Top Industry Clusters in Okanogan County includes Crop Production, Ag & Forestry support activities, and Forestry & Logging.

Kinross Gold Mine is an important source of jobs in Okanogan and Ferry Counties. This operation accounts for 610 jobs (direct, indirect, and induced) and generates \$27 million in local payroll. The mine site has enough ore reserves to sustain the operations for a short time. They anticipated a closure date of the Kinross mine site is mid 2015. The Economic

Alliance has been working with Kinross Gold and Okanogan County to identify the direct impacts to the north county taxing districts, as well as to Okanogan County. The Economic Alliance will also be working on a task force to help with the economic impacts of this business closing down. We have notified WorkSource Okanogan and will also be working with them to help identify if this business can qualify for the Trade Act Assistance Program or at least a dislocated workers program. Kinross is going to give their employees the option of transferring to one of their other mines, but many do not want to leave the area. Other possible employment impacts could include the hospital and school districts and other service providers, as we see families leave for other employment opportunities. Recently the Economic Alliance was notified that Kinross Gold has pulled their current exploratory permit application that has been under review by the EPA since 2009.

A bright spot on the employment picture for Okanogan County was the opening of the Omak Wood Products in October, 2013. Omak Wood Products currently employs 150 workers, plus contracts with an additional 15 - 25 truckers and workers to harvest the trees. The Economic Alliance worked extensively with Omak Wood Products to secure \$100,000 from the WorkStart Program to help train employees and get them up to speed on the equipment needed to produce more veneer. These funds were passed through the Economic Alliance to the company, with no funds provided to the Economic Alliance. In April 2014, Omak Wood Products shared with us that they are planning to expand the mill to add the plywood line to their facility. This will employ an additional 30 individuals when all three shifts are up and operational. They are requesting that we again work with Sally Harris from the Department of Commerce to see if we can obtain an amendment to our Workstart Contract to include the additional training that will be needed to get this line up and operational and the employees fully qualified to work in these positions. We will continue to work with Department of Commerce and Terry Lawhead to finish the application as this has a definite economic impact to Okanogan County.

The Economic Alliance has continued to work with the Colville Tribe on the HUB Zone designation and the wage reporting requirements for the Department of Labor. This will help develop an accurate reflection of Okanogan County's current and past unemployment numbers.

- Other relevant information:

The Economic Alliance continues to work with small businesses and our local partners to identify needs. The Economic Alliance completed a Small Business Survey that was shared with all the chambers of commerce in our county, as well as cities and tourism members on our distribution lists. This survey provided the Economic Alliance with specific information directly from the business community on how we can best serve their needs. The number one concern for businesses in Okanogan County was government permitting and regulations.

Stampede Forest Services, a new business startup that is located at the Colville Tribal Industrial Park location in East Omak, entered into a 5 year contract with Omak Wood Products to purchase their core. The company has invested over \$200,000 in equipment and infrastructure improvements needed for their equipment to be operational. The Economic Alliance worked with them to assist in workforce needs, connecting them with the Okanogan County PUD and financing options. They currently have 12 employees.

The Economic Alliance participated with the NCW Economic Development District to discuss the NCW Community Economic Development Strategy. Meetings were also arranged and attended by the Executive Director and the Impact Washington representative and a local manufacturing business.

The Economic Alliance also sponsored a Social Media training workshop. Over the past several years, social media has changed the world. Facebook has become the number one activity on the web. Staying ahead of the curve with social media will provide an edge in retaining business, as well as acquiring new customers for businesses. On the second day of this two-day workshop, presenter, Jennifer Tate with Earth & Sky Studios, touched on social media platforms such as HootSuite, Sprout or Sprinklr and how they can assist in marketing businesses. The Economic Alliance is also utilizing our Facebook page, email distribution lists, and website to market other business resources available to our local businesses. We had 12 businesses in attendance.

The Economic Alliance's Executive Director participated in the Okanogan-Omak Business Week as a "Company Advisor". The week long program held at the Okanogan County Agriplex is for High School juniors from both Omak and Okanogan. It provides students with a good first look about what is necessary to start and operate a business. The Economic Alliance also contributes funds as a sponsor for this event.

The Economic Alliance worked with WorkSource to plan the 2014 Job Fair. This Job Fair was held on February 27 at the Omak Community Center and is a great opportunity for potential employees to meet with employers. This year we had 276 job seekers and 36 employers. The number of job seekers was down compared to last year but that was due to the recent employment opportunities at Omak Wood Products.

The Economic Alliance's Executive Director and Administrative Assistant attended the 2013 5th Annual NCW Success Summit, which was held at the Okanogan School District's Middle School. Over 160 people attended this year's day-long summit. Discussion centered around rural area successes and how to expand on these successes. The afternoon participants broke into groups to brainstorm ideas on issues such as recruiting volunteers, developing leaders, engaging youth in the community, and reducing waste and increasing recycling. Next year's Success Summit will be held in Douglas County.

The Economic Alliance's Executive Director was invited by Gebbers Farms to meet at the Brewster packing plant with the Jamaican Minister of Labor. We provided them with our demographic packet that has economic data, unemployment rates, utility information and broadband capabilities. We also were available to answer any questions they had on Okanogan County and our resources.

The Economic Alliance has continued to work to promote Okanogan County as a great place to live, work, or locate a business. The Economic Alliance has responded to inquiries about relocation of businesses to Okanogan County, as well as inquiries from existing county businesses regarding information about the area. We were able to provide information about the area, including demographic, labor force, possible facilities, major employers, utilities, and transportation. To help us promote our area, the Economic Alliance's Executive Director met with a VISTA Volunteer with Okanogan County Community Action Council to discuss developing a user-friendly marketing tool for Okanogan County. The current Okanogan

County Profile has a lot of information and demographics, but we have found that when sending out information, this profile is too long. A simple fact sheet was developed and is a very condensed and easy to read and access.

The Economic Alliance also continues to provide a “home base” for the Okanogan County Tourism Council. Their toll free phone number is answered by the Economic Alliance and the Administrative Assistance continues to serve on the Board. She also participated in a meeting held in Chelan with the Economic Development District, VIA 97, and various tourism groups around the NCW area. The group discussed research and beginning an in-depth effort to learn more about primary, secondary, and emerging tourism markets. Specifically, they are interested in learning more about where high-dollar, high-opportunity visitors to NCW might live, and what types of experiences they are looking for.

The Economic Alliance also contracts with the SBA to provide business counseling through the Small Business Development Center. Our Business Development Specialist, Lew Blakeney, works directly one-on-one with businesses or prospective businesses to provide confidential, no-charge businesses counseling services. During the July, 2013 to June, 2014 time period, the Okanogan County SBDC program helped clients obtain \$468,000 in loans and secured \$492,000 was owner’s investments and seven businesses were started and 48 ½ jobs were created or retained.

- The amount of funds received by the ADO through its contract with the department;

	FY 14	FY15	Total
Commerce Funds Awarded	\$46,447.00	\$46,446.00	\$92,893.00

- The amount of funds received by the ADO through all sources;

Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		FY 14	FY 15**	Total
	Private	\$10,000	\$0	\$ 10,000
	Local	118,500	120,000	237,000
	State	90,000	0	90,000
	Federal	29,447	30,000	59,447
Total Budget		\$247,947	\$150,000	**\$396,447

** Anticipated Budget

State funds received were through the Workstart Program and were passed through the Economic Alliance directly to the company.

Pacific County Economic Development Council

Summary of Best Practices Shared and Implementation

Grantee: Pacific County Economic Development Council

Grant Number: S14-75106-429

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

- Current employment and economic information for the community or regional area produced by the employment security department;

I downloaded a report (please see attached) from ESD showing May 2014 compared to May 2013, which appeared to be the most recent report. It shows the following:

A reduction of 1.7% in our unemployment rate;

A reduction in the number of unemployed of 110; An increase in employment of 500;

And an increase in the labor force of 390.

- The net change from the previous year's employment and economic information using data produced by the employment security department;

A reduction of 1.7% in our unemployment rate;

A reduction in the number of unemployed of 110;

An increase in employment of 500;

And an increase in the labor force of 390.

- Other relevant information on the community or regional area;

In addition, sales tax receipts have increased across the county;

Home sales have increased;

Each incorporated city has reported new business licenses;

Initiative 502 businesses have leased all available buildings at the Port of Willapa Harbor;

And, these companies are projecting a combined total investment of over \$100 million, with 400 employees.

The marine industries have experienced some change during the last year, but the levels of employment are holding steady, thus far, with some projected growth based on two new projects that should be coming online/beginning construction in the near future.

Update:

Pacific County EDC has been working with Jessie's Ilwaco Fish Company for the last several months to obtain a permit for a canning operations in South Bend. Contributions of time and support by the company, elected officials, the EDC and other businesses have assisted in moving this project forward. Department of Commerce staff were also very helpful in supporting the effort.

More recently, Jessie's announced plans to construct a new, environmentally-friendly cold storage facility in Ilwaco, at the Port of Ilwaco. Again, the Department of Commerce has been helpful in working with the company and providing information on incentives to assist with this project. The facility will also serve a community need for public use for a portion of the space, which has the potential to help other local companies. Currently, the company projects employing approximately 50 people when the project is completed.

- The amount of funds received by the ADO through its contract with the department;

	FY 14	FY15	Total
Commerce Funds Awarded	\$37,910.00	\$37,910.00	\$75,820.00

- The amount of funds received by the ADO through all sources;

Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		FY 14	FY 15	Total
	Private	\$21522.50	\$25000.00	\$46522.00
	Local	17000.00	8000.00	25000.00
	State	37910.00	37910.00	75820.00
	Federal	0.00	0.00	0.00
Total Budget		\$76432.50	\$70910.00	\$147342.00

- The ADOs impact on employment through all funding sources.

According to the report downloaded from ESD, from June 24, 2014, we have produced:

A reduction of 1.7% in our unemployment rate;

A reduction in the number of unemployed of 110;

An increase in employment of 500;

And an increase in the labor force of 390.

Annual reports may include the impact of the ADO on:

- wages,
- exports, according to a recent report, our exports are greater than \$444 million, as of the time of the report – this data was generated using data from the US Dept. of Commerce, which is part of a regional economic impact study.

- tax revenue, saw an increase in the first quarter
- small business creation, according to the four municipalities, 11 new businesses have been established YTD,
- foreign direct investment,
- business relocations,
- expansions,
- terminations, and
- capital investment, according to the county and four municipalities, 67 building permits have been issued; in addition, the PUD has reported establishing 41 new PUD services, thus investment is rising.

Pend Oreille County Economic Development Council

Summary of Best Practices Shared and Implementation

Grantee: Pend Oreille County Economic Development Council

Grant Number: S14-75106-430

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

- Current employment and economic information for the community or regional area produced by the employment security department;

Pend Oreille County Unemployment Rate:
May 2014- 9.3%

Source: Washington State Employment Security Department

- The net change from the previous year's employment and economic information using data produced by the employment security department;

Pend Oreille County Unemployment Rate:
May 2013- 11.1%
Net decrease of 1.8%

Source: Washington State Employment Security Department

- Other relevant information on the community or regional area;

Pend Oreille County has been slow to recover from the recession but is closing some of that gap via the announcement to reopen the Teck Mine in Metaline Falls which will result in the hiring of 160 additional employees by the end of the year.

Pend Oreille County is unique in terms of population density, transportation, industries and infrastructure. It is very rural with only 9.3 persons per square mile compared to 101.2 in the state. There is limited transportation and dependence on resource extraction, specifically,

lead and zinc mining followed by timber harvest. Only 36 percent of land in the county is privately owned, and about 58 percent is owned by the federal government.

Pend Oreille County continues to be listed as a Historically Underutilized Business (HUB) zone with no foreseeable change to this designation. As of January 2014, Pend Oreille County was added to the Spokane Metropolitan Statistical Area (MSA) as a result of high commuting patterns to Spokane County. The impacts of this designation are still being studied to determine the full effect this will have to our area.

- The amount of funds received by the ADO through its contract with the department;

	FY 14	FY15	Total
Commerce Funds Awarded	\$34,431.00	\$34,431.00	\$68,862.00

- The amount of funds received by the ADO through all sources;

Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		FY 14	FY 15	Total
Contributions	Private	\$449	\$0	\$ 449
County, PUD, SCL, KTI, Port of Pend Oreille	Local	80,000	85,000	165,000
DOE Integrated Planning Grant	State	65,820	0	65,820
	Federal			
Total Budget		\$146,269	\$85,000	\$231,269

- The ADOs impact on employment through all funding sources.

The Pend Oreille Economic Development Council (EDC) provides the forum for community, government and business representatives to work together to promote economic development. Depending on the specific activity, the role of the EDC may be to lead, partner, coordinate, collaborate, facilitate, support or monitor as deemed appropriate by the council members.

The EDC has had a productive year with many projects happening. Among these projects, the EDC led the Selkirk Community Planners in exploring redevelopment opportunities for the Teck property site outside of Metaline Falls, developed classes through a formalized agreement with Salish Kootenai College for the Kalispel Career Training Center (KCTC) in Cusick and topped off the year with an amazing celebration in Newport with the Capitol Christmas Tree. The EDC has assisted business entrepreneurs in the start of their businesses, existing businesses with expansion needs, provided on site business counseling and access to capital through the rural development loan fund.

EDC Projects

- The construction of a seasonal covered vendor area for events such as craft fairs, farmer's markets, performances, and other such economic opportunities for local residents and members of the Kalispel Tribe of Indians. The covered areas are located adjacent to the Tribe's new Cultural Exploration and Rest Area along Highway 20, providing visibility and visit ability for the site. This project created 5.5 jobs.
- The expansion of the Port's existing shop facility. A 100'x100' extension on the southern end of the current shop building was added. In addition to the increased area for maintenance and repair of locomotives and other equipment, a locomotive paint booth was added to the facility which enhances the ability to work on locomotives. This project assisted in expanding opportunities for the Port in working on additional equipment for other businesses and will help ensure continued employment for the Port's current 13 employees. This project created 2 additional jobs and retained 13.
- In partnership with the Cutter Theatre, an incubation space was renovated to attract a new business in which 2 jobs were created and 4 jobs were retained.
- Kalispel Career Training Center (KCTC) is a workforce development project that utilizes a formal relationship with Salish Kootenai College to offer classes across multiple disciplines to students 16-24 years of age.
- The EDC marketing committee developed a new website as well as the production of marketing materials.

Business Counseling

The EDC provides business counseling to local businesses and entrepreneurs in the area who would like to start or expand a business. Services such as assistance with writing a business plan, accessing capital or acquiring a business license are often services provided.

In partnership with Leslie Miller from the Procurement of Technical Assistance Center (PTAC), the EDC has assisted in getting government contracts through becoming certified HUB zone, women owned, minority owned or veteran owned.

Promoting the Area

Pend Oreille County had the privilege of harvesting the Nation's Capitol Christmas Tree from the Colville National Forest located just a few miles north of Newport. The EDC headed up the coordination for this event that was celebrated by hundreds of people in downtown Newport. Businesses celebrated record earnings and food vendors sold out. The town looked festive with activities while showing off the beautifully adorned Christmas lights and decorations to hundreds of visitors. Pend Oreille County enjoyed regional and national news coverage and was promoted through rack cards highlighting business attributes of the area that traveled to Washington D.C. with the tree. An article by CNN Money gave Newport excellent exposure across the country with 167 Facebook recommendations, 52 Tweets and 46 LinkedIn shares from social media.

Article Link: http://money.cnn.com/2013/10/04/smallbusiness/shutdown-newport/index.html?iid=H_SB_News

Partnerships were forged to make this event a big success that the entire community was proud to be included.

Grants

The EDC was successful in its application to the Department of Ecology for the Integrated Planning Grant (IPG) to explore reuse options for the mine site which is owned and operated by Teck. This planning effort was funded with a grant from the Integrated Planning Program of the Washington State Department of Ecology Toxics Cleanup Program. This grant provided 100 percent funding for local governments to conduct studies and plan for acquisition and redevelopment of underperforming brownfield properties. The grant supports planning for adaptive reuse of properties, integrating economic cleanup and restoration and community benefit.

As a result of this study, it was suggested that the greatest economic impact will be from sustaining the mine in its current operation. In order to replace the number of jobs and economic impact lost when POM eventually ceases operation, the economic repurposing effort should be broadened to include not just the POM site but the entire north county region. The regional focus area should be from the town of Cusick north. Recruitment of specialty manufacturing uses could begin now for existing industrial properties. While the mine remains open, the preliminary Adventure Sports Camp business plan can be more fully developed.

Since this study, Teck is moving forward with the restart of the Pend Oreille Mine operations which will contribute to the economic growth and jobs in the county. They have hired 38 new employees and expect to have the remainder of the jobs filled by the end of the year. Currently, the average wage is \$65,000 (which is well above the county average) and is anticipated to be higher once all jobs are filled.

Workforce Development

One of the EDC's top priorities is workforce development to prepare youth for upcoming career development and training our workforce for upcoming jobs in the future. This fourth year for the Kalispel Career Training Center (KCTC) has been packed with highlights and accomplishments. KCTC continues to enjoy community support and is striving to serve everyone in Pend Oreille County and the Kalispel Tribe of Indians.

A formal Operating Agreement with Salish Kootenai College (SKC) located in Pablo, Montana was executed outlining the relationship, goals and responsibilities of each entity. This agreement is critical to the long term success of KCTC as we move forward with College accredited classes.

Seattle City Light, Pend Oreille County Public Utility District and the Kalispel tribe of Indians have all suggested and support KCTC and SKC's efforts in offering a two year degree/certification degree program in Natural Resources. To achieve this goal the agreement between SKC and KCTC has been amended to accommodate this important program. The first natural resource class happened this spring including: Dendrology, Intro to Humanities, Tribal Constitutions, Intro to Fire Science and Forestry 271.

Cusick, Selkirk and Newport School Districts continue to be very supportive of KCTC. A plumbing class was offered this year at Selkirk High School. Classes in metal manufacturing and multimedia were also offered to Cusick High School students.

In addition, this year's Career Day was a huge success with 275 students in attendance representing 5 school districts in Washington and Idaho.

Other

While historically, Pend Oreille County has struggled with unemployment, the EDC is exploring creative ways to combat this. Some of the other actions taken this year include:

- The EDC is furthering the effort to attract talent to the area through promoting over 500 miles of redundant 100megabit fiber to the premise that was recently put in place by the PUD through a \$34 million stimulus grant. This is reflected in the first iteration of the new website and efforts will continue through the next year.
- Conducted 2 Workshops on social media and windows classes geared to new and existing business. The workshops had excellent feedback and attendance.
- Linking entrepreneurs and businesses to local resources such as the SBDC, Rural Development Loan Fund, PTAC, and Export Assistance wherever applicable.
- Working with the Forest Service on implementing the "South End Project" on the Colville National Forest. The EDC has applied for grant funding for this project.
- The EDC has partnered with organizations such as TEDD and local business groups to work towards building community capacity and asset building to address needs such as housing and medical care. The EDC participated in healthcare roundtables, workforce development forums, tourism forums, SWOT analysis, and regional planning meetings.
- Working with the Newport Community hospital as an anchor institution on how the change in the MSA designation will affect critical access care.

The Economic Development Board for Tacoma-Pierce County

Summary of Best Practices Shared and Implementation

Grantee: The Economic Development Board for Tacoma-Pierce County

Grant Number: S14-75106-436

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

- Current employment and economic information for the community or regional area produced by the employment security department;

Pierce County Unemployment rate:

May 2014: 7.2

Source: Washington State Employment Security Department (most recent data available is May 2014)

- The net change from the previous year's employment and economic information using data produced by the employment security department;

Pierce County Unemployment rate:

May 2013: 8.3

May 2014: 7.2

Net Change May 2013 – May 2014: -1.1%

Source: Washington State Employment Security Department (most recent data available is May 2014)

- Other relevant information on the community or regional area;

Industry Clusters

The Economic Development Board for Tacoma-Pierce County (EDB) identifies, targets, recruits and retains businesses in clusters where the Pierce County has a distinct competitive advantage.

Our Pierce County targeted industry clusters are:

clean water technology
aerospace
cyber security
logistics and international trade
medical services

Cluster Acceleration

In addition to its day-to-day recruitment and retention case work, the EDB focused on the five key clusters of aerospace, clean water technology, logistics/international trade, health services, and cyber security. These are long range plays. Dozens of leaders from the private and public sectors are actively engaged on teams working to develop and implement growth strategies for each cluster. Brief highlights:

Aerospace Team (Tacoma Pierce Aerospace Partners). Co-hosted the second annual Pierce County Aerospace Summit; provided business assistance to dozens of local aerospace firms through our Business Retention and Expansion Program; recruited at five trade shows (The Paris Air Show, Aircraft Interiors Expo in Seattle, the Pacific Design and Manufacturing Show in Anaheim, AERODEF in Long Beach, and the National Business Aircraft Show in Las Vegas); distributed Pierce County aerospace profile to hundreds of companies globally; made direct contact with more than 600 aerospace firms.

Clean Water Technology Team (Water Partners of Tacoma). Co-hosted the second annual Wellspring Conference at University of Washington Tacoma; recruited at six trade shows (Water Environment Federation's Technology Expo in Chicago, StormCon in Myrtle Beach, American Water Works Association Expo in Denver, the National Groundwater Expo in Nashville, the BC Water & Wastewater Expo in Kelowna, and the Water Re-use Symposium in Denver); distributed nearly 2,500 Tacoma-Pierce County business location profiles to companies globally; and made direct contact with more than 700 clean water technology firms.

Health Services Cluster Team. Worked toward establishment of a Research Trust Consortium among MultiCare, Franciscan, and Madigan.

Logistics and Trade Cluster Team. Efforts included building toward a coalition of Pierce County businesses to support the completion of SR 167; developing an inventory of existing trade and logistics-related facilities in Pierce, King and Thurston counties; and exploring development of a regional logistics park to attract new customers to the region.

Cybersecurity Cluster Team. Participated in the annual South Sound Technology (SST) conference; worked with University of Washington Tacoma's Institute of Technology and congressional offices to craft a strategy for leveraging local cyber expertise with a particular focus on Big Data.

- The amount of funds received by the ADO through its contract with the department;

	FY 14	FY15	Total
Commerce Funds Awarded	\$220,134.00	\$220,133.00	\$440,267.00

- The amount of funds received by the ADO through all sources;

Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		FY 14	FY 15	Total
RCW 43.330.082 (1)(a)	Local Private*	\$404,600.00	\$404,600.00	
RCW 43.330.082 (1)(a)	Local Public**	\$327,202.00	\$327,203.00	
RCW 43.330.082 (1)(a)	State	\$220,134.00	\$220,133.00	
RCW 43.330.082(1)(a)	Federal	\$0.00	\$0.00	
Sub Total		\$951,936.00	\$951,936.00	\$0.00
Total Budget		\$951,936.00	\$951,936.00	\$880,534.00

- The ADOs impact on employment through all funding sources.

2013 – Major Business Recruitment and Retention Activity

Boeing 777X (estimated 8,000 Puget Sound region jobs, multi-billion dollar investment). Boeing's decision to build the 777X in Washington has far-reaching implications for the health of the entire state's economy. In addition to Boeing's Frederickson site (which employs 1,802 people), there are more than 100 aerospace-related companies in Pierce County employing 3,700 engineers, machinists, executives and other highly skilled workers. Although the 777X selection was made in early 2014, the groundwork began years before. The EDB is a founding member of the Washington Aerospace Partnership (WAP) – a statewide group that in various iterations has worked on every Boeing deal since the original 7E7 (aka 787) line in 2003. In 2013, WAP and its partners across the state, including County Executive Pat McCarthy, the Pierce County Legislative and Congressional delegations, and the Governor's office designed and implemented a strategy to support Boeing's decision.

State Farm (1200 jobs, 300,000 square feet). State Farm leased the entire 909 A Street Building and 80,000 square feet of the Columbia Bank Center on A Street in Downtown Tacoma for an "initial loss reporting" center. Hundreds of new employees joined the downtown workforce during the fourth quarter 2013 and estimates are the company will be employing approximately 1,200 people downtown. This complex project was successful thanks to a concerted team effort by State Farm, property owners, the City of Tacoma, real estate brokers, EDB and many other partners.

Niagara Bottling (34 new jobs initially, 18 acres, 311,000 square foot new facility, \$50 million private capital investment). Niagara Bottling LLC selected a large site at the Randles Business Park in Frederickson to construct their 13th bottling plant – launching their first operations in the Pacific Northwest. Niagara, family owned and operated for over 50 years with a strong corporate commitment to community involvement, will produce the caps and bottles – and fill the bottles with water – at the facility. EDB provided the company with area information, site tours, connections with local resources, and facilitated meetings with local partners at Niagara’s headquarters as well as touring operating plants. The success of this recruitment project hinged on the extensive involvement of EDB’s partners at Tacoma Water, Tacoma Power, Puget Sound Energy, WorkForce Central Business Connection, and many departments in Pierce County including the Pierce County Executive, Economic Development Department, Planning and Land Services, Pierce County Sewers, and the WA State Department of Commerce.

TriWest (50 jobs initially, 14,758 square feet). TriWest Healthcare Alliance won a \$4.3 billion contract in late August to administer the VA Patient-Centered Community Care (VAPCCC) program beginning January 2, 2014. They decided to locate in Washington State where they had employed a great workforce in the past. EDB conducted a site search for TriWest and the company selected Puyallup’s South Hill Business + Technology Park. Working with The Benaroya Company and City of Puyallup, TriWest was able to build out, equip, and staff their operations quickly allowing them to be up and running within a short time.

Western Institutional Review Board (200 jobs, 34,000 square feet). The Western Institutional Review Board (WIRB) approves protocols and provides ethical review of medical and pharmaceutical research projects involving human testing. The company operated out of multiple sites and needed to consolidate operations and wanted room for growth. A real estate broker working with WIRB contacted the EDB for assistance. When the client chose South Hill Business + Technology Park in Puyallup, EDB helped with introductions to the City which streamlined permitting and to WorkForce Central Business Connection which assisted the company find multiple new hires for all levels of operations. EDB partnered with Puyallup, The Benaroya Company and Puyallup Sumner Chamber to organize an area familiarization tour.

Fifteen other recruitment cases were closed during the year. These projects did not get traction for a variety of reasons – they located elsewhere or delayed or cancelled their plans. Location decisions are based on a variety of factors: transportation, workforce, taxes, business climate, and incentives. For new projects, predictability of permitting and construction can play a key role in decision-making. A number of inquiries in 2013 showed interest in ready-to-build or easily developable sites.

The EDB works directly with businesses, consultants, site selectors and other decision makers to provide insight and information on demographics, tax structure and incentives, education and training, connections with the labor market and hiring, utilities, transportation, identifying and touring facilities, cost of living, housing, cultural and recreational amenities, and contact with local authorities. Factors influencing site decisions vary broadly – even within industries – and EDB’s assistance is customized and tailored to the specific client’s needs and interests.

The EDB teams with property developers and real estate brokers, the Port of Tacoma, Tacoma Public Utilities, Puget Sound Energy, education and training resources, elected officials and staff from cities and unincorporated Pierce County, Washington State

Department of Commerce and others on recruitment efforts. Our professional partners' responsiveness and proven ability to deliver are critical components of successful recruitment.

The EDB also made direct recruitment contact with nearly 2,000 aerospace and clean water technology companies worldwide during 2013. Principal outreach activities occurred at a dozen trade events, which included the Paris Air Show, the largest international aerospace event of the year; as well as the Water Environment Federation's Technology Showcase and Conference, which attracted more than 1,000 exhibiting companies and 20,000 attendees. The EDB also contacts company management through an in-house, proprietary database of more than 1,300 firms. In addition to direct contact at trade events, management at these companies receive letters and email communications from the EDB espousing the benefits of business operations in Tacoma-Pierce County.

Business Retention and Expansion

Bank of New York Mellon (170 jobs retained). During 2012 and 2013 the EDB worked with the firm as it considered a new location. After a property search that included sites around the Puget Sound area, the firm decided to sign a new lease in its existing building on Broadway Plaza in Downtown Tacoma, keeping 170 jobs in Pierce County. The EDB worked closely with the City of Tacoma Economic Development Department and the Mayor and assisted by providing information on employee recruitment incentives, City of Tacoma tax incentives, transportation resources and working with brokers conducting office building tours. "We have had incredible sustained success operating our business in downtown Tacoma," said BNY Mellon Senior Vice President Steve Wolf. "We've been able to partner with great local universities like Pacific Lutheran University, University of Puget Sound and University of Washington Tacoma to help us develop a highly skilled workforce, and our employees consistently give back to the community as well. It has also been a pleasure working with the City of Tacoma."

MD Marine Electric (7 new jobs added). A senior management team member at Tacoma firm MD Marine Electric acquired an out-of-county competitor, Harris Electric, resulting in the relocation of Harris Electric's commercial division to Tacoma. The EDB assisted this client by offering information on tax incentives, relocation information, transportation resources and acting as a liaison between the client and the Small Business Development Center to assist in business planning strategies.

The EDB's Business Retention and Expansion (BRE) program, directly engages local companies involved in growing, strengthening and diversifying the Pierce County economy. Because approximately 80% of new jobs are generated by existing businesses, the BRE program is a significant priority in the EDB's Future Focus work plan.

The BRE program met with the leadership at 205 Pierce County companies in 2013. These companies represent approximately 34,814 jobs. Participating firms received 190 different referrals offering assistance in meeting challenges related to workforce, financing, permitting, federal bidding and contracting, energy assistance, tax credits, lean manufacturing, relocation assistance, exporting, and more. In addition, several companies were introduced, becoming customers and suppliers for one another.

San Juan County Economic Development Council

Summary of Best Practices Shared and Implementation

Grantee: San Juan County Economic Development Council

Grant Number: S14-75106-431

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

- Current employment and economic information for the community or regional area produced by the employment security department;

San Juan County has historically had a labor market notable in its wide variations in unemployment due to the cyclical nature of our major industries – construction and tourism.

During the height of the Great Recession, our Local Area Unemployment Stats (LAUS) ran nearly a 100% increase during the winter months. During those years, the troughs would go from unemployment rates in the low- to mid-5% during the summer, and up to a high of 10% during the winter. This cyclical nature meant that many working families left the island in search of better employment, often taking their school-aged children with them (which put additional pressure on our school system). The new social demands of these unemployed workers also put stress on our extremely limited social services.

The San Juan County Economic Development Council has worked very hard over the past 5 years to try to mitigate and normalize the tremendous troughs that occurred each year, by encouraging year-round, higher wage industries to expand and relocate.

We're proud to report that our efforts have at least partly contributed to the much more even progression of "low season" to "high season", giving our current cycle from the winter of 2013/14 to July of 2014 an average, and quite respectable rate of 5.2%, which is precisely the same as the United States' non-accelerating inflation rate of unemployment (NAIRU), reported by the Congressional Budget Office, which is currently at 5.2%.

Indeed, in terms of our year-round rates, we have in some months between January and July of 2014, even beaten our best months' pre-recession. Currently, our unemployment rate stands at a respectable 3.3% for July, 2014.

- The net change from the previous year's employment and economic information using data produced by the employment security department;

January-July 2013 unemployment for San Juan County: 8%
January-July 2014: 5.2%

Change: -2.8% (a decrease of nearly 54%)

- The net change from the previous year's employment and economic information using data produced by the employment security department;

During the Great Recession, on average, Washington state and the rest of the US lost about 6% of their employment base. However, San Juan County lost *12% of all jobs* and we did not reach the lowest levels of employment until 2011 – well after most other regions had begun to rebound.

As mentioned previously, San Juan County's labor force and economy follow a seasonal trend of peak unemployment/lowest gross business income (GBI) in January of each year, and lowest unemployment/highest GBI in the summer. The divergence between annual high and low unemployment rates increased since the start of the recession, but has completely.

While in 2011, the seasonal trough of unemployment went from a high of 10% in January 2011, to a low of 5.3% in July 2011; this year we've seen a high of only 5.9% in January 2014 to a low of 3.3% in July 2014.

In terms of individual job gains, San Juan County's workforce has not yet fully recovered, though we're gaining ground. As mentioned before, due to the sometimes transient nature of our greatest job sectors, particularly the construction and services industries, many workers migrated away from the county during the depth of the recession and did not come back. From 2008 to 2011 (the low-point economically for San Juan County), 12% of jobs were shed. However, job gains have been seen every year from 2012 through the end of 2013 (most recent data available from the US Census Bureau), and there's been nearly a 4% increase in job gains since the trough of 2011.

- Other relevant information on the community or regional area;

Since the 1980's San Juan County's economy has been driven by two sectors: tourism and construction (driven by the building of vacation homes and retiree residences). The construction sector was particularly hard-hit, shedding 30% of all jobs from 2008 to 2012. Additionally hard hit were maritime trades – all of our shipyards, marine business and boatyards were severely hampered by recessionary decreases in leisure boating – decreases which have only recently begun to improve.

The San Juan County Economic Development Council researched areas of greatest concern during the recession and worked to improve economic conditions for the hardest hit sectors. For the construction industry, the SJCEDC worked with the Northwest Workforce Council during the height of the recession to offer weatherization tech training for local builders.

For maritime industries, we created a marine tech training program for the workers of local boatyards, working with the Northwest Center of Excellence for Marine Manufacturing. This upskilling enabled our boatyards to offer more and better services.

Since San Juan County has more small business licenses per capita than any other county in Washington state, one of our main focuses during the recession has been to offer training for small business owners, in order to help them stay strong.

During the course of the recession, and continuing today, the SJCEDC has offered a wide variety of courses for entrepreneurs – startup courses, marketing courses, financial literacy courses, and many more – plus individual business counseling.

These course offerings have improved the entrepreneurship climate in San Juan County significantly. Since 2011 (the height of the recession for San Juan County) business license signups in the Town of Friday Harbor (our one municipality with business licensing requirements) have increased 37%.

- The amount of funds received by the ADO through its contract with the department;

	FY 14	FY15	Total
Commerce Funds Awarded	\$35,805.00	\$35,804.00	\$71,609.00

- The amount of funds received by the ADO through all sources;

Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		FY 14	FY 15	Total
	Private	\$3,000	\$3,000	\$6,000
	Local	54,000	59,000	113,000
	State	35805	35,804	71,609
	Federal	0	0	
Total Budget		\$92,805	\$97,804	\$190,609

- The ADOs impact on employment through all funding sources.

Over the past few years, in response to the economic extremes brought to our community by the Great Recession, the San Juan County Economic Development Council has worked in particular on larger initiatives such as improving broadband speeds in our county, and in working to grow high-wage sectors such as maritime.

Additionally, we continue to offer tailored business counseling – for businesses that are struggling, looking to expand, or looking to move here.

Some specific, small business assistance outcomes are listed here below:

One of our more interesting small businesses, Mindplace, a manufacturer of biofeedback electronics, wanted to expand their product line. The SJCEDC helped them brainstorm the marketing of their new products. We then assisted them in a STEP grant in order to help fund the marketing of their new product, which ultimately they were awarded. We also assisted them on their public relations efforts. After our assistance, they were able to hire an additional worker as a web programmer.

A small manufacturer of handbags came to the SJCEDC for insight into expanding their operation. Currently operating a storefront and a retail website, the business had two employees. With the help of the EDC, they increased their manufacturing output through better marketing, which resulted in an additional hire this past summer.

As we did in 2011, when we worked to obtain funding from WorkSource to send 10 workers to go to blower door school in Bellingham, we have been working in the past few quarters to find funding to send San Juan County contractors to green building educational opportunities. This funding will enable our major contractors to offer better services, which will likely result in additional hires.

The EDC helped a personal health coach, to start up her consulting business, including helping her with marketing and planning. She is now working full-time.

The EDC worked with the owners to start a new restaurant on Orcas Island, particularly in helping them research demographics in order to make appropriate business decisions. This resulted in the creation of two jobs.

Another start-up, a body care products company, was helped by the EDC – we helped the owner through the business licensing process, connected her to other agencies (SBDC, DOR) which resulted in her establishing a successful business, employing one.

We worked with one of our most fascinating businesses, which is one of the premier manufacturers of ultrathin foil filters. Their filters are used by NASA – and have gone on dozens of space flight missions starting in the 1970's - from Skylab to the Mars Curiosity Rover and beyond. We helped them brainstorm ways to improve their business, leading them to create a marketing assistant position (we helped write the job description as well). We then helped them create a marketing plan. This led to the creation of one job – and a job that is likely to increase their market share, creating more very high-wage manufacturing jobs in San Juan County.

West Sound Lumber was about to lose its top, highly-skilled mill worker because of his immigration status. This would have meant the mill would have been shuttered as very, very few millworkers even know how to operate the antique mill – a mill which supplies many of our contractors and consumers of high-end lumber. The EDC worked with the company and their attorneys and wrote a letter in support of the company for Senator Patty Murray and US Customs and Border Patrol. Ultimately, the worker's position was saved, indefinitely, which saved the mill.

Our local power cooperative, OPALCO, has been working to expand its fiber network to provide private parties with high-speed broadband. As part of its effort, OPALCO has relied on the SJC-EDC to help with public relations. In particular, our work has enabled several app developers to move to the Town of Friday Harbor as they now had access to super-fast internet. Additionally, as the SJC-EDC works with landowners to smooth the way for OPALCO to install fiber with owner permission, more and more fiber is being installed in the community, which will ultimately result in more and more high-wage jobs being created. While the proof will be in the pudding – a pudding which is likely to take several years to set up – we do know that communities which invest in fiber are far more likely to have higher-wage jobs and lower unemployment. Indeed, a study by the Brookings Institution has shown that for every one percentage point increase in fast broadband penetration, employment is projected to increase by around .25 percent a year. Other research has indicated exactly the

same thing: A study by MIT researchers showed that broadband added about 1.2% to a community's growth rate. A World Bank study from 2009 found an even stronger correlation – that broadband added around 12% to the growth rate in the number of jobs.

Because of these data and many others, working to improve broadband speeds and connectivity in our community has become one of our top focuses for job creation.

- Additional relevant information on the community or regional area;

Recruitment

Since the Great Recession, part of our focus has shifted from strengthening our existing industries to looking for new, more stable industries through recruitment and infrastructure improvement. In particular, the SJCEDC is working to improve broadband speeds and reach in our county – these efforts have already paid off in that several new app developer companies have opened offices here. We created a brochure to send interested companies – please see attached.

Additionally, the SJCEDC is working to foster and recruit small manufacturing and value-added ag companies to the county. Recent notables include a hoist parts company (www.hoistpartsnow.com) and several phone app companies. *Please see our new recruiting brochure below.*

One of our best efforts post-recession has been a “Come Home to the Islands” recruiting initiative. We’ve begun contacting graduates of San Juan County high schools who’ve started businesses, in order to invite them back to the islands. We are working with local municipalities and other entities to make it favorable for graduates to come here.

Another important initiative for us has been to partner with neighboring counties to recruit businesses to our region. With Island, Skagit and Whatcom counties, we have created the Northwest Washington (“NWWA”) partnership in order to build businesses in our region. While each county desires that businesses relocate to our counties, it’s nearly as good to have businesses move to neighboring counties – certainly from a tourism and supply chain standpoint. One of the group’s initiatives was to bring a recruitment piece to the Cross-Border Expo in June of this year. *Please see NWWA brochure below.*

Retention/ Expansion

The SJCEDC has worked to make San Juan County’s existing businesses more resilient during this difficult time. As mentioned above, the construction industry was particularly hard hit and the SJCEDC worked with the Northwest Workforce Council to offer weatherization tech training for local builders. The construction industry is again

For maritime industries, we created a marine tech training program for the workers of local boatyards, working with the Northwest Center of Excellence for Marine Manufacturing. This upskilling enabled our boatyards to offer more and better services.

Since San Juan County has more small business licenses per capita than any other county in Washington state, one of our main focuses during the recession has been to offer training for small business owners, in order to help them stay strong.

During the course of the recession, and continuing today, the SJCEDC has offered a wide variety of courses for entrepreneurs – startup courses, marketing courses, financial literacy courses, and many more – plus individual business counseling.

Startup

Nearly 100% of San Juan County business is driven by small and micro-business. Except for government, only one of our existing employers has more than 50 employees. These small businesses create the backbone of our economy – serving locals and visitors alike with necessary products and services.

The San Juan County EDC assists dozens of startups every year. This work is critical in our area – San Juan County boasts over 3,000 “active reporting” business licenses (more than any other county in Washington state), with more new businesses being created every day.

Recent notable startups locally include: Island Hoppin’ Brewery (www.islandhoppinbrewery.com) and San Juan Island Distillery (www.sanjuanislanddistillery.com).

Additionally, SJCEDC’s startup course offerings have improved the entrepreneurship climate in San Juan County significantly. Since 2011 (the height of the recession for San Juan County) business license signups have increased 37%.

Please see brochures, next pages...

New Recruiting Brochure...

About the San Juan County EDC

Our mission statement:
The San Juan County Economic Development Council (EDC) strives to strengthen and diversify the economy of San Juan County. We believe a strong economy builds a strong community.

The EDC works to build an environment that helps business owners create jobs. We serve business: linking organizations and resources, providing valuable information, rendering assistance and advocating for an improved island business environment.

Please visit our website for a wide range of information, links, and other resources. If you have a question, call 360-378-2906 or email us at info@sanjuansedc.org.



PO Box 3053 • 60 First Street, Suite 2
Friday Harbor, WA 98250

Phone: 360.378-2906
Email: info@sanjuansedc.org
Site: www.sanjuansedc.org

Photo Credit: Pfy

Sponsored by:



Department of Commerce
Innovation is in our nature.



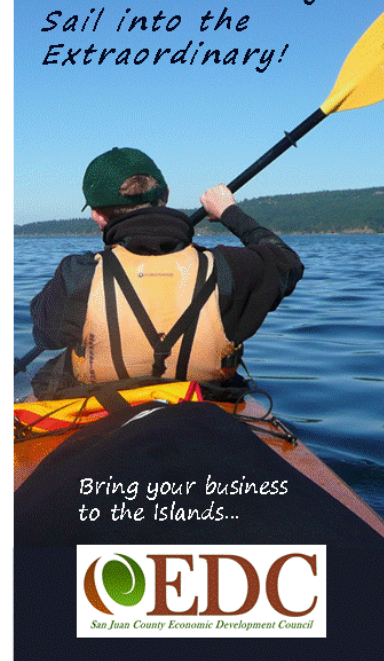
Whidbey
ISLAND BANK



PORT OF
FRIDAY HARBOR

Port of Lopez

*Business in
San Juan County...
Sail into the
Extraordinary!*



*Bring your business
to the Islands...*



Partner Organizations

Lopez Island Chamber of Commerce
360-468-2345
smith4@centurytel.net

Orcas Island Chamber of Commerce
360-376-2273
info@orcasislandchamber.com

San Juan Island Chamber of Commerce
360-378-5240
chamberinfo@sanjuanisland.org

**Career Center
Northwest Workforce
Development Council**
360-378-4662
wdc@rockisland.com

Port of Friday Harbor
360-378-2688
marilyn@portfridayharbor.org

Port of Lopez
360-486-2869
helenc@portoflopez.com

Port of Orcas
360-376-5285
orcasairport@rockisland.com

San Juan County Auditor
360-378-2161

San Juan Islands Visitors' Bureau
360-378-3277
deborah@visitsanjuans.com

Skagit Valley College
360-378-3220
randy.martin@skagit.edu

SJC Agricultural Resources Committee
360-378-2906
peg@sjcarc.org

Town of Friday Harbor
360-378-2810
info@fridayharbor.org

Business in San Juan County...

Business in San Juan County—only for those entrepreneurs absolutely requiring the highest quality of life when choosing a business location.

With an extraordinary, world-renowned location, proximity to major metropolitan areas, excellent schools, a very low crime rate and a well-educated work force — quality of life is guaranteed.

Features:

- Cohesive community spirit.
- Extraordinary natural beauty.
- Moderate weather.
- Very low crime rate.
- Proximity to Seattle, Everett, Vancouver, BC.
- At the center of marine recreation in Washington State.
- Business-friendly, with a responsive and helpful planning department.
- Deeply cultural communities.
- Ready pool of skilled and educated local residents.
- Orca whales, eagles, deer and red fox share your business's backyard.
- Excellent schools and community services.



SPOTLIGHT ON BUSINESS: *Luxel Corporation on San Juan Island is the world's preeminent supplier of thin foil filters and thermal evaporation equipment, used by organizations like NASA and GE — on Earth and beyond!*

Contact us today!

Ph: 360.378-2906
Email: info@sanjuansedc.org
www.sanjuansedc.com

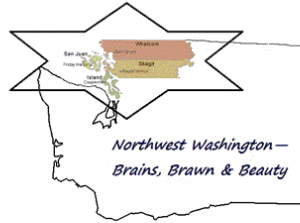
New Northwest Washington Region Brochure...

About the Northwest Washington Partnership

The economic development specialists in Northwest Washington are dedicated to helping your business thrive and grow and to helping you find the best location for your business in one of the most beautiful regions of the US.

The southern border of the Northwest Washington region is conveniently located 46 miles north of Seattle. The northern border adjoins British Columbia.

Northwest Washington offers something for everyone...and every entrepreneur. Call a NW Washington Business Partner today to find out how you can grow your business in our gorgeous corner of the world.



Contact a NW Washington Business Partner Today!

Economic Development Association of Skagit County (EDASC)

Attn: Don Wick, Executive Director
204 West Montgomery
Mount Vernon, WA 98273
(360) 336-6114
don@skagit.org
www.skagit.org

Island County Economic Development Council

Attn: Ron Nelson, Executive Director
PO Box 279
180 NW Cleveland St
Coupeville WA 98239
(360) 678-6889
icedc@whidbey.net

Port of Bellingham

Attn: John Michener, Economic Development Specialist
1801 Roeder Avenue
Bellingham, WA 98225
(360) 675-2500
johnmi@portofbelllingham.com
www.portofbelllingham.com

San Juan County Economic Development Council

Attn: Victoria Compton, Executive Director
60 First Street North, Suite 2
Friday Harbor, WA 98250
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Northwest
Washington—

Brains, Brawn
& Beauty

Build your business
in NW Washington...

Doing business in Northwest Washington...

Business in Northwestern Washington is different— life is sweeter, folks are friendlier and better educated and growth opportunities abound.

With an extraordinary, world-renowned location and natural beauty, low-cost and plentiful commercial property availability, proximity to Seattle, Vancouver and the I-5 corridor, excellent



schools and hospitals, a very low crime rate and a stable, well-trained work force — Northwest Washington offers a better quality of

life for your business as well as you, your employees and their families.

The area is comprised of four distinct regions, each with marvelous features and benefits—

Island County is about 50 miles from Seattle. With multiple access points to Whidbey and Camano Islands it is a well-known tourist destination. The largest employer in the four-county region, NAS Whidbey Island, is in Oak Harbor. The other major industries are retail, accommodation and food services, and other tourism-related fields.



Within the next five years, NAS

Whidbey Island plans to add six squadrons, with an increase in 1,100 active duty military. The increase in population as military spouses and dependents move into the area will provide a larger available labor force to local businesses, and more demand on retail and services.

San Juan County, the home of the world-renowned San Juan Islands, lies just a scenic ferry ride or a short flight from the mainland. The San Juan Islands are truly a paradise for the adventurous in spirit. With more business licenses per capita than any other county in Washington state, it's also a haven for hundreds of entrepreneurs from all industries — small retailers, app developers, artisans, telecommuters, small-scale manufacturers and farmers, and more.



With about 15,000 residents, San Juan County offers a handful of villages and thousands of acres of rural splendor and astounding waterfront vistas overlooking the playground of Orca whales, bald eagles and boaters.

Skagit County stretches westward toward the Pacific Ocean, ending at the Strait of Juan de Fuca, and incorporates a cluster of the world renowned San Juan Islands. To the east, Skagit County blooms with tulip fields, crosses the Skagit River, and heads toward the Cascade Mountains.



Skagit County offers historic cities and fishing villages, logging towns and bustling downtowns, with both idyllic leisure and natural, and extensive industrial opportunities.

Skagit's thriving business community has a focus on agriculture, manufacturing, aerospace, and marine. All of these industries are supported by strong training and educational facilities with a stable workforce.

Whatcom County has an incredible array of outdoor activities with something to do in every season. Skiing, hiking, boating, horseback riding, fishing, and hunting just to name a few!

With over 205,000 residents, Whatcom County shares 112 miles of border with British Columbia, Canada and hosts five border crossing locations. The county's largest private employers are British Petroleum, Cherry Point, Zodiac Aerospace (aircraft interiors manufacturing) and Alcoa Intalco Works (aluminum smelter), with over 2,500 employees combined.

More than 65% of the red raspberry production in the U.S. comes from Whatcom County, and the county grows the largest per capita crop of red raspberries in the world, with 99 growers harvesting over 7,200 acres. About 6,000 head of beef graze on Whatcom County's verdant pasturelands, which ranks 4th in the state for beef production.



Economic Development Association of Skagit County

Summary of Best Practices Shared and Implementation

Grantee: Economic Development Association of Skagit County

Grant Number: S14-75106-433

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

Current employment and economic information for the community

Skagit County unemployment rate:

May 2014: 7.1%

May 2013: 8.4%

Net Change: -1.3%

Source: Washington State Employment Security Department

NONAGRICULTURAL WAGE AND SALARY WORKERS IN THE MOUNT VERNON MSA, PLACE OF WORK _1/
QUARTERLY BENCHMARK: December 2013
SEASONALLY ADJUSTED

IN THOUSANDS	May 2014 (Prel.)
Total Nonfarm 3/	47.7
Total Private	36.4
Goods Producing	9.3
Mining, Logging, and Construction	3.3
Manufacturing	6.0
Service Providing	38.4
Private Service Providing	27.1
Trade, Transportation, and Utilities	9.7
Retail Trade	6.9
Leisure and Hospitality	4.6
Government	11.3
Federal Government	0.4

State Government	1.4
Local Government	9.5

Workers in Labor/Management Disputes	0.0
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_1/ Excludes proprietors, self-employed, members of armed forces, and private household employees.

Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

Prepared by the Labor Market and Economic Analysis branch using a Quarterly Benchmark process.

This process uses the most recent quarter from the Unemployment Insurance Tax Reports (currently

December 2013) and estimates employment from that point to present.

Net change from the previous year's employment and economic information

NONAGRICULTURAL WAGE AND SALARY WORKERS IN THE MOUNT VERNON MSA, PLACE OF WORK _1/

QUARTERLY BENCHMARK: December 2013
SEASONALLY ADJUSTED

Numerical
Change

May. 2013
to

May. 2014

IN THOUSANDS

Total Nonfarm 3/	1.2
Total Private	1.0
Goods Producing	0.7
Mining, Logging, and Construction	0.3
Manufacturing	0.4
Service Providing	0.5
Private Service Providing	0.3
Trade, Transportation, and Utilities	0.2
Retail Trade	0.0
Leisure and Hospitality	0.0
Government	0.2
Federal Government	0.0
State Government	0.0
Local Government	0.2

Workers in Labor/Management Disputes	0.0
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Business Attraction – EDASC has an active business attraction program. The focus is on manufacturing with an emphasis on certain sectors or clusters including:

- Agriculture – value added;
- Aerospace;
- Marine Industry;
- Wood Products;
- Advanced Manufacturing / Composite;
- Clean Energy / Clean Tech;
- Small to Medium Technology.

Online GIS Property Search & Demographics: EDASC updated www.Skagit.org with a full scale property and demographic search tool that includes all available industrial and commercial properties. The tool uses GIS data to speed up and simplify the process of site selection analysis so that companies can quickly identify the optimal location for their business start-up, expansion or relocation.

Trade Shows: Skagit County was represented at the following tradeshow July 1, 2013 – June 30, 2014:

Aircraft Interiors Expo	Seattle, Washington
PACK Expo	Las Vegas, Nevada
Trawlerfest	Anacortes, Washington
Seattle Boat Show	Seattle, Washington
Cross Border Expo	Blaine, Washington
Tacoma Aerospace Summit	Tacoma, Washington
Williams & White Industrial Show	Burnaby, B.C.
Governor’s Conference on Aerospace	Everett, Washington
Pacific Marine Expo	Seattle, Washington
FABTECH	Chicago, Illinois
Wind Power	Las Vegas, Nevada
AMEON	Bellevue, Washington
Aerospace Defense & Supplies Summit	Seattle, Washington
GLOBE Environmental	Vancouver, B.C.
SAMPE	Seattle, Washington

Site Location Services: EDASC contracted, beginning in June 2012, with a site location company to represent Skagit County at trade shows. They represent us at 6 trade shows per year.

Jobs and Economic Growth:

Aurinc – Anacortes

Update – company has installed the equipment needed to eliminate the laminating work done in China and completed the facility modification to accommodate the new production. After reviewing the production process efficiency and quality control, the firm elected to bring the soldering work back from South Korea and to do both soldering and laminating right here in Skagit County. Firm hired two new workers for laminating and four workers for soldering, along with a new production supervisor and an administrative assistant for a total of seven new family wage jobs and domestic production of the solar panels. Aurinc is located in east Anacortes off of Reservation Road.

Blank Law + Technology – Mount Vernon

Update – this innovative law firm & cloud computing company opened their new offices on College Way (former Sager’s Restaurant). They have 27 employees. Company hired several new employees from Skagit County and the balance moved up from Seattle. Stable, family wage jobs moved from Seattle to our county.

Cyson, Inc. (QCI Global) – Burlington

Update – Cyson recently purchased the assets of a company in the automotive services supply sector and will be marketing those products under the Quick Cut Sanders brand and is located in the former Walton Beverage facility in Burlington off of Walton Way.

Mass Spec Detectives – Sedro-Woolley

Update – Owner secured private financing this spring and has increased sales by a factor of four. Expects to reach nearly one million in sales and secured a \$15,000 loan for material handling equipment. Mass Spec Detectives operates out of a location in northwest Sedro-Woolley.

Glavin-Milphrey Architectural Metrology – Burlington & Mount Vernon

Worked with client to locate warehouse and office space to support relocation from Seattle. Over \$800,000 invested so far and six new jobs. This high tech firm measures 3D space and converts spatial information for rapid space modeling, and for building information models. Architects, construction contractors, museum exhibition managers, and others who manage enclosed spaces benefit from this company's technology. Glavin Milphrey opened their equipment center in Burlington at the North Hill location on November 2nd with an open house featuring the mayors of Burlington and Mount Vernon.

Business Assistance

Small Business Development Center / Business Retention & Expansion: The Economic Development Association of Skagit County offers technical assistance to businesses through the Small Business Development Center (SBDC) and our Business Retention & Expansion (BRE) programs. Working to ensure the survival and growth of existing Skagit County businesses is an important part of EDASC’s mission for economic development.

Business Advising: EDASC offers no cost, confidential business advising for existing, expanding and start-up businesses. Business owners and future business owners receive assistance with preparing business plans, creating financial projections, improving marketing techniques, analyzing financial information, buying and selling a business, or approaching a lender for a business loan.

Economic Gardening: In 2009, the Board of Skagit County Commissioners approved special funding from the Public Facilities Fund for an Economic Gardening Program that is managed by EDASC. These additional funds provide special services to start-up and growing businesses in Skagit County.

Entrepreneur Program: In partnership with the Washington Employment Security Department, the Washington Division of Vocational Rehabilitation and the Washington Department of Services for the Blind, EDASC has worked with individuals looking to create their own job and those additional jobs that come with a thriving businesses.

Workshops: Every month EDASC hosts a number of workshops on a wide range of business topics. Workshops focus on emerging trends and best practices to give our business owners every possible

advantage. Sessions are streamed live on the internet to allow those unable to attend in-person full access to the material presented.

Latino Business Retention and Expansion Program (LBRE Program) “El Programa Para La Retencion Y Expansion Del Comercio Latino”: The goal of EDASC’s Latino Business Retention and Expansion, or LBRE program, is to support the creation, development, expansion and survival of Latino businesses in Skagit County. Since the program was established in 2004, it has assisted Latino business owners in securing over \$2.5 million in loans, including \$255,000 for 2013. At the same time, the program is now being recognized on a national level.

IPZ – Value Added Agriculture: The Skagit Valley Value Added Agriculture IPZ supports and promotes innovative approaches within the agricultural industry that combine research and technology resulting centered around the valley’s rich agricultural resources. The IPZ is a partnership between EDASC and the City of Mount Vernon, Port of Skagit, Skagit Valley College, Skagit County, Washington State University and the Northwest Ag Business Center.

EDASC Foundation: The EDASC Foundation was established by EDASC to develop, implement and fund innovative research and education programs in cooperation with the institutions of higher education, private business and other interested parties.

Currently the EDASC Foundation is the governing entity for Leadership Skagit, a partnership with Skagit Valley College, and Washington State University, and provides leadership to build a coalition on the issue of early learning in the community to strengthen our future workforce.

Other relevant information on the community or regional area

Through our work with our peers and the business community a number of best practices have been followed:

- **Access to capital:** Businesses report access to capital is still a barrier to some expansion projects. To this end EDASC has worked with the traditional and emerging funding communities to educate, inform and create connections to assist in better matching funders with projects. EDASC has continued to partner with the SBA and USDA to provide multiple lender forums for bankers and the business community.
- **Regulatory challenges:** Some businesses report regulatory issues are of significant concern. EDASC has both worked with the relevant regulatory bodies to create stronger communications with these businesses while also referring businesses to firms specializing in regulatory compliance.
- **Real Estate:** EDASC participates in monthly meetings with commercial/industrial real estate brokers to further enhance job development.
- **Partnerships:** EDASC works to continually build partnerships with all local, state and federal agencies and jurisdictions on economic development issues and projects.

And, EDASC works collaboratively with other regional ADOs to form a strong regional partnership.

Skagit River Bridge Collapse Impacts

The Governor provided \$150,000 from the Strategic Reserve Fund for us to provide information to the Greater Seattle & Greater Vancouver areas that we were open for business. In our opinion this had a profound effect and helped businesses survive this ordeal.

Conducted Business Impact Survey – results:

Business Contacted	Job Count Prior to Incident	Job Count After Replacement	Change	Comments
Restaurant, Mount Vernon	7	4	-3	Shop later closed due to disputes with Franchisor
Hotel, Burlington	28	28	0	North of disruption, patronage increased during incident
Furniture store, West Mount Vernon	8	8	0	Detour traffic impacts temporarily reduced customer counts
Manufacturer, Burlington	61	61	0	Traffic impacted deliveries and employee arrival times
Manufacturer, Burlington	4	4	0	Traffic impacted deliveries and employee arrival times
Retail, West Mount Vernon	5	5	0	Detour traffic impacts temporarily reduced customer counts
Hotel, Mount Vernon	17	17	0	Detour caused drivers to believe access was closed
Hotel, Mount Vernon	10	10	0	Detour caused drivers to believe access was closed
Restaurant, Mount Vernon	21	21	0	Detour caused drivers to believe access was closed
Restaurant, Mount Vernon	31	31	0	Detour caused drivers to believe access was closed
Museum, Mount Vernon	4	4	0	Detour caused drivers to believe access was closed
Retail, Mount Vernon	5	5	0	Detour traffic impacts temporarily reduced customer counts
Mall, Burlington	Various	N/A	N/A	Operators reported corporate HQ of various shops sent hourly employees home during incident, management staff only until temporary replacement was installed. North of incident so decrease of patronage was credited to aggressive Vancouver BC media campaign warning shoppers away from Skagit County.

Excellence in Economic Development:

EDASC received a Gold Excellence in Economic Development Award from the International Economic Development Council for SchmoozeCruise – initiated in 2013 – it is a tour of 10 manufacturers. Five hundred people toured the local manufacturers.

“The Excellence in Economic Development Awards recognizes EDASC as being one of the leading organizations in the industry for innovation, creativity and successful strategies,” said IEDC chair, Paul Krutko. “These awards are meant to honor the organizations and individuals who are dedicated to making a positive change in their communities. This organization uses creative solutions and inventive ideas, and offers other regions a wonderful example to learn and benefit from. The award represents an acknowledgment and appreciation for EDASC’s dedication to continuous growth within itself, as well as improving the industry overall.”

The amount of funds received by the ADO through its contract with the department

	FY 14	FY15	Total
Commerce Funds Awarded	\$76,294.00	\$76,294.00	\$152,588.00

The amount of funds received by the ADO through all sources

Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		FY 14	FY 15	Total
	Private	\$385,800	\$385,800	\$771,600
	Local	218,559	218,559	437,118
	State			
	Federal	35,000	38,000	73,000
	Program Revenue	39,000	40,000	79,000
Total Budget		\$678,359	\$682,359	\$1,360,718

The ADOs impact on employment through all funding sources

New jobs created as a direct result of ADO effort	94+
Capital investments stemming from our work	\$4,086,250
Number of start-up business workshops	21
Number of businesses assisted with business planning	127
Number of businesses beginning start-up process	131
Business education workshops – seats filled	775

Skamania County Economic Development Council

Summary of Best Practices Shared and Implementation

Grantee: Skamania County Economic Development Council

Grant Number: S14-75106-434

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

- Current employment and economic information for the community or regional area produced by the employment security department;

Currently Skamania County has an unemployment rate of 7.8% as of May 2014 compared with 10.6% and 10.7% for the same month in 2013 and 2012. The decline in the unemployment rate was due almost entirely to a decrease in the labor force. The county lost 200 jobs in the recent recession, and has had zero job growth since hitting bottom in early 2009.

In short, unemployment in the county remains high—well above the state average, and higher than most counties in the state—while job growth has been hard to come by. Changes in unemployment do not currently provide an accurate gauge of economic well-being for our region as Skamania County is still trying to recover from the recession and most likely will still be in a recovery phase for at least another year or two.

Job loss during the recession was highly impacted by the decrease in government jobs with a majority of that coming from the local county government and school districts. Both have lost many jobs due to the reduction in budgets. Since April 2007 local government has seen a reduction of 100 jobs and K-12 education has lost 50 while state and federal government jobs were down about 25 jobs each over that same time.

Although the county has seen a net zero job growth overall, two specific employment areas have seen job growth in the last 7 years. One is manufacturing and the second is “other services”. The manufacturing growth has been due to the expansion of an existing local cabinet manufacturer, an existing recreational equipment manufacturing company that has in sourced jobs from China, the recruitment of another small manufacturer and the addition of a couple of small breweries and a distillery.

- The net change from the previous year's employment and economic information using data produced by the employment security department;

The county had 2,250 jobs in May 2014, 10 more than in May 2013. The year-over-year change has fluctuated from month to month, sometimes slightly positive, sometimes slightly negative. The most recent estimate showed an increase over the year in accommodations and food services, and a decline in other service sector jobs and in government.

- Other relevant information on the community or regional area;

The preliminary average annual wage for the county in 2013 was \$33,751, below the county average in 2012, and well below the unofficial preliminary state average of \$52,635. The county is still struggling with the exodus of residents to neighboring counties for work based on the lack of industry. The existing industries have also indicated that they struggle to hire local residents because they need trained workers for specialty manufacturing.

While we have many incentives to offer businesses with low utility rates, access to a major highway, close proximity to an international airport, rail, low lease rates, and beautiful scenery, it has still been a struggle to obtain new industry based on our limited population (workforce) and limited industrial property that is not shovel ready.

Current cluster industries that the region is focusing on are: high tech, renewable energy, art and culture, wine/value added agriculture and healthcare. Since the ADO's focus is on key strategic private investments within these cluster industries that result in high wage job creation in sectors with strong multipliers, major changes in unemployment figures may not happen particularly because unemployment numbers include all wage levels, not just high wage jobs. Changes in unemployment rates require broad shifts in hiring and job creation or elimination and Skamania County generally does not see those large changes to the small to medium businesses that are attracted to our area as well as our limited population base.

In general, Skamania County continues to struggle with generating tax revenue. Of the 1,077,365 acres, 70.7% is Gifford Pinchot forest land, 7% is Mt St Helens Monument, 8.9% is state and locally owned public land for a total of 86.6%. Further land restrictions are also in place for the spotted owl and the Columbia River Gorge National Scenic Area leaving minimal commercial and industrial land available for development. Based on all of the above, the county currently has 1.8% of its land that is taxed at full market value. These imposed limitations along with continued reductions in federal timber dollars (that were intended to help compensate for reduced property tax revenues) further limit the ability of the county and its cities to make needed infrastructure improvements to entice new industry.

- The amount of funds received by the ADO through its contract with the department;

	FY 14	FY15	Total
Commerce Funds Awarded	\$33,668.00	\$33,668.00	\$67,336.00

- The amount of funds received by the ADO through all sources;

Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		Est FY 14	Est FY 15	Est Total
	Private	\$3,500	\$4,000	\$7,500
	Local	63,880	63,880	127,760
	State	33,668	33,668	67,336
	Federal	0	0	0
	Sub Lease	4,260	4,260	8,520
	Loan programs	90,374	85,000	175,374
Total Budget		\$195,682	\$190,808	\$386,490

- The ADOs impact on employment through all funding sources.

The Skamania EDC has a small staff of 1.75, a large loan program, a micro loan program and contracts with 6 public agencies to assist them with their economic development efforts. The most successful program managed by our staff is our loan programs which have provided grants and loans of over \$4.9M and has created more than 350 jobs (not including jobs that may have been created with infrastructure grants and loans made to public agencies) since 1994.

Existing loans or business assistance has been provided to the following businesses since June of 2013 allowing for the increased employment or retention of existing employment:

Silverstar Cabinets – ADO assisted business in its efforts to implement lean manufacturing principles as well as assist with its efforts to begin exporting products. The ADO met several times with business to discuss efforts to train local workforce for specialty manufacturing needs. Business has added approximately 30+ employees and expanded its footprint.

Skunk Brothers Distillery – provided loan funds for business start-up and assisted business with finding supplemental funding sources. Business employs 3 individuals in the day-to-day operations and distilling. Portions of loan funds allowed owners/employees to attend three-day Washington Distillers Conference.

Backwoods Brewing – Provided additional loan funds to assist business with expansion efforts. Business has added 7 full time and 13 part-time jobs in the last year.

Slingshot Sports – Provided support in their efforts to in source jobs to their company from China by assistance with obtaining funds from the state's export voucher program.

Columbia River Wine – provided loan funds to assist with business startup. Business employs two people.

In addition to the loan program we also provide all of our contracting agencies grant writing assistance usually for infrastructure projects. While these projects don't necessarily have direct jobs the indirect impact (depending on the project) on jobs can be substantial. Since June of 2013 our staff has assisted these agencies with grant proposals on three infrastructure projects ranging from replacement of sewer lift stations to increase capacity and efficiency for future growth, replacement of a water reservoir to improve service to existing residents and increase capacity, and improvements to an industrial building to encourage placement of new industrial tenants on the waterfront. Also, staff submitted successful grants to different companies to increase the ADO's ability to provide micro-loan assistance and based on these grants our micro loan programs have increased by \$149,000.

As ADO, we also provide two workshops a year for local residents and businesses that include topics such as accounting, exporting, and social media. We also administer a group called the Red Carpet committee which works on ways to bring new businesses into the community as well as helping our local businesses to grow and prosper. Through the group we have had recruiting events over the last two years where we held a day full of events for technology company representatives. We also helped in the recruitment of a manufacturing company to the area and supported the school district in recruiting Clark Community College through the Red Carpet Committee (RCC). Currently we are working on bringing a new industry to the county through RCC contacts.

Although it is difficult to generate direct employment impacts from these activities, as ADO we have determined that these efforts do assist local businesses based on feedback we have received from the community. Our marketing efforts have also been successful in introducing people and businesses to our area.

Economic Alliance Snohomish County

Summary of Best Practices Shared and Implementation

Grantee: Economic Alliance Snohomish County

Grant Number: S14-75106-435

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

EASC NOTE: Unemployment rates are indicators of long-term trends but have shortfalls when reporting short-term economic activity. As shown below, the rate declined in Snohomish County but so did the actual number of people employed.

- Current employment and economic information for the community or regional area produced by the employment security department;

Total Good Producing jobs	77,900
Total Service Providing (private)	152,200
Total Government	<u>38,700</u>
Total Non-Farm	268,800
Unemployment Rate (May '14)	5.1%
- The net change from the previous year's employment and economic information using data produced by the employment security department;

Unemployment (May '13)	5.4%
Unemployment (May 14)	5.1%
Change	-0.3%

Total employment May 2013 – May 2014 actually decreased by 500 jobs in Snohomish County.

Data source: WA State ESD, May 2014

- Other relevant information on the community or regional area;

Snohomish County is the manufacturing center for the State of Washington; 23% of our workforce is associated with manufacturing compared with a statewide average of 10% for other counties. Aerospace is our primary cluster, with final aircraft assembly and a supply chain of over 200 firms. The Aerospace Convergence Innovation Partnership Zone (IPZ) is located in Snohomish County. Other aerospace "infrastructure" located here includes the Washington Aerospace Training and Research Center (Edmonds Community College), the Advanced Manufacturing Training and Education Center (Everett Community College) and the engineering programs of both the UW and WSU.

EASC and Snohomish County have leadership positions in the aerospace industry. EASC is on the boards of the Aerospace Futures Alliance, the Pacific Northwest Aerospace Alliance (PNAA) and the Washington Aerospace Partnership. The PNAA Annual Conference is held every year in Snohomish County. The 2013 Governor's Aerospace Conference was held here as will the 2014 conference. We are regular attendees for the Governor's missions to airshows in Paris and London and participate in local trade shows including the Aircraft Interiors Show, the Aerospace and Defense Suppliers Summit and shows associated with the industry such as the Society for the Advancement of Materials and Process Engineering.

The Bothell Biomedical Manufacturing Innovation Zone (IPZ) is located in both Snohomish and King Counties. The program to date for this IPZ has focused on medical device and has hosted the Washington State Medical Device Summit for the past seven years. There are close to 4000 jobs associated with device in Snohomish County and 8000 in the region. Medical ultrasound was developed at the University of Washington. One of the worlds' leaders in the industry, Philips Healthcare, has their worldwide headquarters for medical ultrasound located in Snohomish County. There are 20 medical ultrasound firms located in the region; the larger of these include Sonosite (acquired by FujiFilm of Japan in 2012) and EKOS. The Zone also has firms in biopharmaceutical manufacturing including CMC Biologics, Seattle Genetics and Alder Biopharmaceuticals.

A clean technology cluster is developing in Snohomish County with a specific focus on renewable energy. Our Public Utility District is developing a demonstration tidal energy project in Puget Sound. We have companies in solar energy including power inverters. A local company, based on technology developed at the Pacific Northwest National Lab, is commercializing energy storage technology based on large-scale batteries".

EASC is developing a diversification strategy for Snohomish County to broaden our economy. The strategy is tied to the competitive strengths developed around aerospace.

- The aerospace supply chain includes numerous firms with sophisticated capabilities in metal machining/fabrication/assembly. There are cross-over opportunities between aerospace and medical device.
- The Boeing 777X project will bring to Snohomish County a concentration of skills and suppliers associated with composites that have applications other than aerospace.
- Further, the 777X will bring automated manufacturing processes (robotics) to Snohomish County that have the potential to be long-term assets outside of aerospace.

With an eye towards diversification, EASC contracts with a consulting firm to represent us at six trade shows each year to develop project leads for business attraction. We also attend selected shows to walk the floors and make direct contacts with prospective firms.

- The amount of funds received by the ADO through its contract with the department;

	FY 14	FY15	Total
Commerce Funds Awarded	\$220,134.00	\$220,133.00	\$440,267.00

- The amount of funds received by the ADO through all sources;

Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		FY 14	FY 15	Total
	Private	792,740	821,445	1,614,185.00
	Local public	253,500	253,500	507,000.00
	State (ADO)	220,134	220,134	440,267.00
	Higher Ed	60,000	60,000	120,000.00
	Federal	243,256	268,448	511,704.00
Total Budget		\$1,569,630	\$1,623,526	\$3,193,156.00

- **The ADOs impact on employment through all funding sources.**

EASC has a “funnel” of companies which are tracked as long-term recruitment opportunities. These company projects may be in the early stages of planning or ready for execution. As of the end of this fiscal year; the funnel includes 31 aerospace and 17 non-aerospace companies. Completed projects include the following:

Boeing 777X

EASC played a significant leadership role in the Boeing decision to manufacture the wing and perform final assembly of the new 777X in Everett/Snohomish County. The employment impact of this decision is 8,500 new jobs in the Puget Sound region; this includes Boeing direct employees and well as new job creation from the supply chain that is located statewide. There is also the benefit of maintaining existing jobs that would have been lost if Boeing had moved the 777X project to another US location.

Scott's Miracle-Gro

EASC assisted Scott's in establishing a new soil blending facility in Marysville. The company will source a variety of organic waste materials throughout the region and package them as soil products, which are then sold at retail in the Pacific Northwest. EASC provided introductions for permitting and material suppliers. We also introduced energy incentives provided through the Snohomish County PUD. The company has 15 full-time jobs and an equal number for seasonal employment.

Modumetal

By working with EASC, Modumetal was able to keep their project on schedule. This is a start-up company establishing their first manufacturing facility in the City of Snohomish (Maltby) to develop a new metal processing technology. EASC connected the company with the PUD, as there were challenges in bringing electric power to their site. The company has 7 employees at start-up and is expected to have 25 when under full operation.

Company J (Japan - confidential)

EASC assisted this aerospace company with an expansion project that could have located out-of-state. By presenting incentive programs applicable to the project and presenting options for a new facility, the company developed the justification to keep the project in Snohomish County. The company bought an existing vacant building to provide space for the operation, which has created 50 new jobs with potential for more.

MTorres (Spain)

The company acquired Pacifica Engineering (Bothell) the end of 2012. The company subsequently leased a new facility in Everett this fiscal year for fabrication of aerospace tooling, for which Pacifica does the engineering. MTorres has 5 employees at start-up and expects to have 20 employees when fully operational. EASC provided an introduction to the City of Everett for permitting assistance and introduced them to WorkSource to identify employment candidates.

Outback Power

The company manufactures electronic equipment used in renewable energy applications (solar and wind); their headquarters is in Whatcom County. They relocated into an existing 42,000 sf facility in Arlington. The new space gave the company room to expand and focus that operation on engineering and technical support. EASC assisted by identifying available buildings, introducing the PUD for expanded electrical service, and bringing in Everett Community College for customized training.

Electronic Coating Technology (Canada)

ECT has leased 6,000 square feet in Everett. The facility will apply protective coatings to electronic circuit boards and other sensitive electronic components. The company is working on tenant improvements and equipment installation. No job creation at this point. EASC introduced them to the City of Everett for building permits and the Puget Sound Clean Air Agency for air permits. We also identified potential new customers.

Halosource

Halosource, a developer of clean-water technologies, opened a pilot-scale production facility in unincorporated Snohomish County, close to their existing headquarters and research facility in Bothell. They leased and improved 24,000 square feet of manufacturing/lab space. Job creation is presently 10 but there is room for that to grow over time. EASC expedited their building permits through the county planning department.

General Business Retention and Expansion Activities

In addition to the companies mentioned above, EASC met with 76 Snohomish County companies during this fiscal year. These meetings were to understand their local operation, their assessment of the business climate in both the county and the state, and to identify any issues that may be hindering their continued growth. 43 of these firms received assistance from EASC as a result of those meetings. The assistance covers a range of issues; permitting, incentives, workforce and customized training, regulatory, exporting, energy efficiency, lean manufacturing, government contracting (see below) and more.

In addition to the general assistance provided, EASC is also tracking 22 expansion projects in development by companies in Snohomish County.

EASC actively supports the growth of small business through three distinct programs.

Procurement Technical Assistance Center (PTAC)

PTAC is a statewide program funded by the US Department of Defense. EASC has a full-time PTAC business counselor serving Snohomish, Skagit and Whatcom Counties. The counselor's primary function is to guide small businesses in their efforts to win contracts with public sector entities at the federal, state and local level. The primary metric for PTAC is client interaction. During this fiscal year, PTAC assisted 72 small firms; 66% of these firms are categorized as Veteran, Women-owned or Small Disadvantaged/Minority-Owned business. PTAC also offered eleven classes on government procurement procedures during the year.

Small Business Transportation Resource Center (SBTRC)

SBTRC is similar to PTAC in concept but the objective is to assist firms secure transportation-related projects. The program is funded by the US Department of Transportation. EASC is responsible for the northwest region, including Washington, Oregon, Idaho, Montana and Alaska. The metrics are also similar to PTAC. During the fiscal year, SBTRC assisted 25 firms in Snohomish County.

Small Business Development Center (SBDC)

The SBDC is a program of the US Small Business Administration; the program in Snohomish County is administered by Edmonds Community College. EASC houses the SBDC and provides administrative support at no charge. SBDC counseled 192 firms during the fiscal year; 60 of these firms were start-ups. In total, SBDC provided 734 hours of counseling.

Infrastructure

EASC has placed emphasis during the past fiscal year on improving the economic development infrastructure within Snohomish County.

Higher Education Funding – we have advocated for additional state funding to improve vocational training at the Washington Aerospace Training and Research Center (Edmonds Community College), the Advanced Manufacturing Training and Education Center (Everett Community College) and more engineering seats at both the UW Bothell campus and at the University Center of North Puget Sound operated by WSU.

Transportation – EASC and the Snohomish County Committee for Improved Transportation (a private-public consortium) advocated during the past two legislative sessions for a state transportation budget to fund maintenance and construction projects needed by the business community to support the movement of people, raw materials and finished products. A transportation budget will be a priority during the 2015 legislative session.

Greater Spokane Incorporated

Summary of Best Practices Shared and Implementation

Grantee: Greater Spokane Incorporated

Grant Number: S14-75106-419

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

Note: Changes in unemployment rates require broad shifts in hiring and job creation/elimination. ADOs focus on key strategic private investments that result in high wage job creation in sectors with strong multipliers. This does not always result in great movements in unemployment numbers, which include all wage levels, not just high wage jobs.

- Current employment and economic information for the community or regional area produced by the employment security department;

Spokane County unemployment rate, May 2014

6.7%

Source: Washington State Employment Security Department (most recent data)

For 2012, Spokane had 14,666 firms with an average wage of \$41,056.

- The net change from the previous year's employment and economic information using data produced by the employment security department;

Spokane County unemployment rate:

May 2013: 7.7%

May 2014: 6.7%

Net change May 2013 to May 2014: -1.0%

Source: Washington State Employment Security Department

The number employed, according to the Nonagricultural Wage and Salary Workers in the Spokane MSA, Q1 data, **rose by 3,200 from 2012 to 2013.**

- Other relevant information on the community or regional area;

Greater Spokane Incorporated recruits, retains, and helps with expansion, businesses in the following industry clusters:

- Aerospace
- Manufacturing
- Distribution & Logistics
- Health Sciences
- Clean Tech & Energy
- IT

Aerospace

To promote Spokane as an ideal site for aerospace investments, Spokane County, City of Spokane, Spokane International Airport, Community Colleges of Spokane, Avista and GSI partnered on AIR Spokane, the Aerospace Initiative for Recruitment. Collateral has been created and a website is in process. Work has begun on an aerospace supply chain analysis. GSI recruited at the Paris Air Show, upcoming Farnborough Show, and the Aerospace & Defense Supplier Summit. Targeted aerospace email and mail pieces were sent to site selectors across the country. Made visits to, and provided assistance to, local aerospace companies.

Health Sciences

Health Sciences gap analysis completed. Partnering with HSSA, GSI has attended WBBA for the past two years and worked on recruitment. Dahl Natural was a resulting win. Met with bioscience specific site selectors and toured them in Spokane. SBIR outreach continues. Health Sciences campus continues to build out and fill with multi-disciplinary programs, research and clinics. Convened Health Industry Development Group.

Manufacturing

Visited and assisted a number of local manufacturing businesses. Attended MD&M for recruitment. Convened Manufacturers Roundtable.

Expanded Services

Several programs have merged with GSI which expand GSI's services to local businesses. The International Trade Alliance is now Trade under GSI's Economic Development.

Similarly, Connect Northwest merged with GSI, expanding GSI's entrepreneurial education and services. Spokane STEM has also merged, expanding the workforce and education component.

Spokane numbers:

- Spokane-Spokane Valley MSA now includes Stevens and Pend Oreille counties, placing it in the top 100 MSAs nationally.
- Spokane's GDP increased from 18.7 to 20.4 from 2012 to 2013, resulting in a rise of 4 in ranking among 365 MSAs across the nation
- Spokane's cost of living index is 95.7, below the national average. (C2ER)

- KPMG “International Business Location Cost” for Spokane is 96.9, below average.
 - Cost of doing business is 18% below national average (Moody’s Analytics)
 - Additional flights added from Spokane to Seattle, Atlanta, Canada and Mexico
 - Spokane’s downtown revitalization continues including Convention Center expansion, new 700 room hotel by Worthy, renovation of historic buildings, proliferation of craft breweries
 - Spokane County is one of six nationwide to receive the RWJF Culture of Health Prize from the Robert Wood Johnson Foundation. The Spokane Public Schools graduation rate jumped from less than 60 percent in 2006 to nearly 80 percent in 2013.
- The amount of funds received by the ADO through its contract with the department;

	FY 14	FY15	Total
Commerce Funds Awarded	\$181,802.00	\$181,802.00	\$363,604.00

- The amount of funds received by the ADO through all sources;

Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		FY 14	FY 15	Total
	Private	\$	\$	\$
	Local	319,603	300,000	619,603
	State	181,802	181,802	363,604
	Federal			
Total Budget		\$501,405	\$481,802	\$983,207

- The ADOs impact on employment through all funding sources.
Annual reports may include the impact of the ADO on:
 - Wages
Spokane’s average wage increased from \$39,931 in 2011 to \$41,056 in 2012
 - Exports – Spokane MSA exports totaled \$662 million
 - Tax revenue generated
Local \$3,185,165
(\$3,101,329 recruitment + \$838,236 retention and expansion)
State \$2,661,957
(\$6,562,713 recruitment + \$2,005,684 retention and expansion)
 - Capital investment
\$123,875,000

- Business relocations
 - 5 companies, 219 jobs, \$85,736,999 annual economic impact**
 - **CarMax**
A Fortune 500 company and one of Fortune Magazine's "Best Companies to Work For." GSI assisted in the property search and some zoning issues.
 - **Dahl Natural**
Developer of a real-time, low-cost pesticide monitoring device. Partnering with HSSA, GSI hosted the initial visit and assisted with incentives, property search, and introductions
 - **Chalk Labs**
Provider of advanced analytical solutions for big data, national health related contracts. GSI supplied information on funding, property, incentives and wages.
 - **Exotic Metals Forming Company**
A leader in state-of-the-art, high-temperature, high-strength sheet metal designs and fabrications for the aerospace industry, Project Exotic began in 2007 when the company reached out to GSI. GSI showed them sites, but they ended up expanding where they were, in Kent. When they needed to expand again, in 2012, efforts were refocused on Spokane. During the recruitment process, GSI staff assisted the company with community and site tours, workforce availability and funded training programs, municipal and utility contacts, and connections to local manufacturers. In addition, GSI advocated for Governor's Strategic Reserve Funds used by Exotic Metals for pre-planning and site readiness.
 - **My Place Hotels**
Economy, extended stay hotel chain headquartered in Aberdeen, South Dakota is expanding their presence in the northwest. They came to GSI for site location assistance. Building in Spokane Valley and considering additional sites.
- Expansions
 - 5 businesses: 381 jobs, \$83,575,000 annual economic impact**
 - **Associated Painters**
Building a second aircraft-painting hangar for narrow body, Boeing planes. Located at SIA
 - **Providence Health Care**
GSI assisted Providence on traffic mitigation issues with the new Medical Park in Spokane Valley
 - **Odom Corporation**
GSI assisted Odom with information on the warehouse incentive for construction of their new warehouse on the West Plains
 - **Minapsys**
A software group with an online platform for group collaboration. GSI provided cost comparisons, property, and introductions.
 - **West Corporation**
GSI met with West's client to share information on Spokane's workforce and business competition, helping them win new concierge level service contract with a global client.
- Terminations
 - Vivint

- Prospects in the pipeline by industry
1 Lead Level 1
 (IT)
4 Lead Level 2
 (2 aerospace, 2 other)
109 Lead Level 3
 (32 Health Sciences, 15 Aerospace, 15 Clean Tech & Energy, 11 Manufacturing, 11 Professional Services, 7 IT, 5 Adv. Manufacturing, 2 Retail, 2 Distribution & Logistics, 9 Other/Unknown)
- **New Entrepreneurial Services**
 GSI is offering new educational and networking programs for entrepreneurs and managing Share Space Spokane, flexible office rental and collaboration space
- **Government Contracting Services**
 37 workshops on Government Contracting offered; 101 new clients came in for one-on-one counseling sessions

Tri County Economic Development District – Stevens & Ferry Counties

Summary of Best Practices Shared and Implementation

Grantee: Tri County Economic Development District, Stevens, Ferry Counties

Grant Number: S14-75106-438

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

- Current employment and economic information for the community or regional area produced by the employment security department;

May 2014 Unemployment rates:

Stevens County – 9.2%

Ferry County – 10.3%

- The net change from the previous year's employment and economic information using data produced by the employment security department;

May 2013 Unemployment rates:

Stevens County – 10.6% Net decrease of 1.4%

Ferry County – 11.5% Net decrease of 1.2%

- Other relevant information on the community or regional area;

We are facing some difficult times next year in Ferry County. Kinross Gold Corporation, the largest employer in the County, decided to terminate the NEPA EIS process relating to proposed exploration of public lands around the Buckhorn mine. This is a huge loss for the community as the current mining operations are scheduled to terminate in the spring of 2015. We are working with Kinross on their exit strategy and providing assistance to the local businesses to "lessen the blow". Stevens and Ferry Counties continue to be listed as Historically Underutilized Business (HUB) zones and it is anticipated they will maintain that designation for the foreseeable future. Stevens County (with Pend Oreille County) was added to the Spokane Metropolitan Statistical Area (MSA) at the beginning of 2014. We have yet to determine the full effect this will have to our area.

- The amount of funds received by the ADO through its contract with the department;

	FY 14	FY15	Total
Ferry County	\$32,609.00	\$32,609.00	\$65,218.00
Stevens County	\$46,175.00	\$46,174.00	\$92,349.00
Commerce Funds Awarded	\$78,784.00	\$78,783.00	\$157,567.00

- The amount of funds received by the ADO through all sources;

Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		FY 14	FY 15 (estimated)	Total
Donations, Key Bank, Kinross	Private	\$12,000	\$10,000	\$22,000
Member Dues and extra support	Local	\$37,278	\$38,000	\$75,278
WSDOT	State	\$75,257	\$75,257	\$150,514
EDA, RBEG Grant	Federal	\$85,542	\$60,000	\$145,542
Revolving Loan Fund and Incubator	Other	\$445,575	\$440,000	\$995,575
Total Budget		\$655,652	\$623,257	\$1,278,909

The funding that TEDD receives is tied to specific funding sources scopes of work. For example, the funds from WSDOT and the EDA are for District planning purposes in transportation and regional economic development only. Member dues are used as the required match for the EDA grant and are limited to planning purposes only. The Kinross donation was project specific to a Ferry County activity. The Loan Fund revenue is from interest and fees collected from outstanding loans and can only be used for expenses incurred by the Loan fund. Any funds received during a calendar year not spent on approved expenses become lendable funds at the end of the year and are no longer available for expenses purposes. We try to leverage any funding we receive to improve the economic environment in Northeast Washington.

- The ADOs impact on employment through all funding sources.

Tri County Economic Development District (TEDD) held a small business seminar series in the fall of 2013. The seminars conducted were business plans, business accounting, business legal, and business marketing. Seven businesses from the two counties attended the series and two new businesses were created with whom we continue to work with. We also conducted 3 separate Social Media workshops with a total of 63 participants. Both of these programs were very well received with high ratings from the participants for both the content and the presenters.

TEDD received a Rural Development RBEG grant in the fall of 2013 to create a small business resource center at the TEDD offices in Colville. Access to high speed internet is a pressing need for the two counties. Residents living in unincorporated areas are limited to line-of-sight or satellite internet services. The \$25,542 grant helped finance a center to which small business owners from the District can access high speed internet via the fiber recently

installed by NoaNet. The center offers free use of the computers or access with their own device with limited printing and scanning. The center also offers virtual video conferencing services. The center has already been used for training by the Stevens County WSU extension and has provided conferencing for local businesses and groups. To date, 135 business uses have been recorded and awareness of the business services offered by TEDD has increased dramatically.

TEDD continues to conduct outreach to small businesses in the two counties by attending Chambers of Commerce meetings, participating in town hall meetings and local events. TEDD helps local governments and non profits by providing data and planning services in Transportation and Economic Development as per the scopes of work required by the EDA and WSDOT.

TEDD's Rural Development Loan Fund works with local businesses that are unable to secure financing from conventional sources. Over the course of the last year, \$581,500.00 was loaned to 7 businesses in Stevens and Ferry counties resulting in the retention of 14.5 full time jobs and the creation of 7 new full time jobs. TEDD counsels the businesses who have obtained financing as well as those applying for a loan.

The small business incubator currently leases warehouse and office space to 8 small businesses that are unable to acquire suitable facilities elsewhere. The space can be leased at a scaled rate which is gradually increased to market rates over the first 5-8 years. Business assistance and counseling are available to the tenants with the intent to help them gain stability enabling them to either purchase a facility or lease space from a private landlord.

Thurston County Economic Development Council

Summary of Best Practices Shared and Implementation

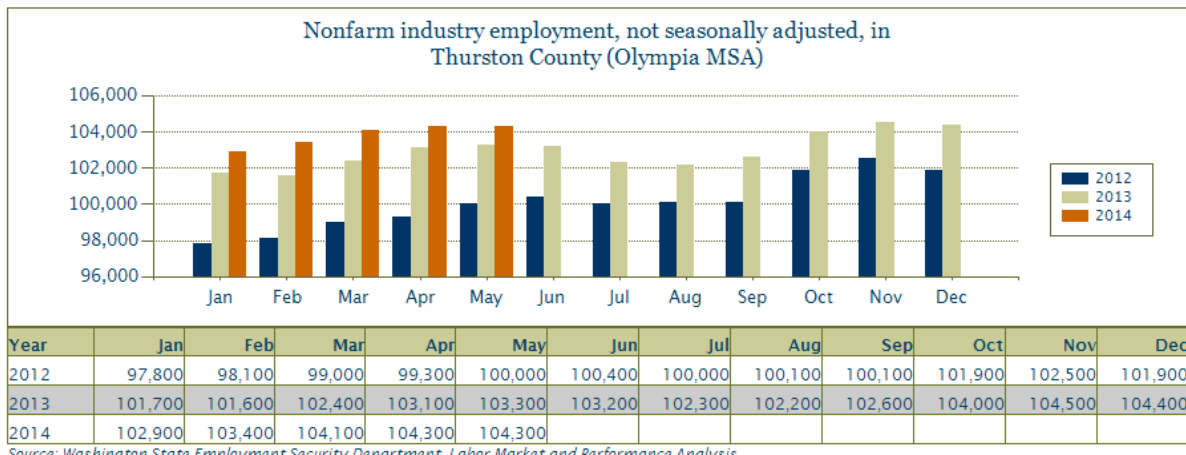
Grantee: Thurston County Economic Development Council

Grant Number: S14-75106-437

Time Period Covered: July 1, 2013 – June 30, 2014

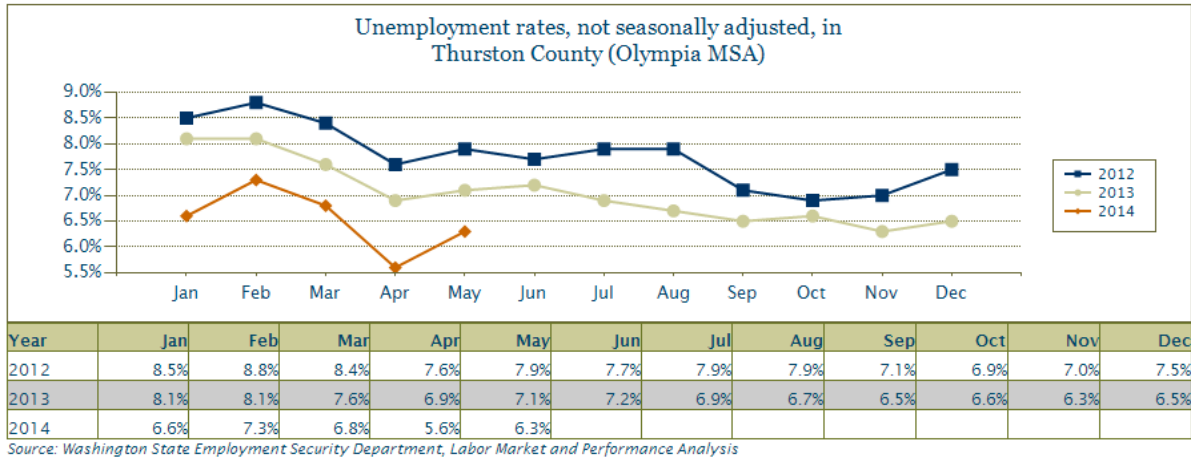
Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

- Current employment and economic information for the community or regional area produced by the employment security department;



The above chart (WA Employment Security website 07/01/14) identifies employment levels for Thurston County for the years 2012, 2013 and through 05/2014. From July 1, 2013 through May 31, 2014, overall Thurston County non-farm industry employment increased by a little over 1% -- a positive gain of 1,100.

- The net change from the previous year's employment and economic information using data produced by the employment security department;



The above chart (WA State Employment Security website, 07/01/14) provides the unemployment rate for Thurston County for the years 2012, 2013, and through 05/2014. It is noted that the Thurston County unemployment rate was reduced by approximately 12% from June 2013 through May 2014 (from 7.2% to 6.3%).

- Other relevant information on the community or regional area;

Click on a column heading in the table below to sort the column either in ascending order or in descending order.

Total nonfarm employment, not seasonally adjusted, in Thurston County (Olympia MSA)						
NAICS industry title (place of work)	Preliminary May-14	Revised Apr-14	Revised May-13	Change		
				Apr-14 May-14	May-13 May-14	May-13 May-14 %
Total Nonfarm	104,300	104,300	103,300	0	1,000	1.0%
Total Private	68,000	67,900	67,300	100	700	1.0%
Goods Producing	7,200	7,200	7,200	0	0	
Mining, Logging, and Construction	4,100	4,100	4,000	0	100	2.5%
Manufacturing	3,100	3,100	3,200	0	-100	-3.1%
Service-Providing	97,100	97,100	96,100	0	1,000	1.0%
Private Service Providing	60,800	60,700	60,100	100	700	1.2%
Trade, Transportation, and Utilities	17,100	17,100	17,100	0	0	
Retail Trade	11,800	11,800	11,600	0	200	1.7%
Professional and Business Services	9,800	9,800	9,400	0	400	4.3%
Leisure and Hospitality	9,300	9,100	9,200	200	100	1.1%
Government	36,300	36,400	36,000	-100	300	0.8%
Federal	900	900	900	0	0	
State government	23,700	23,900	23,700	-200	0	
State government educational services	2,300	2,300	2,400	0	-100	-4.2%
Local government	11,700	11,600	11,400	100	300	2.6%
Local government educational services	6,600	6,600	6,500	0	100	1.5%
Workers in Labor Management Disputes	0	0	0	0	0	

Source: Washington State Employment Security Department, Labor Market and Performance Analysis Branch

The above chart (WA State Employment Security, 7/1/14) provides a quick snapshot of the employment levels for the major categories of employment and economic sectors.

- The amount of funds received by the ADO through its contract with the department;

	FY 14	FY15	Total
Commerce Funds Awarded	\$97,323.00	\$97,323.00	\$194,646.00

- The amount of funds received by the ADO through all sources;

Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		FY 14	FY 15*	Total
	Private	191,017.92	191,017.92	382,035.84
	Local	687,900.00	687,900.00	1,375,800.00
	State	130,046.03	130,046.03	260,092.06
	Federal	940,871.83	940,871.83	1,881,743.66
Total Budget		\$1,949,835.78	\$1,949,835.78	\$3,899,671.56

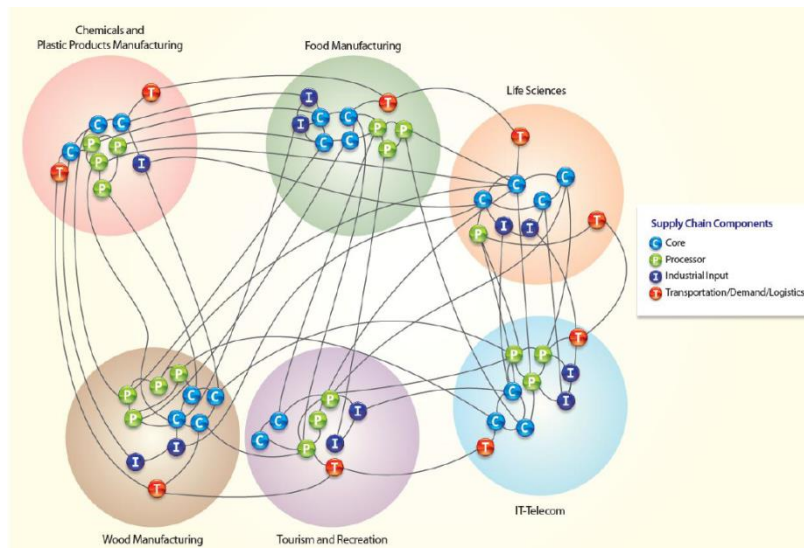
- The ADOs impact on employment through all funding sources.

The Thurston EDC has, in collaboration with the Pacific Mountain Workforce Development Council and the four other economic development councils (ADOs) that comprise the WDC region (the counties of Pacific, Lewis, Grays Harbor, and Mason), has completed a comprehensive

commercial and industrial economic cluster analysis for the region. The study completed the year prior, has allowed the Thurston EDC to create a work plan that focuses efforts around supporting, growing and retaining the five major clusters of the region and the county. These clusters –

IT/Telecom, Food Manufacturing, Plastics & Chemical Manufacturing, Life Sciences, and Wood

Manufacturing – represent the major components of the county's economy. Additionally, the EDC has identified the strong linkages, supported by data analysis, has begun the development of a strategy that supports these linkages and pipelines between sectors – or boundary spanning strategies. The chart provided is a graphic representation of this cluster analysis and boundary spanning work endeavored by the region. This organization, as a result of the analysis has instituted specific recruitment strategies that pursue development within the linkages as well as the major cluster themselves. This past year the EDC had a presence at 6 major trade shows – these being in the categories of major retail, technology



based manufacturing, food processing, life sciences and bio-medical device manufacturing, and wood manufacturing.

The Thurston EDC is the state's main center for the Procurement Technical Assistance Program (PTAC). During the time span of July 1, 2013 and June 30, 2014, the EDC through its staff (not sub-center staff located in other regions of the state) provided nearly 550 hours of individual technical assistance and counseling – maintaining over 285 separate clients in the system. These clients, and not inclusive of the statewide clients served by the eight other sub-centers in the system, were awarded \$22,243,265 in new contracts directly attributed to the technical assistance provided by the EDC's staff. These contracts impacted nearly 450 full time equivalent jobs in the region.

The Thurston EDC, continues to provide strong technical assistance to entrepreneurs located throughout the region – either directly through our Business Resource Center, or through our Washington Center for Women in Business program. Collectively, through these programs, the EDC staff provided over 58 separate trainings specific to entrepreneurs, and facilitated over 2000 hours of technical assistance and counseling to individuals seeking assistance in the following categories:

1. Basic business startup
2. Marketing assistance – and social media utilization
3. Funding
4. Cash flow
5. Market assessment
6. Workforce and personnel management
7. Legal elements to running a business
8. Business succession and transitional elements of ownership
9. Energy efficiency

Wahkiakum Chamber of Commerce

Summary of Best Practices Shared and Implementation

Grantee: Wahkiakum Chamber of Commerce

Grant Number: S14-75106-427

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

- Current employment and economic information for the community or regional area produced by the employment security department;

Wahkiakum County Unemployment Rate:

June 2014: 9.4

Source: Washington State Employment Security Department (Most Recent Date Available Is June 2014)

- The net change from the previous year's employment and economic information using data produced by the employment security department;

Wahkiakum County Unemployment Rate:

June 2013: 10.9

June 2014: 9.4

Net Change June 2013- June 2014: -1.5%

Source: Washington State Employment Security Department (Most Recent Data Available Is June 2014)

- The amount of funds received by the ADO through its contract with the department;

	FY 14	FY15	Total
Commerce Funds Awarded	\$30,960.00	\$30,960.00	\$61,920.00

- The amount of funds received by the ADO through all sources;

Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		FY 14	FY 15	Total
	Private			
	Local	\$8000.00	8000.00	
	State			
	Federal			
Total Budget		\$8000.00	\$8000.00	\$

- The ADOs impact on employment through all funding sources.

2013 – Current- Major Business Recruitment and Retention Activity

New Business Start Up

River Life INC.

Adult Family Home/ Assisted Living

Jobs Created or Retained: 10

Project description: Local residence started up an adult family home. We have been working with the couple for 7 months. The Chamber of Commerce assisted with a business plan, locating appropriate funding, networking and working with existing government health programs to get the new company up and running, building plans, and advertising and marketing. Client would not give up project projected annual sales.

Expansion

Oasis Mexican Bar and Grill

Restaurant

Jobs Created or Retained: 4

Project description: Expanded small tavern in Wahkiakum County into a small Mexican food restaurant. The Chamber of Commerce provided low interest loan for restaurant equipment. Client would not give up project annual sales.

Recruitment/Expansion, Start up

Main Street Co-Op

Merchants on Main Street Co-Op

Jobs Created or Retained: 0

Project description: Wahkiakum Chamber of Commerce is in the process of creating a Main Street Co-Op. For the last year there has been multiple open (not in use) store fronts. The chamber of commerce has decided to rent a main street store front for two reasons. First reason being that we will use the back section for heated storage for all

chamber of commerce and EDC file and equipment. Secondly we are creating a local small business Co-Op in the front of the main street business. We are in the process of collaborating with the local merchant committee to set up business application for the Main Street Co-Op. We are hoping to bring in 3-4 businesses that way this will create an open storefront. Process has just begun.

Retention/Expansion

Big Red Barn

Antique/Pet Grooming

Jobs Created or Retained: 4

Project Description: Big Red Barn Antique Business came to us in the inter season with fears of closing down because of winters being too hard economically. We created a business plan with them and directed them to appropriate funding for expansion on the existing business for dog grooming station/facilities. We have done 100% of advertising and marketing, social networking and website development. At the two month mark of the business expansion profits had increased 65% due the expansion and all the hard work done here in our office. The business is not only surviving but flourishing in the off season. Business has decided to continue with antique sales and dog grooming into the summer season.

Summary of Best Practices Shared and Implementation

Grantee: Port of Walla Walla

Grant Number: S14-75106-440

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

- Current employment and economic information for the community or regional area produced by the employment security department;

Based on May 2014 not seasonally adjusted data from WA Employment Security Department, Walla Walla County labor force statistics for May 2014 was 29,250 in the labor force.

Based on May 2014 not seasonally adjusted data from WA Employment Security Department, Walla Walla County employment statistics for May 2014 was 27,540 employed.

Based on May 2014 not seasonally adjusted data from WA Employment Security Department, Walla Walla County unemployed statistics for May 2014 was 1,710, unemployed.

Based on May 2014 not seasonally adjusted data from WA Employment Security Department, Walla Walla County unemployment rate for May 2014 was 5.9%.

- The net change from the previous year's employment and economic information using data produced by the employment security department;

Based on May 2014 not seasonally adjusted data from WA Employment Security Department, Walla Walla County labor force statistics from May 2013 to May 2014 declined from 29,490 to 29,250, a reduction of 240 people in the labor force.

Based on May 2014 not seasonally adjusted data from WA Employment Security Department, Walla Walla County employment statistics from May 2013 to May 2014 grew from 27,420 to 27,540, an increase of 120 people employed.

Based on May 2014 not seasonally adjusted data from WA Employment Security Department, Walla Walla County unemployed statistics from May 2013 to May 2014 declined from 2,070 to 1,710, a decrease of 360 less people unemployed.

Based on May 2014 not seasonally adjusted data from WA Employment Security Department, Walla Walla County unemployment rate from May 2013 to May 2014 declined from 7.0% to 5.9%, a decrease of 1.1% in unemployment rate.

- Other relevant information on the community or regional area;

Please see attached Port of Walla Walla 2013 Economic Development Results

- The amount of funds received by the ADO through its contract with the department;

	FY 14	FY15	Total
Commerce Funds Awarded	\$52,966.00	\$52,965.00	\$105,931.00

- The amount of funds received by the ADO through all sources;
Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		FY 14	FY 15	Total
	Private	\$	\$	\$
	Local - Port	\$23,614.00	\$23,613.00	\$47,227.00
	State	\$52,966.00	\$52,965.00	\$105,931.00
	Federal			
Total Budget		\$76,580.00	\$76,578.00	\$153,158.00

- The ADOs impact on employment through all funding sources.

Please see attached Port of Walla Walla 2013 Economic Development Results



PORT OF WALLA WALLA

2013 Economic Development Plan Results

JANUARY 2014

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2013 Economic Development Plan Results

A. Small Business Development

- Port commits to an annual contribution of \$10,000 to assist in the re-establishment of a Walla Walla Small Business Development Center.
- Port maintains Walla Walla Small Business Tools website to assist small business in startups that want web based information and support for growing their business. It is customized for each area with local, state, and federal information, spanish translation, and other business resources. Over 120 monthly hits on the website. <http://wallawalla.toolsforbusiness.info/>
- Port continues to redevelop the Dell Avenue Small Shop buildings into work space for local artists and small business at a cost of approximately \$100,000. The buildings have been leased to local artists and small businesses.
- SBDC 2013 Numbers:
 - ✓ Served over 89 clients and currently assisting 31 clients actively.
 - ✓ Of these clients, 36 were existing local businesses and 24 more started new businesses or took a part time endeavor to a brick and mortar operation.
 - ✓ Delivered 901 counseling hours, 46 class room training hours in four counties, spent a little over 80 hours traveling and managed to log over 48 hours of continuing education with the balance of my time spent on research and reporting.
 - ✓ Dividends to the community have resulted in \$1,438,200 in business loans and owner investment resulting in 24 new jobs created and 9 jobs saved.
 - ✓ Presently the SBDC has four clients with four loans in progress. One for \$335,000, one for \$215,000 and one \$50,000 line of credit.

B. Existing Business Retention/Expansion

1. Number of businesses visited: 34

- | | |
|----------------------------------|--------------------------------------|
| 1. Alaska Air | 26. Precept Wine Brands |
| 2. Cott/Cliffstar Corporation | 27. Tamarack Cellars |
| 3. Tyson Fresh Meats | 28. Harris Rebar |
| 4. Boise Inc. | 29. Le Chateau Winery |
| 5. Washington State Penitentiary | 30. Frontier Transportation |
| 6. Walla Walla Foundry | 31. TransCanada |
| 7. Reiff Manufacturing | 32. Schnitzer Steel |
| 8. The Odom Corporation | 33. Matthews Casket Company |
| 9. Tate Transportation, Inc. | 34. Other Various Airport Businesses |
| 10. Martin Archery | |
| 11. Blaze King Industries | |
| 12. Railex | |
| 13. Chateau Ste. Michelle | |
| 14. Frontier Railroad | |
| 15. Cargill Louis Dreyfus | |
| 16. Northwest Grain Growers | |
| 17. Northwest Library Bindery | |
| 18. Harry Johnson Excavation | |
| 19. Wilbur Ellis Company | |
| 20. McGregor Company | |
| 21. Artifex Wine Company | |
| 22. Northstar Winery | |
| 23. Pacific Power | |
| 24. Columbia REA | |
| 25. Simplot Land & Livestock | |

Martin Archery

- Port purchased Martin Archery property for \$1.3 million and leases it to Martin Sports Inc. in an effort to save jobs and retain bow manufacturing operations in the Walla Walla Valley. In the September 28th Walla Walla Union Bulletin Editorial they stated “Losing an employer that provides steady employment is simply bad for the community. The Port made the right move to help keep Martin Archery in business here”.

Alaska Air

- In an effort to maintain commercial air service and help Alaska Air with breakeven/profitability in the Walla Walla market the Airport eliminated ARFF reimbursement costs and reduced rent and landing fees by 50%. Cost savings to Alaska Air for 2013 is approximately \$82,000.
- The Port applied for and received a Small Community Air Service Development Grant for \$300,000 to develop a 2-year strategic marketing and advertising campaign to promote increased utilization of the Walla Walla Regional Airport. Funding sources: \$250,000 from the USDOT and \$50,000 Port Contribution.

Washington State Penitentiary

- Port continues to take the leadership role in the Washington State Penitentiary Taskforce for the retention of jobs at the Washington State Penitentiary.
- Continued funding a lobbyist to represent the Walla Walla community during the 2013 legislative session concerning the Washington State Penitentiary. Money was allocated in the state operating budget to open one of the two new medium security units (256 beds) at the Penitentiary as of July 1, 2013. Without the Washington State Penitentiary Taskforce efforts both new medium security units could have been placed in stand by status until July 1, 2015.

As part of the Port’s role in business retention, and in consideration of the challenging economic conditions, the Port Commission has provided several Port and Airport tenants with lease rate reductions to their lease agreements.

2. Business Profiles at Bi-Monthly EDAC Meetings

1. January 2013

- Presentation - Superintendent Mick Miller- Walla Walla Public Schools – Walla Walla High School Bond
- Presentation – Tom Glover, Director, Walla Walla Joint Community Development Agency – Review of the Walla Walla Valley Metropolitan Planning Organization (MPO)

2. March 2013

- Presentation - Brad Shafer, Plant Manager, Tyson Fresh Meats

3. May 2013

- Presentation - Doug Simcock, Windermere Real Estate, Walla Walla County Housing Market

4. July 2013

- Presentation – Roger Bairstow, Broetje Orchards, Director of Corporate Responsibility

5. September 2013
 - Presentation – Nabil Shawa, City Manager – Update on Blue Mountain Mall
 - Presentation - Jennifer Skoglund, Airport Manager, Walla Walla Regional Airport's Art Project
6. November 2013
 - Presentation – Jock Edwards – Sherwood Trust - "501 Commons: Technology Program for Nonprofits"
 - Presentation – Dr. Patrick Jones, Eastern Washington University - Walla Walla Trends Update

3. Number of local businesses opening (O) and/or expanding (E)

1. Railex Walla County	Wine Warehouse	O	Dodd Road - Walla
2. Palencia Wine Company Airport	Winery - Incubator	O	WW Regional
3. Burwood Brewing Company Airport	Brewery - Incubator	O	WW Regional
4. Brushes N Brix Company Airport	Wine & Painting	O	WW Regional
5. Chris Johnson Plumbing Airport	Plumbing	E	WW Regional
6. Dunham Cellars Airport	Winery	E	WW Regional
7. East-Automation Buildings	PLC Contractor	O	Dell Avenue Shop

Note: This list is not inclusive to all the businesses opening and/or expanding in the cities of Walla Walla, College Place, Waitsburg, Prescott and other incorporated areas of the County.

4. Business Downsizing/Closures

1. Martin Archery Jobs	Downsizing - 2013	30	FTE
2. Northwest Library Bindery Jobs	Closure – 2013	20	FTE
3. Hastings & PTE Jobs	Closure – 2013	20	FTE
4. Gilbert Auto Group Estimate	Closure – 2013	25	

Note: This list is not inclusive to all the businesses downsizing or closing in the cities of Walla Walla, College Place, Waitsburg, Prescott and other incorporated areas of the County.

C. BUSINESS RECRUITMENT, MARKETING & ADVERTISING

1. Number of qualified business leads obtained:

WA - Department of Commerce	10	qualified leads
Private	12	qualified leads
Trade Show	<u>2</u>	<u>qualified leads</u>
Total	24	qualified leads

2. Number of qualified business visitations:

11

1. February 2, 2013	Project Apollo 2- Apple Sauce MFG
2. March 5, 2013	Project Apollo 2- Apple Sauce MFG
3. March 6, 2013	Project Onion – Onion Processing
4. March 20, 2013	Project Potato – Food Processing
5. April 3, 2013	Project Pipe - PVC MFG
6. June 3, 2013	Project Buckwheat – Buckwheat FG
7. August 12, 2013	Project 78 – Heavy MFG
8. August 16, 2013	King Estates - Winery
9. September 19, 2013	Project Jones – Food Processors
10. September 25, 2013	Project Midlands – Railcar
Maintenance Operation	
11. October 31, 2013	Project Grain

- Port successfully assisted Railex in the development in a new 500,000 SQFT wine storage and distribution warehouse at the Dodd Road Industrial Park which opened in February 2013. Port funded the connector road between Railex Road and the wine distribution warehouse at a cost of \$540,000. To date, approximately 35 new full-time jobs have been created and property taxes of \$320,000 will be paid annual as the result of the project.
- Port continues its involvement in the Walla Walla Valley Chamber of Commerce Air Coalition Group. Passenger enplanements at the Walla Walla Regional Airport increased by 3.8% in 2013. Total passenger enplanements in 2013 were 33,050 compared to 2012 of 31,825.
- Port attended three trade shows in 2013:
 - ✓ International Council of Shopping Centers Las Vegas, NV May 19-22, 2013
 - ✓ Produce Marketing Association Fresh Summit New Orleans October 18-20, 2012
 - ✓ Private Label Trade Show Chicago, IL November 17-19, 2013
- ❖ The Port in a cooperative venture invited and helped pay for the City of Walla Walla, City of College Place and County of Walla Walla representatives to attend the International Council of Shopping Centers.
- Advertised in the National Economic Development Directory at www.ecodevdirectory.com.
- Advertised in the Washington State Department of Commerce's new "Choose Washington" publication that will be circulated nationwide to national site selector agencies and Fortune 500 companies.
- Continued to input and update available industrial buildings and sites in the following real estate websites. These websites have databases of available buildings and sites and are

- focused primarily toward national site selectors (Colliers International, Deloitte Consulting, Global Location Strategies, etc...) database.
 - ✓ Area Development – Fast Facility www.fastfacility.com
 - ✓ CoStar www.costar.com
- Updated and maintained Port's homepage www.portwallawalla.com
- Washington State Department of Commerce, national site selectors, and real estate advisors were satisfied with the Port's comprehensive business expansion/relocation proposals and other collateral materials.
- Washington State Department of Commerce satisfied with the Port's quarterly EDC reports and the Economic Development Advisory Committee meetings, format and its public participation effort.
- Contributed \$15,000 to the Walla Walla Valley Wine Alliance for Celebrate Walla Walla Event.
- Contributed \$8,000 match requirement to the Walla Walla Valley Chamber of Commerce for a Washington State Broadband grant of \$80,000.
- Contributed \$5,000 to Walla Walla Valley Chamber of Commerce to help sponsor the Walla Walla Business Summit.
- Contributed to the following tourism projects conditioned on the money being used to attract out-of-county visitors to Walla Walla County:
 - ✓ \$2,000 Kirkman House Museum
 - ✓ \$1,500 Walla Walla Sweet Onion Festival
 - ✓ \$1,000 Walla Walla Quilt Festival
 - ✓ \$750 Walla Walla Dance Festival
- Maintained "Existing Inventory List" of ready to go buildings and sites in Walla Walla County.

D. Site & Infrastructure Development

- U.S. Highway 12
 - ✓ Coalition continues its leadership role on four laning U.S. Highway 12.
- Burbank Business Park:
 - ✓ All necessary permits and easements for the sewer pipeline project with the City of Pasco were secured.
 - ✓ Secured \$3.0 million in the state capital budget to connect the Columbia School District schools to the Port's sewer transmission system.
 - ✓ Awarded the Snake River sewer transmission line construction project to Apex Directional Drilling and established an overall budget at \$2,100,000.
 - ✓ Entered into an agreement with the Columbia School District that outlines the terms and conditions of the Port providing sewer transmission services.
 - ✓ Issued a Request for Qualifications seeking developers for the retail areas designated within the Ports Burbank Business Park.
 - ✓ Worked cooperatively with the Chevron Pipeline Company to remove abandoned gas pipelines from the Port's Burbank Business Park. Port made a financial contribution of \$33,705.
 - ✓ Completed road repairs to the Ports Grain Terminal Road at a cost of \$87,200. Repairs also included reconstructing the entrance into Harris Rebar at a cost of \$21,270.
 - ✓ Took a leadership role in seeking the renaming of the US Highway 12 & State Route 124 interchange in Burbank after the late Walla Walla County Deputy Sheriff

- ✓ Michael Estes. The Washington State Transportation approved the renaming of the interchange on December 10, 2013.
- Dodd Road Industrial Park:
 - ✓ Port obtained several grants and loans to improve roads, rail and the water system associated with the Dodd Road and Wallula Gap Business Parks in connection with the Railex expansion.
 - \$2,750,000 State Appropriation
 - \$ 400,000 CERB Grants
 - \$ 400,000 Economic Development Sales Tax Grant
 - \$ 750,000 WSDOT Rail Grant
 - \$ 250,000 WSDOT Rail Loan
 - \$ 310,000 STP Grant
 - ✓ Worked in cooperation with Walla Walla County Public Works department to complete the road extension of Railex Road to Raindance Road. Port made a \$598,878 contribution through grants it received for the project.
 - ✓ Plans and specifications were prepared, Request for Proposal were issued, and construction bids awarded for the rail and water improvements and said infrastructure improvements will be completed by June 30, 2014.
 - ✓ Developed a comprehensive water system plan for the Dodd Road/Wallula Gap water system. Plans were submitted and approved by the Washington State Department of Health for approval.
- Waitsburg Business Park
 - ✓ Completed the infrastructure improvements at the Waitsburg Business Park. Port Commission authorized the construction of an access road and utility infrastructure at a cost of \$420,000.
- Walla Walla Regional Airport
 - ✓ Commenced and completed the 3rd Phase of the general aviation ramp rehabilitation project at the Walla Walla Regional Airport at a cost of \$4,135,492.
 - ✓ Completed the construction of 40 new parking stalls at the Walla Walla Regional Airport Terminal parking lot at a cost of \$143,000.
 - ✓ Airport Art Committee commissioned artist Koryn Rolstad from Seattle for the “Illuminated Gateway Arbors” sculptures that will be placed at the terminal aviation entry and the industrial park entry. The Washington State Arts Commission will own the art work and will be paid for with money from the state funded construction project at the Walla Walla Penitentiary at ½ of 1% of state money. Approximately \$140,000 is available for public art.
 - ✓ Walla Walla Regional Airport Wine Incubator Buildings: Cavu Cellars graduated out of the wine incubator program and moved their winery operation to another building at the Walla Walla Regional Airport.
 - ✓ Entered into an agreement with Walla Walla County Public Works to chip seal Curtis and Cessna Avenues at a cost of \$44,587.
- Dell Avenue Warehouse District
 - ✓ Removed two dilapidated houses on Dell Avenue (1121 & 1125) at a cost of \$14,700.
- Other
 - ✓ Jonathan M. Wainwright Memorial VA Medical Center in Walla Walla completed construction of a new \$71.4 million outpatient clinic for Walla Walla area veterans.
 - ✓ Entered into state governmental affairs contract with JDM, LLC. Port Commission subsequently agreed to enter into a year around contract for state governmental

- ✓ affairs with JDM, LLC. The Port was able to form a partnership with the City of Walla Walla and the City of College Place to be part of the new revised contract.
- County of Walla Walla 2013 infrastructure projects:
 - ✓ Russell Creek Road \$1.4 million
 - ✓ Prospect Road Phase 2 \$720,000
 - ✓ Railex \$870,000
 - ✓ Reser Road \$350,000
 - ✓ JB George Road \$450,000
- City of College Place 2013 infrastructure projects:
 - ✓ College Avenue Rose Reconstruction (CARS) Project \$12M
(Project will begin in 2014 and be completed in the Fall of 2015)
 - ✓ Davis Avenue Overlay Project \$180K
(Completed)
 - ✓ 9th and Cedar Street Water Project \$150K
(Design has been started, with construction in 2014)
 - ✓ Myra /The Dalles Military Road/12th (joint project with City of WW) \$2.8
M(Completed)
- City of Walla Walla 2013 infrastructure projects:
 - ✓ Myra Road – SR125 to Garrison Creek Project (joint project with City of College Place)
 - ✓ Rose Street 2013 - Transportation Benefit District) Project
 - ✓ 13th Avenue Project
 - ✓ Orchard Street Project
 - ✓ Pleasant-Home-Fern-Statesman IRRP Project

Note: Infrastructure Repair and Replacement Projects (IRRP) are projects that replace all 3 failed systems, street, water and sewer.
- City of Waitsburg 2013 infrastructure projects:
 - ✓ W. 7th Street reconstruction project at a final cost of about \$1,000,000.

E. Economic Profile

- Port renewed Eastern Washington University's contract to keep Walla Walla Trends updated and to provide a quarterly e-newsletter at a cost of \$18,000.
- Updated and maintained the comprehensive economic profile of Walla Walla County. High utilization rate by the government agencies, community organizations, businesses, and site selectors.
- Assisted a host of public and private businesses with specific economic profile requests.
- Track the .09% Economic Development Sales Tax Fund for economic development projects.
- Posted EDAC meeting handouts on the Port's website.
- Developed a stronger social media presence with the activation of a Port of Walla Walla Facebook site with regular updates and is linked to Port's existing website.

F. Economic Development Advocacy

- Economic Development Advisory Committee meetings continue to be well attended. EDAC agendas and meeting handouts are posted on the Port's website.
- Port continued its participation in the Washington Association of Economic Development Councils, Washington Public Ports Association, Pacific Northwest Waterways Association and Good Roads Association.

- Published the Port's annual newsletter. Newsletter distributed as a supplement to the Walla Walla Union-Bulletin newspaper and by direct mail to Burbank.
- Published four guest editorials in the Walla Walla Union Bulletin newspaper regarding economic development, transportation, and business development.
- Revised criteria for funding of the Port's Economic Development Sales Tax Fund and obtained County of Walla Walla Commissioner concurrence. Also updated Appendix G of the Walla Walla County Comprehensive Plan regarding public infrastructure projects eligible for Economic Development Sales Tax Funds.
- Community bus tour of Port/Airport properties was held in October 2013. Held a community meeting in Burbank on October 10th. As a result of community input a follow up meeting was held on Dec 9th with WSDOT to discuss community transportation concerns.
- Commenced with developing a closer working relationship with the Prescott community. At the request of the Port, the Prescott community developed a priority list of improvement projects. The Port has commenced with working on water right issues and held a meeting on December 9th with WSDOT to talk about transportation issues.
- Held first ever Port of Walla Walla & Port of Seattle Commission meeting on June 13, 2013. Port of Walla Walla was recognized as having a model program for measuring "Return on Investment". Port of Walla Walla also considered as having a very progressive industrial lands policy.
- Spoke to the local talk radio programs on economic development issues.
- Participated in several public/private committees and coalitions such as the U.S. Highway 12 Coalition, Washington State Penitentiary Taskforce, Walla Walla Watershed Management Partnership Board, Washington Good Roads Association, Walla Walla Valley Metropolitan Planning Organization (MPO), Regional Transportation Planning Organization (RTPO), Mill Creek Coalition Walla Walla WorkSource Employer Committee, Walla Walla Community College - General Workforce Advisory Committee, and others.
- Port was the Day Leader for Leadership Walla Walla day devoted to "Business, Agriculture & Economic Development" October 2013.
- Spoke to over 25 organizations concerning the Valley's economic development effort.

Port of Bellingham – Whatcom County

Summary of Best Practices Shared and Implementation

Grantee: Port of Bellingham – Whatcom County

Grant Number: S14-75106-409

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

NOTE: CHANGES IN UNEMPLOYMENT RATES REQUIRE BROAD SHIFTS IN HIRING AND JOB CREATION/ELIMINATION. ADO's FOCUS ON KEY STRATEGIC PRIVATE INVESTMENTS THAT RESULT IN HIGH WAGE JOB CREATION IN SECTORS WITH STRONG MULTIPLIERS. THIS DOES NOT ALWAYS RESULT IN GREAT MOVEMENTS IN UNEMPLOYMENT NUMBERS – WHICH INCLUDE ALL WAGE LEVELS – NOT JUST HIGH WAGE JOBS.

- Current employment and economic information for the community or regional area produced by the employment security department;

Whatcom County Unemployment Rate

May 2014:6.2%

Source: Washington State Employment Security Department (most recent data available is May 2014)

- The net change from the previous year's employment and economic information using data produced by the employment security department;

Whatcom County Unemployment Rate

May 2014:6.2%

May 2013:7.0%

Net Change May 2013-May 2014: -0.8%

Source: Washington State Employment Security Department (most recent data available is May 2014)

- Other relevant information on the community or regional area;

Canadian Recruitment:

1. **Location** – Whatcom County's border with Canada and proximity to the major population center that makes up the Lower Mainland of British Columbia gives us a

2. great opportunity to bring Canadian Companies to Whatcom County vis a vis other counties in the State.
3. **Growth Opportunity/Market Size** – Canadian domestic market is approximately 30 million people, US domestic market is approximately 300 million people.
4. **Convenience** – Company can retain Canadian presence, Headquarters, Homes, Schools, Etc. in Canada while operating a US based branch of the business.
5. **Market Accessibility** – Goods manufactured in Whatcom County gain “made in USA” Certification.
 - a. Benefit when marketing to US customers.
 - b. Products would be eligible for contracts that require “Made in USA” certification.
6. **Savings** – Potential large savings by no longer needing to go through Process of Exporting goods at the border.

Canadian Focused Trade Shows:

Thus far in 2014 the Whatcom County ADO either participated with a booth or attended the following Trade Shows located in Vancouver, British Columbia:

Vancouver Boat Show – worked booth in partnership with the Port of Bellingham Maritime and Real Estate Divisions.

Cargo Logistics Canada – Walked trade show floor.

GLOBE 2014 – Funded and staffed “Bellingham-Gateway to USA” trade show booth.

***Cross Border Expo** – Trade show held at Silver Reef Casino in Ferndale Washington. Target audience was Canadian Businesses looking to expand into Whatcom County.

Examples of Canadian Firms with a Whatcom County Presence:

Nature’s Path – 150 employees

IMW – 14 employees (Opened US facility to qualify for US Gov’t Contracts)

Lister Chain and Forge – 28 employees (Large portion of business is US Gov’t Contracts)

Nylatech Inc. – 22 employees

Sauder Mouldings Inc. – 100 employees

Hertco Kitchens – 65 employees

Omega Nutrition – 26 employees

Best Practices

1. **Site Visits** - Over the past two years we met with and toured over 125 companies, primarily in the manufacturing sector, here in Whatcom County. Each visit is educational to both the business and us. We are able to gain firsthand information about the successes and challenges unique to each company. We also are able to bring in resources to assist in any expansion plans a firm might have. Larger issues that span different sectors have been identified. One example of this is working with partner agencies to do a better job educating and informing high school students about the employment opportunities that exist in the manufacturing and trades occupations.

2. Practitioners Meetings – Once a month groups involved in Whatcom County economic and community development get together for lunch where updates are given about what each group has been involved in. Ideas are shared about potential collaborations going forward that would provide benefits to the region. Discussions are currently ongoing regarding National Manufacturers Day this coming October.

3. Lead Sharing. We work with our local Commercial Real Estate Broker Community, land owners, and developers to vet all recruitment/expansion leads that come through our office. When we receive an inquiry for a building and/or property, while maintaining confidentiality of the client, we repackage the request and forward it on to folks who have opted in to receive this information. Currently we have 56 people on this email list and are confident that each RFI we receive gets in front of the people that represent the available buildings and properties here in the county. If someone has an appropriate site, they forward the specifics back to our office where we then forward the responses on to the agency requesting the information.

4. Connecting entrepreneurs with experts. We work closely with our local manufacturing community to assist entrepreneurs. Another benefit from the site visits; we maintain an email list/database of companies visited and what they specialize in. When the Northwest Innovation Resource Center has a client/entrepreneur with a specific need, i.e. knowledge of a process, material, etc. they contact us. We then reach out to the appropriate companies asking if they would be willing to spend some time with the client and help get their questions answered. This sharing of knowledge is a great benefit as it helps the entrepreneur determine fairly quickly how commercially viable their product is or what changes to the product/process will help get them there.

- The amount of funds received by the ADO through its contract with the department;

	FY 14	FY15	Total
Commerce Funds Awarded	\$ 104,069.00	\$104,069.00	\$208,138.00

- The amount of funds received by the ADO through all sources;

Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		FY 14	FY 15	Total
	Private	\$	\$	\$
	Local	\$139,448.20		
	State	\$104,069.00		
	Federal			
Total Budget		\$243,517.20	\$	\$

- The ADOs impact on employment through all funding sources.

Recruitment/Retention/Expansion Activities

Recruitment:

We are monitoring 20 recruitment projects that have already received some information and or assistance from us.

Retention/Expansion:

- Working with 8 companies' on potential expansion projects.
- The Whatcom County ADO administers an Economic Development Administration Revolving Loan Fund (RLF). Since the program's inception in 1988, the fund has loaned out \$1,805,409.00 leveraging an additional \$8,144,985 for a total of \$9,950,367 in small business project development financing. 149 jobs have been created with an additional 23 jobs saved. These loans are typically made to manufacturing companies that are a higher credit risks than commercial lenders are willing to work with. With the infusion of RLF financing, which typically brings a lower interest rate, or longer amortization period, companies are able to make the deal cash flow at a level that allows the commercial lender to participate in the loan. This is a very successful program the ADO brings to the business community of Whatcom County.
- ADO Staff sit on both the Board and Loan Committee of the Lummi Community Development Financial Institution (CDFI). This fund makes loans primarily to Lummi Native Community members who are either in the fishing/crabbing industry or are artisans. Here also these tend to be higher risk clients that will use the CDFI to gain experience and grow their business to the point they are hiring employees and becoming commercially bankable.
- Whatcom County, the City of Bellingham and the Port of Bellingham have come together to jointly fund the Small Business Development Center (SBDC) for Whatcom County. ADO Staff administer both this "Tri-funder" agreement and the contract for business development services with the SBDC. In 2013 the SBDC served 973 businesses here in Whatcom County.

Yakima County Development Association

Summary of Best Practices Shared and Implementation

Grantee: Yakima County Development Association

Grant Number: S14-75106-441

Time Period Covered: July 1, 2013 – June 30, 2014

Summary of best practices shared and implemented by the ADO. Annual reports must include the information to show the ADO's impact on employment and overall changes in employment [43.330.082](#)

- **Current employment and economic information for the community or regional area produced by the employment security department;**

In Yakima County, the annual average unemployment rate decreased six-tenths of a percentage point between 2012 and 2013, from 9.8 to 9.2 percent. The unemployment rate decreased five-tenths of a point in December 2013 to 10.6 percent, from the 11.1 percent reading in December 2012.

Total covered employment rose from 101,249 jobs in 2011 to 103,617 in 2013. This was a 2,368 job increase and a 2.3 percent upturn. *The lion's share of this upturn in Yakima County is due to growth of the region's agriculture industry.*

In 2012, QCEW data showed that Yakima County's labor market provided over \$3.4 billion in wages. Approximately two-thirds of all wage income countywide was earned five industries: agriculture, health services, local government, manufacturing, and retail trade.

The net change from the previous year's employment and economic information using data produced by the employment security department;

Total covered employment rose from 102,748 jobs in 2012 to 103,617 in 2013.

- **Other relevant information on the community or regional area;**

Recent data show that in December 2013 approximately 116,150 Yakima County residents were in the labor force, a 1.9 percent decrease from the 118,390 residents in the Civilian Labor Force (CLF) during December 2012. The good news: fewer residents were unemployed this past December versus the same month in 2012. Although the County's labor force shrank between the Decembers of 2012 and 2013, the number of unemployed decreased more rapidly, and the unemployment rate fell five-tenths of a percentage point (as shown in this slide).

Agriculture provided 26 percent of all jobs countywide, but supplied only 19 percent of total wage income because many jobs within the industry are seasonal. Conversely, private health services tallied almost 13 percent of total covered employment, but accounted for 16 percent of total wage income – indicating it is a relatively “good paying” industry. The local retail trade sector accounted for almost one in ten jobs countywide, but provided only 7.7 percent of total wage income. Manufacturing supplied 7.6 percent of all jobs in Yakima County but 9.4 percent of total wages/payroll.

Yakima County’s nonfarm employment has either stabilized or posted year-over-year increases in 17 of the previous 19 months, including a 0.7-percent upturn between the Decembers of 2012 and 2013. Nonfarm employers in Yakima County provided 76,700 nonfarm jobs in December 2013, a 500 job and 0.7 percent increase from the 76,200 jobs tallied in December 2012.

In 2012, there were 102,748 covered employment jobs in Yakima County. The total payroll for 2012 was approximately \$3.4 billion. The average annual wage was \$33,108 or 63.7 percent of the state average of \$51,964. Annual average wages were highest in utilities (\$77,892) and in management of companies and enterprises (\$65,950).

Per capita income in Yakima County in 2011 was \$33,371 compared to the state at \$43,878 and the nation at \$41,560. Median family income in 2011 was \$46,985 in Yakima County, much lower than that of the state (\$68,628), according to the American Community Survey (adjusted for inflation to 2011 constant dollars).

Yakima County’s poverty rate in 2011 for children under 18 years of age was considerably higher (31.7 percent) than the state’s (18.3 percent) and the nation’s (22.5 percent) poverty rates.

Compared with the state and nation, Yakima County’s 2012 population has substantially more children and youth. Roughly 33.0 percent of the county is 19 or younger compared to 25.7 percent in the state and 26.3 percent in the nation. The county’s population age 60 or older totals 17.3 percent compared to 19.1 percent in the state and 19.4 percent in the nation.

Yakima County has a higher percentage of Latino and Hispanic residents than the state and nation. In 2012, only 46.4 percent of its residents were white, not Hispanic or Latino, much lower than the statewide average (71.6 percent) and the national average (63.0 percent). Yakima County’s Hispanic or Latino population makes up 46.3 percent of its population, much higher than Washington state (11.7 percent) and the nation (16.9 percent). Yakima County’s American Indian/Native Alaskan population was 5.7 percent compared to 1.8 percent in the state, which reflects the presence of the Yakima Nation.

Over the period 2007 to 2011, 17.7 percent of Yakima County’s population 25 years and older had less than a 9th grade education. This figure is considerably higher than the statewide average of 4.2 percent and the national average of 6.0 percent. Yakima County had a lower percentage of adults with bachelor’s degree or higher (11.2 percent) compared to the state at 20.2 percent and the nation at 17.9 percent over the same period.

- The amount of funds received by the ADO through its contract with the department;

	FY 14	FY15	Total
Commerce Funds Awarded	\$122,198.00	\$122,197.00	\$244,395.00

- The amount of funds received by the ADO through all sources;

Report all "Other Funding Sources" as required per RCW 43.330.082

Other Funding Sources:		FY 14	FY 15	Total
	Private	\$210,000	\$240,000	\$550,000
	Local	\$125,000	\$141,000	\$166,000
	State	\$122,198	\$122,197	\$244,395
	Federal	\$20,500	\$20,000	\$40,500
	Other	\$55,000	\$52,000	\$107,000
Total Budget		\$532,698	\$575,197	\$1,107,895

- The ADOs impact on employment through all funding sources.

Over the last two years the Yakima County Development Association (YCDA) provided material assistance to the following new or expanding businesses with Yakima County:

Company	Expansion/ Recruitment	Capital Investment			Jobs	Estimated Payroll
		Total	New Bldg.	Taxable		
Paragon Films	Recruitment	\$20,000,000	\$1,500,000	\$1,500,000	30	\$1,664,000
Bale Breaker Brewing Co.	Expansion	\$4,000,000	\$2,500,000	\$2,500,000	5	\$124,800
Arvato Digital Services	Recruitment	\$1,000,000	\$0	\$1,000,000	250	\$5,250,000
Printing Press/Peninsula	Expansion	\$20,000,000	\$0	\$0	40	\$1,500,000
Amtech Corporation	Expansion	\$4,500,000	\$0	\$0	75	\$2,000,000
Biotwine	Expansion	\$750,000	\$750,000	\$750,000	10	\$300,000
Darigold (in process)	Expansion	\$59,000,000	\$10,000,000	\$10,000,000	pending	Na
Investments 2013-2014		\$108,250,000	\$14,750,000	\$15,750,000	410	\$12,338,800

The companies assisted by YCDA created over 400 new jobs and have invested over \$100 million in new facilities and equipment. These firms added over \$12 million to local payrolls.

These 410 direct jobs represent about 18% of the net job growth indicated for Yakima County over the last two years. The companies assisted range widely in size – from less than 5 to 250 employees and with direct investments ranging from \$500,000 to \$59.0 million.

Of the \$108.25 million of capital investment, \$14.75 million was new building construction. Many of the firms assisted qualified for a sales tax exemption either on equipment investments. As a result \$14.75 million of the total \$108.25 million capital investment was subject to state and local sales tax.

Construction Phase

The investments made by new and expanding firms assisted by YCDA over the last five years total approximately \$108 million in building construction and new equipment. While all of the building construction occurs locally, equipment is typically purchased from outside the region. As noted above, \$14.75 million was attributable to new building construction. The \$14.75 million stimulates \$6.0 million in additional related business revenue, including revenues from local employee spending. The total increase in local construction related business revenue is approximately \$19.1 million, spread over the last two to three years.

Figure 1. Construction Phase Economic Contribution

Economic Benefits of Construction			
Impact Category	Direct	Indirect	Total
Capital Investment	\$108,250,000	–	–
New Building	\$14,500,000	\$5,950,000	\$19,100,000
Construction Jobs	140	50	190
Construction Payroll	\$7,140,000	\$2,070,000	\$9,210,000
Average Wage	\$51,000	\$41,400	\$48,500

Source: Cascade Planning Group – based upon IMPLAN Input-Output model for Yakima County.

During this time, construction and equipment procurement activity generated 140 person-years of employment directly, and an additional 50 indirect and induced jobs due to the economic multiplier effects. This employment generated a total of \$9.2 million in construction related wage income. The average construction wage for industrial & commercial buildings is \$51,000, well above the average salary of \$31,800 per year in Yakima County.

Annual Business Operations

On-going economic benefits can be considered in terms of taxable sales, property values, employment and personal income, and state/local taxes.

Taxable Sales & Property Values. An estimated 25% (or \$3.1 million) of employee payroll is spent on local taxable goods and services. Employees also spend a portion of their income on housing. This analysis assumes employees spend one-third of their income on housing, which is estimated at a net present property value of \$58 million; based upon an average interest rate of 6% and assumed 30 year financing period.

Employment & Income. As noted above, the seven businesses included in this analysis directly employ about 410 workers. These workers are estimated to receive about \$12.4 million in wages annually (not including benefits), for an average wage of about \$30,244 per year. This is slightly below the estimated average wage of \$31,915 for all employment in Yakima County.

This economic activity is estimated to support an additional 465 jobs throughout the economy countywide. The total employment impact from YCDA business development efforts is 910 jobs, or 38% of the countywide job growth. Total annual wages, including economic multiplier effects, are estimated at \$23.6 million.

Figure 2. Annual Operational Economic Contributions

Impact Category	Annual Economic Benefits		
	Direct	Indirect	Total
Business Revenues	\$167,900,000	\$68,800,000	\$236,700,000
Number of Jobs	425	465	890
Total Payroll	\$12,338,000	\$10,799,000	\$23,137,000
– Average Wage	\$29,100	\$22,900	\$25,800
Taxable Retail Purchases	\$3,050,000		
Supported Housing Values	\$58,000,000		

Source: Cascade Planning Group – based upon IMPLAN Input-Output model for Yakima County.

Tax Benefits. In addition to the private sector economic benefits, the expanded business activity also generates increased taxes for state and local government.

YCDA business attraction efforts have directly resulted in \$108.25 million of business capital investment. In addition, income spent on housing from the newly hired employees equates to an estimated \$58 million in property values. Taken together, these activities support approximately \$1.6 million in property tax revenues to state and local government.

Note: The estimated property tax represents the first year of when the assets are fully valued. Company assets such as equipment typically depreciate over time. Factors such as reinvestment or economic declines can greatly affect the long-term value of the property. Due to the complexity of tracking the change in value over time, this analysis only provides an estimate of the initial collected property taxes.

Retail spending by employees also generates sales taxes. As noted above, an estimated \$3.1 million is spent annually at local retail stores by employees associated with the new and expanded firms. This retail spending is estimated to approximately \$50,000 per year for local governments and \$201,100 annually to the state – for a combined total of \$250,100 in annual state and local sales tax revenue. Another \$1.19 million in one-time sales taxes from the \$14.75 million taxable capital investments is generated for local and state governments.

Figure 3. Fiscal Benefits from YCDA Business Development Activities

Tax Generated	Construction	Operations
Property Taxes:		
Business Capital Investment		\$108,250,000
Employee Housing Values		\$58,300,000
Supported Assessed Value		\$166,550,000
Average Property Tax Rate		\$11.78
Property Taxes		\$1,961,959
Retail Sales Tax:		
Sales Taxable Capital Investment	\$14,750,000	
Employee Taxable Retail Purchases		\$3,100,000
Sales Tax Rate	8.1%	8.1%
State & Local Sales Taxes	\$1,194,750	\$251,100

Source: Cascade Planning Group.