



Department of Commerce

Innovation Partnership Zone Program

2018 Biennial Report per RCW 43.330.270

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Report to the Legislature
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Acknowledgements

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Executive Summary

Overview

Every two years, the Washington Department of Commerce (Commerce) is mandated by the Legislature to submit a report on the state's Innovation Partnership Zones (IPZs) ([RCW 43.330.270](#)). The goal of this report is to review the performance of IPZs, individually and collectively; bring attention to major activities; report performance measures; and offer strategies for program improvement.

By definition, an IPZ is an economic development partnership that involves one or more of the following: educational institutions, research laboratories, public economic development organizations, local governments, chambers of commerce, private companies or workforce training organizations. These IPZs target existing or emerging industry sectors that are of statewide importance, and each represents a specific geographic area.

At the end of the 2016-17 reporting period, 14 IPZs existed statewide, which was the same number as in 2016 and a 22 percent decrease from 2014. One new IPZ was added, the North Central Washington Technology Zone. Its mission is to create new opportunities for innovation and partnership. It does so by building relationships between public and private entities in agriculture, energy and technology that result in new research, economic partnerships, business ideas and opportunities as well as new products to be marketed globally, growing the local gross domestic products.

One IPZ left the program: Willapa Harbor Renewable Resources IPZ (the Port of Willapa Harbor). In 2019, the Aerospace Convergence Zone in Snohomish County will also leave the program.

Since the program's inception, seven IPZs have chosen to opt out, including:

- Waterfront Innovation Zone, City of Bellingham
- North Olympic Peninsula IPZ, Clallam County
- King County Financial Services Collaboration, King County
- Central Washington Resource Energy Collaborative, Kittitas County
- Pullman IPZ, City of Pullman
- South Lake Union Global Health IPZ, City of Seattle
- Willapa Harbor Renewable Resources IPZ, Port of Willapa Harbor

This IPZ report examines three primary issues:

- What are the value-added services and contributions an IPZ provides for regional economic development?
- How do these contributions vary by region-specific attributes?
- To what extent does an IPZ designation alter the behaviors of local economic development stakeholders in contrast to codifying existing activities?

Key Findings

Even though IPZs operate independently from one another and are geographically dispersed, they share some similarities.

- Most IPZs continue to experience insufficient funding levels and operate on shoestring budgets. Funding is either through in-kind donations, private, state or federal funding, or grants. Legislative funding and support for IPZs has been absent since the 2013-15 biennium, making it difficult for Commerce to comply with the most basic of statutory obligations.
- Geographic location and access to sufficient funding largely determine the operational model and, in some measure, success of Washington's IPZs. IPZs in urban areas tend to use the designation as an economic development and branding tool as well as to form partnerships and gain media exposure. In contrast, rural IPZs focus their efforts on planning, infrastructure, recruitment and local projects with which they can partner with other agencies, institutions and organizations.
- This move toward IPZs as a branding exercise is partly because the IPZs consider themselves underfunded. Many lack sufficient staff and resources to execute activities that could create new companies, products and jobs.
- Given the lack of steady funding as well as the lack of consistency in the presentation of data in submitted reports, it continues to be difficult to demonstrate the effectiveness of IPZs on their targeted industry clusters or geographic service areas (a more in-depth discussion follows).

This difficulty in assessing the effectiveness of the IPZ program is compounded by the lack of consistency in the data reported. Each IPZ reports on metrics of its own choosing rather than using a standardized set of reported activities. This self-determination is necessary due to the divergent body of work each IPZ performs. The focus of one IPZ may be on collaboration or workforce while another is focused on innovation or job growth. Additionally, because IPZs are selected biennially, each is in a different phase of operations, from the startup phase to a fairly mature ecosystem. Again, metrics vary by stage as much as they do on focus. That makes it difficult to roll up the data in any meaningful way to inform decisions about funding levels,

program viability or program effectiveness at a granular level.

Six IPZs measure job growth. These IPZs collectively created 737 jobs and retained 425. Since every IPZ can select its own measures, not all choose to report or measure job growth. The accuracy of these reports cannot be independently verified, given the lack of funding support for the IPZ program.

Suggested Program Improvements

The following suggestions for improving the IPZ strategy are based on a review of similar programs enacted by other states, previous IPZ reports and IPZ participant recommendations. The 2016 report first made these suggestions, but the Legislature didn't adopt them.

- **Add tax incentives:** IPZs continue to have this on their wish list, largely so they can compete with states that have larger war chests for recruitment and investment efforts.
- **Reinstate state funding:** The elimination of administrative funding for the IPZ program from the state budget makes it difficult to manage the six-month, bi-annual solicitation, application and designation process for areas wanting to become designated IPZs. It also limits Commerce's ability to provide technical support and program reporting. Lack of state administrative funding for local IPZ program administrators makes it difficult to hire full-time staff who could be dedicated to a meaningful and measurable growth strategy. The ideal would be to fund IPZs so that Commerce staff can align metrics and monitor results, both holistically and individually to increase the accuracy and value of the IPZ program while providing the agency with the staffing resources necessary to provide technical support to the IPZs.
- **Reduced recordkeeping burden:** The alternative is to leave the IPZ program unfunded, including the administrative funding portion, but finally remove the recordkeeping burden from both the IPZs and Commerce. Requiring reporting without funding requires resources and staffing for which there is no state support. Additionally, it leaves the IPZs with little incentive to perform the reporting function with accuracy and transparency.

Introduction

Program History

Historically, IPZs have collectively served as a geographically distributed economic development strategy to foster innovation ecosystems. The goal of this model – which several states use, including Washington – is to focus on accelerating bottom-up, organically driven collaborations to advance innovation and growth of industry clusters.

When the Legislature created Washington’s IPZ program, it envisioned the program stimulating the growth of regional economies by building a collective strategy and partnerships among industry clusters, idea generators, entrepreneurs, capital providers, education organizations, infrastructure and others both external and internal to the region. Lawmakers intended to supercharge the development of new technologies, create new companies, bring products and services to market more quickly, spur investments, and create jobs.

Zone development typically takes five to 10 years, giving time for relationship building, project identification and implementation (and necessary permitting completion if land-use issues are involved).

In 2007, Commerce launched the program with 11 IPZs, distributing \$5 million in capital grants to them. Two years later, Commerce designated a 12th IPZ and distributed an additional \$1.5 million in capital grants. Grants were competitive, and not all IPZs received state capital grant funding.

In 2011, Commerce conducted the first designation/re-designation process. It added four new IPZs and removed one, bringing the total number of IPZs to 15. In 2012, six of the IPZs received \$13.5 million in direct appropriations from the Legislature. In 2013, Commerce added three more IPZs, bringing the total number to 18.

The Legislature defunded IPZs in the 2013-15 biennium. However, the Legislature kept statutory obligations related to them, including tracking and reporting requirements. As such, Commerce has continued to designate and re-designate IPZs even though it lacks the necessary funds to manage the program or outcomes beyond minimal recordkeeping and reporting.

Commerce uses the below criteria to designate an IPZ. The IPZ must:

1. Form a partnership among some or all of the following entities: academic institutions, research laboratories, public economic development organizations, local governments, chambers of commerce, private companies and workforce training organizations
2. Be located in a specific geographic area with an existing or emerging identified industry cluster of statewide importance
3. Have a strategic plan for regional industry cluster development

Zone designation can occur in odd calendar years. The IPZ program does not provide operational funding or tax incentives for the zones.

Major Characteristics of IPZs

The focus of each IPZ varies greatly, ranging from digital media and value-added agriculture to sports medicine and craft brewing. Regardless of focus, they all engage in research and development at the regional level and work with educational institutions and local partners in the private sector to drive innovation.

The funding models also vary greatly. Many IPZs have been unable to secure funding to replace the funds that were once available through the grants program. Instead, they rely on in-kind donations and the services of staff in other agencies or collaborating organizations to provide the required support. Some IPZs have volunteer boards, and many others conduct economic development work other entities originally performed.

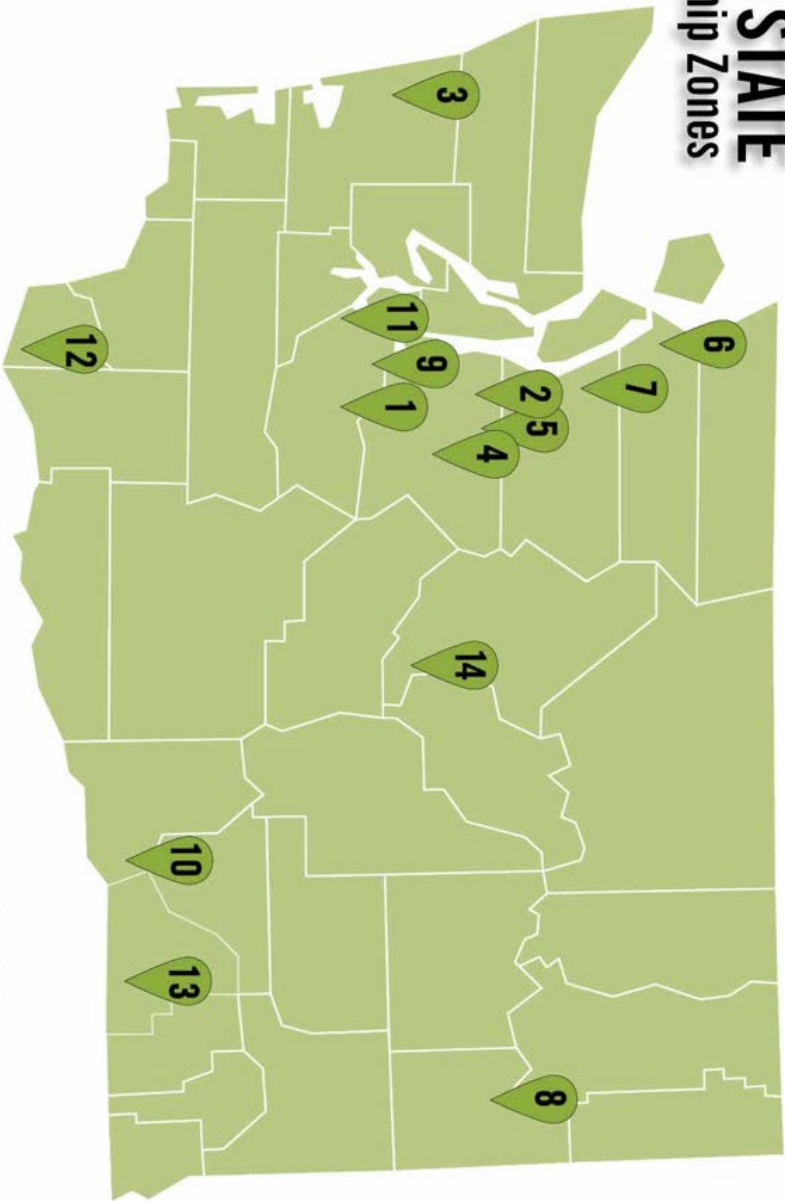
In many cases, the IPZ designation serves solely as a branding and marketing tool, creating a singular identity for a number of organizations and firms engaged in the IPZ's designated area of focus. This is, perhaps, the greatest value the IPZ program provides to those seeking designation/re-designation.

Appendix A: Innovation Partnership Zone Map

WASHINGTON STATE Innovation Partnership Zones



- 1 AUBURN
Sustainable Industrial Redevelopment
- 2 BOTHELL
Biomedical Manufacturing
- 3 GRAYS HARBOR
Sustainable Advanced Manufacturing
- 4 ISSAQUAH
Sports Medicine
- 5 REDMOND
Interactive Media and Digital Arts
- 6 SKAGIT VALLEY
Value-Added Agriculture
- 7 SNOHOMISH COUNTY
Aerospace
- 8 SPOKANE
Health Care, Energy Research
- 9 TACOMA
Urban Clean Water
- 10 TRI-CITIES
Clean Energy, Energy Storage, Smart Grid
- 11 THURSTON COUNTY
Craft Brewing and Distilling
- 12 VANCOUVER CAMAS
Applied Digital Technology Accelerator
- 13 WALLA WALLA
Wine and Hospitality, Water Management, Alternative Energy
- 14 WENATCHEE
Data Analytics Technology



Appendix B: Innovation Partnership Zone Individual Reports

The attached reports are provided by the IPZs. If you have questions regarding anything contained in the individual reports, please contact the IPZ administrators directly.

Urban Center of Innovative Partnerships – Auburn

IPZ:

Urban Center for Innovative Partnerships – Auburn IPZ # 15

Zone Administrator: Douglas Lein

Address: 25 West Main Street

Auburn, WA 98001

Phone: 253.804.3101

E-mail: dlein@auburnwa.gov

Designation Year: 2012

Re-designation year: 2015

Partners:

Washington State University

Green River Collage

Auburn School District

Auburn Area Chamber of Commerce

Forrest Concepts

Old Castle Construction

Century Link

3 Phase Systems

1. What are the objectives of your Innovation Partnership Zone?

The objective of the Auburn Urban Center for Innovative Partnerships is to support the vital economy of the City of Auburn, our local region and the state of Washington. Encouraging the adaption of warehouse districts to mixed use, market-affordable technology clusters and facilitating collaborative partnering among private sector employers, research partners, with workforce development, the IPZ will implement a multi-phased plan across a variety of business sectors. These collaborative clusters will realize new businesses and products; expand existing knowledge-based middle-wage jobs while creating new higher paying employment opportunities for the citizens of our city. Through new partnerships and the clustering of entrepreneurs, ideas will flourish, manufacturing efficiencies will be developed and the business community will expand through the creation of investment opportunities, new economy.

2. What tax incentives or other support have you obtained from public sector sources?

Annual budget funding in the amount of \$10,000 was approved by the city of Auburn for basic activities.

In 2014, an IPZ Commerce Grant was received. Activities and advancement were made between our IPZ industry clusters and committees to identify strategic opportunities for potential sharing of resources and further market growth. The core development of a supply chain system was designed.

In 2017 and 2018, we received grant funding from the Port of Seattle. The port funding provided the seed money to accomplish two objectives identified in the city's IPZ Business Plan. Those objectives were to (1) establish and operate a small business incubator and (2) create a real-time database of all active businesses located within the city of Auburn. The Incubator opened its doors on June 1, 2017, and currently houses 10 small startup businesses, including a manufacturer of new products, real estate developer, website designers, bookkeeper and someone aspiring to open an ethnic restaurant.

In 2017, the city contracted with a local Auburn company to write code that worked both behind the city's secure firewall as well as the front-end user space. The system was written to allow for and eventually require all businesses to renew and apply for their city business license online. The system would update every 24 hours to reflect all new or renewed business licenses and require as part of the process that each business complete certain mandatory information pertaining to their business. That information would be captured by the city, providing insight into industry clusters, employment count, etc. The system also allowed for each business to write a descriptive summary describing their product and or service that the system would use as "keywords" when searching the system for a particular business. Finally, a marketing campaign would be created and implemented centered on a "Buy Local" initiative and push of the "Buy Local Auburn" website encouraging companies and residents to patronize Auburn businesses. Website www.buylocalauburn.com

3. What major activities have you completed or achieved since your IPZ designation?

Job growth has been strong in the city of Auburn. Over the past two years, we have had an average employment growth of about 5 percent, with our unemployment rate averaging 1 percent below the national level.

Redevelopment within the zone has had good success over the last two years; we have had approximately 750,000 sq. ft. of warehouse space converted to other uses.

Our goal of increasing higher paying jobs has steadily moved upward. Over the past two years, our average hourly wage has moved upward from \$25 to \$25.88 per hour. As companies have opened and expanded within our clusters, the city has seen a steady increase in sales-tax revenue due to higher incomes.

Commercialization has been steady. In 2014/2015, we had 78 patents and trademarks awarded. In 2016/2017, we had 189 patents and trademarks awarded.

4. What are your performance measures?

- Number of trained workers added to state workforce as a result of training provided within IPZ
- Number of potential business sites
- Number and type of other assets developed (to retain, grow and attract business)
- Dollar value of infrastructure and other investments completed
- Evidence of commercialization of IPZ research (licenses, patents, trademarks, etc.)
- Descriptions of research being conducted within the IPZ and potential commercial applications

5. What outcomes has the IPZ achieved since the last biennial report (2016) or since the inception of your zone (i.e., jobs created, patents pending or received)?

- Private Investment: \$92 million
- Jobs Retained: 225
- New jobs: 575
- Redevelopment of warehouse: 750,000 sq. ft.
- Direct jobs trained by partners: 465
- Patent Granted to Companies: 189

6. What funds are received by the IPZ from all sources?

Funding Sources		FY 17	FY 18	Total
	Private	\$65,000.00	\$65,000.00	\$130,000.00
	Local	\$42,500.00	\$42,500.00	\$85,000.00
	State			
	Federal			
Total Budget		\$107,500.00	\$107,500.00	\$215,000.00

Additional notes

Incubator opened on June 1, 2017. Currently, the Incubator is home to 10 different businesses or “members,” as they are referred to. Two businesses have “graduated” from the Incubator and ventured out on their own, locating their own space within Auburn. One of those businesses was recently awarded an international contract to sell their product.

Training Classes

In 2018, the city of Auburn contracted with Green River College and its Small Business Center to teach a series of nine business classes out of the Incubator to all those interested as well as hold one-on-one advisory services for any of the Incubator members free of charge. The classes have been well attended and the members as well as Green River advisors report that the members are utilizing the one-on-one counseling services.

BuyLocalAuburn.com supply chain system

An initiative was funded by the city of Auburn to increase sales by promoting our local supply chain on BuyLocalAuburn.com. The additional benefits are the creation of local jobs and increased local sales tax to fund activities from the city's general fund.

Forums

Import Export

The city of Auburn hosts an annual half-day event with the Export-Import Bank of the United States, Export Finance Assistance Center of Washington and the U.S. Small Business Administration to share export tools and resources Auburn businesses need in order to grow their business internationally.

Manufacturing

This annual forum had a keynote speech from Lt. Gov. Habib, about manufacturing in the Puget Sound region today and in the future. The focus is on continuing the advancement of living-wage jobs through manufacturing with the goal of proactively laying the groundwork for success through discussion on training the next generation through public schools, community colleges and business.

CTE

This forum was scheduled to be held Nov. 6, 2018. The forum was to center on connecting industry with talent. Auburn businesses were invited to attend the event, which was to be held at Auburn High's Performing Arts Center. Auburn School District CTE instructors were to provide overview of their respective class, touching on skills learned and certifications earned. Attendees were to be provided a Q&A period followed by a physical tour of the classes by the instructors following the forum.

Bothell Biomedical Manufacturing

IPZ:

Biomedical Manufacturing Innovation Zone

Partners:

Founding Partners:

City of Bothell

Economic Alliance Snohomish County

Economic Development Council of Seattle-King County

Life Science Washington (formerly WBBA)

University of Washington Bothell

Washington State Department of Commerce

Research Partner: University of Washington Bothell

Industry Partner: EKOS Corporation

Workforce Training Partner: Lake Washington Institute of Technology

1. What are the objectives of your Innovation Partnership Zone?

IPZ Goals

- Foster industry partnership and interaction through initiatives such as the annual Washington State Biomedical Device Summit, quarterly CEO Roundtables, Mercury Medical Technologies Incubator, and industry studies and research.
- Promote company generation through collaboration between industry and academia and the operation of the Mercury Medical Technologies Incubator.
- Monitor and measure progress and report on the industry's progress, as well as anticipate new trends through the use of Economic Impact Studies on the biomedical device industry.
- Expand workforce development programs for the sector by strengthening the alignment between education and the industry through the promotion of appropriate skill sets and experiential learning.
- Maintain the viability of the IPZ program through engaged public, private and academic leadership, relevant programs, and a sustainable business model.

2. What tax incentives or other support have you obtained from public sector sources?

The IPZ receives in-kind public support. Our medical device incubator, Mercury Medical Technologies, is housed at the Lake Washington Institute of Technology. Meeting space is

provided by the University of Washington Bothell and the City of Bothell. Discounted conference space is provided by Cascadia College.

3. What major activities have you completed or achieved since your IPZ designation?

During the past biennium -

The IPZ continues to organize the Washington State Medical Device Summit; Sept. 2017 was our 10th. This is the single event each year focused exclusively on the medical device cluster. The half-day program features a national keynote speaker followed by a panel discussion with local device executives. A showcase of products from local device start-ups is a common part of the program. The 2017 summit featured John Abele, a co-founder of Boston Scientific, a global player in device. Attendance each year is 150 - 200.

We organize “quarterly” roundtable lunches for device executives to meet their peers, share insights and resolve common problems. It is for open discussion and not a structured program. Attendance is in the 10-15 participant range.

We established and operate Mercury Medical Technologies, an incubator for medical device start-ups located at the Lake Washington Institute of Technology (LWIT) in Kirkland. We provide office space under a fee-based structure. Our current lease runs through 2019. To date, we have supported five firms through our incubator; three have “graduated” to occupy commercial office space.

The IPZ continues to be opportunistic in collaborating with other organizations on programs. As examples, Life Science Washington (the industry association) offers WINGS (a funding program), the Institute (commercialization) and WIN (mentoring).

In response to concerns about workforce training, with particular interest in certificate (non-degree) programs, a study began Q2 2018 with \$300,000 in funding secured by Sen. Guy Palumbo. The objective is to identify present and future workforce needs within life science (biotech and medical device) and compare those with existing training programs available through the community/technical college and university systems. This information can then be used to evaluate the creation and funding of future programs. Cascadia College is coordinating the study.

4. What are your performance measures?

- Offer the Washington State Medical Device Summit on an annual basis.
- Offer the CEO Roundtables on a quarterly basis.
- Operate and expand the services of Mercury Medical Technologies.

5. What outcomes has the IPZ achieved since the last biennial report (2016) or since the inception of your zone (i.e., jobs created, patents pending or received)?

The WA State Medical Device Summit is accepted by the industry as an annual event with well-organized topics and high-level keynotes. It is also valued for its networking opportunities by industry and by suppliers.

The roundtables are recognized as a place to connect with peers; discussing common challenges and sharing solutions.

Mercury Medical Technologies has successfully incubated companies that now operate in commercial office space. Our first “graduate” had four employees when it moved out and now has over 20.

6. What funds are received by the IPZ from all sources?

Funding Sources		FY17	FY18	Total
	Private	\$ 8,960	\$ 16,640	\$ 25,600
	Local			
	State			
	Federal			
Total Budget		\$8,960	\$16,640	\$25,600

Additional notes

The Washington State Department of Commerce was a founding partner of the IPZ. It has a voting board seat that has been vacant since the state left its life science sector lead position vacant. A nonvoting Commerce staff member participates in meetings.

Grays Harbor Innovation Partnership Zone

IPZ:

Grays Harbor Innovation Partnership Zone

Partners:

Port of Grays Harbor
Satsop Business Park
Grays Harbor College
Greater Grays Harbor, Inc.
REG Grays Harbor
Paneltech
Wishkah River Distillery
Hesco Armor, LLC
Pacific Mountain Workforce Development Council

1. What are the objectives of your Innovation Partnership Zone?

- Promote active collaboration and networking among research, education, public and industry partners;
- Foster an innovation-focused, entrepreneurial business environment;
- Grow the region as a leader in the development of sustainable industries, which share core values centered on social responsibility, the environment, economy and technology;
- Encourage and facilitate industrial symbiosis – diverse industrial partners sharing services, utilities, logistical infrastructure and byproduct resources;
- Encourage and facilitate existing zone businesses to grow and expand;
- Recruit new innovation partners with particular attention on research institutions, sustainable industry clusters and start-up companies using emerging technologies.

2. What tax incentives or other support have you obtained from public sector sources?

We received funding from the Washington state IPZ program and the U.S. SBA for renovation of the Coastal Innovation Zone (CIZ), a 20,000 sq. ft. research, development and business incubation facility that provides shared laboratory space for companies developing and testing new products. In total, we have received \$2.1 million in support, with \$706,000 received from Washington state during the 2013-14 biennium to complete the CIZ facility and equip the shared lab space.

3. What major activities have you completed or achieved since your IPZ designation?

- Completed construction of the Coastal Innovation Zone, a research and development business incubator located within the Grays Harbor IPZ in the Port Industrial Park. The facility included research lab space, office and warehouse space for start-up business, and room to build out additional facilities.
- The GHIPZ was expanded to include the industrial parks located at the Port of Grays Harbor in Aberdeen and Hoquiam and the Satsop Business Park located outside Elma.

4. What are your performance measures?

- Job creation
- Innovation
- Private sector expansion
- New business recruitment
- Other private sector economic development, including cost savings, new product development and markets, and efficiency gains
- Networking opportunities and participation
- Commercialization contacts and recruitment

5. What outcomes has the IPZ achieved since the last biennial report (2016) or since the inception of your zone (i.e., jobs created, patents pending or received)?

- CIZ tenants continue to grow and add employment to the area.
 - Number of companies using the facility: 2
 - Jobs created: 46
 - Patents Pending: Unknown
- The Port of Grays Harbor and Satsop Business Park merged into the port for more efficient operations and expanded growth opportunities for the community. Satsop is included as part of the GHIPZ

Interactive Media and Digital Arts – City of Redmond

IPZ:

Interactive Media and Digital Arts

Partners:

- City of Redmond
- Economic Development Council of Seattle & King County
- OneRedmond
- Microsoft Corporation
- DigiPen Institute of Technology
- Lake Washington Institute of Technology
- University of Washington, Bothell

1. What are the objectives of your Innovation Partnership Zone?

1. Increase the number of interactive media and digital arts businesses locating in Redmond specifically and on the eastside, Puget Sound and Washington state more generally.
2. Leverage the area's unique combination of opportunities and expertise: established top two international interactive media and digital arts industry businesses located in Redmond; access to high-quality, internationally renowned educational institutions; relationships with start-up business development expertise, including both more formal commercialization programs and access to local entrepreneurs; and support for identifying appropriate start-up and incubator spaces.
3. Provide a supportive business environment that is reinforced by access to a trained workforce.
4. Provide a supportive educational and research climate that fosters development of skills, both technical and business, that create a steady flow of skilled workers and innovation.
5. Provide opportunities for current and emerging entrepreneurs to connect with potential funding and venture capital through relationships in the cluster.
6. Support research and commercialization of technologies related to interactive media and digital arts.

2. What tax incentives or other support have you obtained from public sector sources?

- City of Redmond Economic Development budget and staffing.
- OneRedmond budget and staffing.
- Port of Seattle Economic Development Partnership grant.
- The IPZ program has not received any specific additional dedicated local, state, federal or private funding.

3. What major activities have you completed or achieved since your IPZ designation?

- Created an eastside economic development partnership, branded Innovation Triangle, with the cities of Redmond, Bellevue and Kirkland, which collectively focus on recruiting and retaining businesses in innovation and technology sector.
- Participated in conferences, tradeshow and recruiting events, such as Select USA with the Department of Commerce, DICE (Design, Innovate, Communicate, Entertain) Summit, GDC (Game Developers Conference), and New Space with a focus on technology.
- Developed websites and marketing materials for Innovation Triangle, Startup 425 and City of Redmond.
- Partnered with four other eastside cities, along with SCORE and King County Library System in an initiative, Startup 425, which provides resources and training to entrepreneurs, including those in gaming and interactive media.
- Produced the Washington Interactive Network (WIN) Power of Play in 2017.
 - Event highlights:
 - Key partnership with Intel
 - Three tracks, roundtable discussions, 40+ speakers, 20+ sessions
 - Seattle Indie Game Competition
 - Executive of the Year and Game Changer of the Year awards
 - Video Recordings and presentations up on www.PowerOfPlay.us
Revenue was \$78,036.54 with sponsorships total over \$70,000
 - 411 registrations
- WIN conducted an interactive media cluster analysis and economic impact study in 2017 with a focus on virtual reality, augmented reality, and mixed reality.
- WIN had a focus on diversity and worked with 25 other companies throughout the country to develop an industry-backed action plan to tackle this hurdle.
- WIN Mentor Bootcamp: The WIN mentor program composed of a two-day boot camp with selected companies and periodic follow-up. The program covered the following topics: product development and validation; market and product-market fit; business model development; distribution and partner development; tech and resource development; and introductions to customers/partners/investors. Mentored companies and were connected with a number of potential partners and service providers during this program. One team successfully released its product to critically successful reviews. Almost all teams had several key meetings at a local industry event the week following the Mentor Matching Boot Camp. WIN's program helped these companies be prepared for meetings with potential funders/partners based on the recommendations coming out of the program.
- WIN conducted a retraining feasibility study that engaged 12 employers and showed the need to focus additional effort on creating a culture of diversity and support for diverse staff within the companies.

- OneRedmond and HCL hosted a roundtable discussion on how to foster regional technology advancement and innovation. The conversation included senior executives from HCL Technologies, Microsoft, the mayor of Redmond, Vectorform, and founders and C-Level business leaders. Internet of Things (IoT) was a central topic and was the catalyst to explore the promise the state offers to next generation companies, technologies and workers, along with some of the biggest challenges our ecosystem is facing.
- In conjunction with Redmond’s Downtown Park grand opening, OneRedmond partnered with DigiPen and Bit Toys to produce a first-ever dragon-themed digital scavenger hunt – www.RedmondDragons.com.
- Supported the Microsoft Refresh project, which will build a new campus for the future in Redmond, including 18 new buildings accommodating 8,000 new employees.

4. What are your performance measures?

- Number of Interactive media and digital arts businesses within the IPZ, as identified through business licenses.
- Number of employees of businesses in interactive media and digital arts within IPZ, as identified through business licenses.
- Increased awareness of the industry, as identified through inquiries and engagement with interactive media and digital arts firms and site location activities.

5. What outcomes has the IPZ achieved since the last biennial report (2016) or since the inception of your zone (i.e., jobs created, patents pending or received)?

- Local industry’s direct economic impact
 - 423 companies, of which 40 are working in virtual and augmented reality field
 - 23,200 workers
 - \$21.4 billion in revenues
- Local industry’s total direct, indirect and induced impact
 - \$28 billion in revenue
 - \$7.6 billion in labor income
 - 94,200 jobs
- WIN worked with 74 companies, 32 of which were small businesses. There were 31 introductions to partners, investors and customers made for these companies.
- WIN worked with a consortium of over 25 interactive media companies to share knowledge, information and best practices around the topic of diversity.
- By attending industry-related trade shows, four solid recruitment leads have been generated during this time period: one international lead and three domestic leads.
- Participants of the mentor program were surveyed, and we received the following feedback: The program as a whole was rated 4.33 out of 5. The mentors WIN selected were rated very good and excellent. “Thank you again for leading the WIN bootcamp!

We found your industry experience and advice to be very helpful!” - Nicole Jekich, DailyMagic

- Successful recruiting to Redmond from the small company Ugen, with 13 employees to the 1 million square-foot expansion of Oculus. Redmond is proving time and time again to be at the center of the interactive media industry.
- The Interactive Media and Digital Arts IPZ program supports the growth of Redmond’s business clusters, where employment in this sector has increased dramatically since the IPZ inception and the number of companies in this cluster has increased 180 percent since 2007. While many of the businesses can be identified distinctly as “game” companies, this data is inclusive of high-tech workers in Redmond’s largest company because smaller distinctions are not possible.
- For every higher wage primary job in this technology-based industry cluster, four to six additional jobs are also created. These secondary jobs range from industry suppliers, complementary services and restaurants to arts, cultural and entertainment options. Collectively, this bolsters demand for real estate, goods and services directly in the Redmond community as well as in the sphere of influence area that extends beyond the geographic boundaries of Redmond. Overall for both Redmond and the broader area, this means increased property and retail tax revenues as well as offering a broader pool of talent.
- Educated over 800 entrepreneurs via the Startup 425 Foundations workshop series; 60 percent of registrants identified as a person of color and 62 percent as female.
- Curated 74 leads and prospects since 2016 from conference and tradeshow participation.

6. What funds are received by the IPZ from all sources?

Funding Sources		FY 17	FY 18	Total
City of Redmond	Local	Staff Salary, Office, Supplies	Staff Salary, Office, Supplies	Staff Salary, Office, Supplies
OneRedmond	Local	Staff Salary, Office, Supplies	Staff Salary, Office, Supplies	Staff Salary, Office, Supplies
Total Budget		\$	\$	\$

Additional notes

Sample of media coverage during this past biennium:

King 5 TV coverage: <http://www.king5.com/tech/video-game-expo-takes-off-in-bellevue/434397222>

Kirkland Reporter: <http://www.kirklandreporter.com/news/kirkland-college-students-games-to-be-showcased-at-power-play-conference/>

Venture Beat: <https://venturebeat.com/2017/04/27/pine-street-codeworks-makes-a-prize-winning-game-out-of-matching-soap-bubbles/>

Sports Medicine – City of Issaquah

IPZ:

Issaquah – Sports Medicine

Partners:

City of Issaquah, Swedish Hospital, Proliance Sports Medicine, Virginia Mason, Issaquah Family Chiropractic, City MD, Issaquah School District, King County Workforce Center, UW-Washington, Bellevue College, Issaquah Chamber of Commerce

1. What are the objectives of your Innovation Partnership Zone?

The long-term goal of the Sports Medicine IPZ is to grow, support and communicate the sports medicine industry cluster in Issaquah. People of all ages receive high-quality and innovative services. Issaquah will be on the leading edge of sports medicine, which will further incentivize research and innovation.

This focus will create a platform for businesses, entrepreneurs, workforce developers, researchers and employees to build upon the city's strengths in health care, rehabilitation services and outdoor recreation. The economic development activities that will be spurred by these new partnerships and collaborative efforts in the sports medicine industry include:

- Grow business and entrepreneurial services
- Increase industry job opportunities
- Increase education and training awareness and opportunities
- Improve research implementation and commercialization
- Brand the city as the sports medicine epicenter

The short-term goals of the Sports Medicine Economic Sector Team include:

- Create specific implementation strategies to fill identified service gaps through recruitment or expansion of current businesses
- Create a sports medicine directory
- Foster circulation of research and knowledge that would strengthen sports medicine initiatives and serve as an advocate to attract research opportunities
- Actively support Issaquah School District's award-winning sports medicine programs
- Align with city of Issaquah branding. The branding efforts are currently underway to focus on the quality of life that draws people who seek an active, healthy lifestyle and value environmental and social sustainability
- Host a Sports Medicine Conference in 2019 within the city to encourage professionals to discuss innovation in sports medicine

- Create marketing materials to attract businesses, providers, researchers and employees within sports medicine
- Actively pursue media coverage for innovative businesses and IPZ activities.

2. What tax incentives or other support have you obtained from public sector sources?

The city has utilized the Port of Seattle Economic Development Grant to enhance the IPZ. In 2018, \$15,000 was earmarked for this program. To date, \$8,100 has been spent: \$5,100 to hire Fabco and \$3,000 to join the Seattle Sports Commission. Tim Dutter from the city of Issaquah's Economic Development Department now sits on this commission.

3. What major activities have you completed or achieved since your IPZ designation?

We received \$50,000 from the Washington State Department of Commerce to host a Sports Medicine Conference in 2019. The ED Department will request a match from the city of \$50,000, for a total budget of \$100,000 in 2019. The city has hired the consulting company Fabco to assist in developing a program schedule, creating a production plan and budget, and outlining marketing objectives. The committee was to meet again in September to begin looking at branding and marketing objectives.

4. What are your performance measures?

The Sports Medicine IPZ Steering Committee and zone administrator are committed to tracking measurements and outcomes in order to demonstrate progress. The reports will include information on efforts undertaken, results and improvements necessary to ensure success. This focus will allow us to refine performance measures over four years to adjust for unforeseen opportunities.

The following indicators of success will be tracked and reported annually by the zone administrator:

- Economic impacts, including additional jobs and businesses
- New partnerships/collaborations
- Workforce education impacts, including increased awareness and participation of programs, improvements to current or new training programs, increased partnership with private industries
- Marketing results, including media coverage, paid advertising, networking and events highlighting the IPZ's efforts, collaborative branding activities
- Research and innovative efforts of Sports Medicine IPZ partners that enhance the sector in Issaquah and beyond

5. What outcomes has the IPZ achieved since the last biennial report (2016) or since the inception of your zone (i.e., jobs created, patents pending or received)?

I recently took over this program three months ago. I will have more updated numbers in the future.

6. What funds are received by the IPZ from all sources?

Funding Sources		FY 17	FY 18	Total
Port of Seattle	Private	\$10,000	\$10,000	\$20,000
City of Issaquah	Local	5,000	5,000	10,000
	State			50,000 (2019)
	Federal			
Total Budget		\$15,000	\$15,000	\$80,000

Skagit Valley Value-Added Agriculture

IPZ:

Skagit Valley Value-Added Agriculture IPZ

Partners:

Economic Development Alliance of Skagit County (EDASC)
Washington State University Mount Vernon Research Center
Washington State University Mount Vernon Bread Lab
Washington State University Mount Vernon Extension Office
Knutzen Farms
Skagit Valley College
Port of Skagit
Sakuma Brothers Farms
City of Mount Vernon
Skagit Valley Malting
Skagit County
Northwest Agriculture Business Center (NABC)
Northwest Innovation Resource Center (NWIRC)
Skagit Farmers Supply

1. What are the objectives of your Innovation Partnership Zone?

The Skagit Valley Value-Added Agriculture Innovation Partnership Zone (IPZ) nurtures partnerships to enhance the local agricultural industry, promoting innovative approaches that combine research and technology, producing new jobs and a robust economy centered on the valley's rich agricultural resources and heritage.

For value-added agriculture products, the IPZ, which is centered around the Port of Skagit's airport and business park facilities, has emerged as a center for innovative value-added agriculture research and production within Washington state. Close proximity to these facilities will support agriculture processing and other value-added agriculture businesses in partnering with and utilizing these assets to scale up their activities.

The white paper describing the Skagit IPZ mission, vision and plan can be found at http://www.portofskagit.com/images/uploads/pdfs/ipz_story_final_170531.pdf.

2. What tax incentives or other support have you obtained from public sector sources?

The IPZ has not received tax incentives or public sector support aside from small contributions to help fund the consulting for the brand strategy work.

3. What major activities have you completed or achieved since your IPZ designation?

Since the last biennial report in 2016, the IPZ has expanded its partners to include Skagit Farmers Supply, an agricultural cooperative that is governed by its members to provide quality goods and services to the community in agronomy, energy, retail and milling.

Two Skagit Ag Summits were held on Feb. 25, 2017, and Feb. 16, 2018. The 2017 event focused on issues of water, labor and economic viability. The 2018 event expanded on these areas and also included innovation and leadership. The 2018 program was approved for (1) WSDA Re - certification course credits.

The IPZ operates in part as a “think tank” regarding the agriculture economy, diversification and, particularly, value-added agriculture in the Skagit Valley. The IPZ will analyze, research and present agritourism and its implications as well as the economics of food production. One of the primary efforts during the past two years has focused on brand identity of Skagit Valley products. In addition, the IPZ has expanded through at least two new companies attracted to Skagit Valley: Garden Path Fermentation and Cairnspring Mills. The Port of Skagit has purchased a new building to house ag-related businesses. The Bread Lab, King Arthur Flour and Cairnspring Mills continue to attract international and local attention, including visits from Gov. Jay Inslee and various other dignitaries.

The primary new work has been undertaken by the brand strategy subcommittee. Members joined together to fund a consultant through three phases of activity, culminating most recently in the “Brand Blueprint.” This is part of a complex process to set up a certification-of-origin program providing a mark to genuine Skagit products.

4. What are your performance measures?

The Skagit Valley IPZ works to attract new companies and job growth to the value-added agriculture sector in the area. In addition, the IPZ serves as a convener and focus for discussion, analysis and education around issues of critical importance to the sector.

5. What outcomes has the IPZ achieved since the last biennial report (2016) or since the inception of your zone (i.e., jobs created, patents pending or received)?

This year, the IPZ and its members have helped facilitate two new company locations: Cairnspring Mills and Garden Path Fermentation. Cairnspring Mills, a mill that packages and sells local grain both wholesale and retail, employed five as of April 2018. Garden Path Fermentation employed eight as of April 2018 (three full-time and five part-time), running a tasting room, bottle shop and beer garden.

6. What funds are received by the IPZ from all sources?

Funding Sources		FY 17	FY 18	Total
	Private	\$	\$	\$
	Local			
	State			
	Federal			
Total Budget		\$	\$	\$

Additional notes

For the brand strategy project, all funding was run through the Port of Skagit rather than the IPZ, to be precise. Various entities, including EDASC, Skagit County and others, contributed toward those consultant expenses, all outside of the IPZ account (which has received no funding from the state of Washington). Over the course of 2017-2018, the Port of Skagit has spent about \$25,000 on this project, some of which was defrayed by contributions from other partners.

Aerospace Convergence Zone (Snohomish County)

IPZ:

Aerospace Convergence Zone

Partners:

- Aerospace Futures Alliance of Washington (AFA)
- Edmonds Community College
- Everett Community College
- University of Washington Bothell (UWB)
- Washington State University Everett (WSU)
- Workforce Snohomish

1. What are the objectives of your Innovation Partnership Zone?

- Facilitating the continued development of a broadly defined “infrastructure”: skilled workforce, educational assets, transportation networks for people and products, positive business climate, appropriate land-use policies and quality of place
- Promoting the importance and economic impact of aerospace and marketing the industry locally, regionally, nationally and internationally
- Supporting incumbent supply-chain companies in their efforts to maintain and/or grow their capacities
- Based on a supply-chain gap analysis, recruiting supply-chain companies from outside the area and looking for collaboration opportunities with incumbent supply-chain companies
- Collaborating with other aerospace communities across Washington to support a statewide development effort
- Collaborating with other IPZ’s throughout Washington to enhance the financial viability of the IPZ network

2. What tax incentives or other support have you obtained from public sector sources?

None

3. What major activities have you completed or achieved since your IPZ designation?

During the past fiscal year:

- Management of the Snohomish STEM Network has been assumed by Economic Alliance Snohomish County. The network hosted its first STEM summit, convening educators and industry to discuss workforce needs in aerospace and across all industries.
- The IPZ has advocated for increased state funding for engineering programs at both WSU Everett and UW Bothell locations. A new WSU academic building opened fall 2017 and is offering classes/degrees in mechanical/electrical/software engineering and data analytics. These degree offerings were chosen in direct response to the needs of aerospace employers. UW Bothell secured funding to design their second STEM academic building where they offer mechanical and electrical engineering. UWB is ranked No. 2 for computer science degrees in Washington and is the focus within the UW system for cybersecurity.
- Everett Community College has expanded its aerospace course offerings with Advanced Avionics and an evening session of their Aviation Maintenance School within its Aviation Maintenance Technology program. The latter school prepares students to take the Federal Aviation Administration (FAA) Airframe and Powerplant Mechanic exam.
- Edmonds Community College secured construction funding from the state for its new STEM academic building. Construction is to begin in fall 2018.
- Sound Transit 3 (lightrail from Lynnwood to Everett) was approved by the voters in November 2017. The alignment (route), yet to be determined, is expected to serve southwest Everett, specifically the Boeing Everett plant and the supply chain located in the surrounding area.
- Ongoing meetings of Aerospace in Action (AIA), an Economic Alliance Snohomish County effort for networking with and learning from the aerospace supply chain in the zone.
- Active participation on multiple fronts to secure the assembly of Boeing's New Mid-Market Aircraft (NMA) in Washington (Everett). IPZ partners are engaged with the Governor's Choose Washington NMA Advisory Council and the Snohomish County NMA Taskforce in anticipation of the release of a Request for Proposals (RFP) from Boeing Co.
- Cooperation with the cities of Arlington and Marysville to pursue a Manufacturing Industrial Center (AMMIC) designation under the auspices of the Puget Sound Regional Council. State funds were secured in Q1 2018 to develop a sub-area plan that assesses opportunities and needs; the plan will be complete by year-end. The AMMIC will be home to any large aerospace developments located in Snohomish County, as industrial properties south of Everett are non-existent.
- The IPZ is supportive of local aerospace events. EASC and the colleges attend/sponsor the Pacific Northwest Aerospace Alliance annual conference and the Aerospace Futures Alliance Governor's Aerospace Summit. In collaboration with our Washington State Department of Commerce colleagues, we co-sponsor the Aerospace Defense and Supplies Summit when it occurs in Seattle (March 2018). EASC attended the JEC World

Composites Conference in March 2018; JEC has significant participation by the aviation industry.

- Workforce Snohomish hosted employer roundtables to discuss aerospace/advanced manufacturing needs and arranged/hosted a job fair to connect job seekers with Boeing Everett.
- As a general statement, IPZ partners continually advocate on issues and policies that affect the business climate; specifically, transportation funding to move people and product and education funding at all levels to prepare the future workforce.
- IPZ partners are promoting the forthcoming commercial air service from Snohomish County Airport Paine Field. Travel time and security delays at SeaTac International Airport have created demand for an alternative airport. Alaska Airlines has announced service to Portland, San Francisco, San Jose, Los Angeles, Orange County, San Diego, Phoenix and Las Vegas starting Q1 2019. United will serve Denver and San Francisco. Southwest has not announced its destinations. Paine Field service becomes an asset in attracting aerospace companies and in support of the existing aerospace supply chain. There is currently significant one-day travel between the Seattle area and these destinations. Paine Field will be particularly attractive to companies located north of downtown Seattle and Bellevue.

4. What are your performance measures?

- Ongoing programs and expanded programs from the referenced partners
- Funding of new transportation projects; approval of ST3 alignment serving Paine Field
- New-to-market developed industrial real estate and/or buildings
- Attendance at referenced shows
- Create a branding strategy and recognized identity for the IPZ
- Successful recruitment and expansion projects for aerospace firms
- Successful recruitment projects of aerospace suppliers for non-aerospace applications

5. What outcomes has the IPZ achieved since the last biennial report (2016) or since the inception of your zone (i.e., jobs created, patents pending or received)?

Northwest Aerospace Technologies (NAT) opened the newly built 100,000 square-foot office and manufacturing building at the Port of Everett in March 2017. The company is a longtime employer in Everett but was operating in inefficient older buildings that impeded growth. The company was selective in its location since it did not want to leave downtown Everett and cause undue inconvenience to its 200 employees.

Jetoptera opened its headquarters in Edmonds to develop new propulsion technology with applications in drones and unmanned vehicles. The company has been using facilities at the Arlington Airport to test the technology. They have also been doing aerodynamic testing at the UW Kirsten Wind Tunnel in Seattle.

6. What funds are received by the IPZ from all sources?

Funding Sources		FY 17	FY 18	Total
	Private	\$	\$	0\$
	Local			0
	State			0
	Federal			0
Total Budget		\$	\$	\$0

Additional notes

The Aerospace Convergence Zone operates through Economic Alliance Snohomish County. The Zone has no revenue sources or dedicated expenses.

Spokane University District Partnership Zone

IPZ:

Spokane University District Innovation Partnership Zone

Partners:

Greater Spokane Inc., Washington State University, Eastern Washington University, Gonzaga University, Whitworth University, University of Washington, Community Colleges of Spokane, City of Spokane, Spokane County, Health Sciences and Services Authority, McKinstry, University District Development Board, Avista, Downtown Spokane Partnership, Kiemle and Hagood, Baker Construction, Jensen Byrd Development, Wolff Company, Garco Construction, Bouten Construction, PAML, Providence Health, Cowles Company, Rosauers, Deautel Hege, Empire Health Foundation, Katerra

1. What are the objectives of your Innovation Partnership Zone?

The University District is a place where business and education grow together to create a collaborative, healthy and prosperous region. The objectives of the University District are:

- To achieve sustainable and highest/best use of the land and river;
- To engage higher educational institutions in collaborative economic development;
- To support business by fostering entrepreneurship and innovation; and
- To increase meaningful and measurable opportunities for students, residents and employees.

2. What tax incentives or other support have you obtained from public sector sources?

The city and the county have been very helpful in leveraging many public programs for the IPZ. These include TIF, Historic Preservation Credits, MultiFamily Tax Exemption, Community Empowerment Zone, HUB Zone, Health Sciences and Services Authority, High Tech R&D credits, University District Redevelopment Authority, capital funds for construction of educational facilities, and EPA cleanup and remediation funds.

In the past two years, the city of Spokane has used more than \$12 million in local and federal infrastructure funds for the construction and renovation of the following streets and connections:

- Riverside Phases 1, 2 and 3
- University District Gateway Bridge
- SFB enhancement
- Second
- Third
- Sprague

3. What major activities have you completed or achieved since your IPZ designation?

- Gov. and Mrs. Inslee attended Connecting Washington dedication event at McKinstry with other local officials, legislators and community members
- Washington state poet laureate and Gonzaga University professor Tod Marshall selected by governor to write poem for Connecting Washington celebration
- Phased extension of Riverside Avenue/MLK Way by city underway
- John Medina lecture at Gonzaga's Hemmingson Center
- University District Visioning work (sponsored by Avista), including a two-day charrette in June at McKinstry, led by Mark Robert Mansfield and The Miller Hull Partnership, and a community open house in September at Stay Alfred
- University District Visioning online public survey created and publicized
- Successful 2016 fundraising campaign – program revenue exceeded budget
- Rebranding of Urbanova and the UD's alignment with its mission and vision of smart technologies and data analytics
- University District outreach covers the globe – Executive Director Mark Robert Mansfield's presentations are praised locally and internationally, resulting in several strategic contacts
- 2016 University District Magazine published and distributed to over 11,500 by the Spokane Journal of Business
- Annual University District Month celebration event (a walking tour of the new magazine and its featured articles/authors) hosted by WSU
- Launch of new University District website with new board portal, news and publications pages, developments, and district map
- University District is now home to two accredited medical schools
- Gonzaga University and University of Washington form the Regional Health Partnership, and GSI furthers the progress of Vision 2030
- Implemented the long-envisioned office move to the University District, with thanks to Downtown Spokane Partnership for providing space and staffing resources to the University District prior to the move; and to Iron Bridge (movers) and WSU (new space in the Ignite NW/Innovation Center Building and furniture)
- Organization name change from "Downtown Spokane Ventures Association dba University District Development Association" to "University District Development Association"
- Spokane Teaching Health Clinic grand opening
- 940 North debuts and the Matilda Building completed
- Jensen-Byrd development underway; work on the Triangle building begins
- Gonzaga University announces construction plans for Myrtle Woldson Performing Arts Center, Jesuit Residence and Center for Athletic Achievement
- University District Ecological Alliance student research and community education and river and Lake Arthur restoration projects

- Central City Line approved and will connect the University District with the South Hill medical complex, downtown, etc.
- University District Revitalization Area (UDRA) Business Plan and Amendment No. 1 to Interlocal Agreement are approved by University District board
- University District Gateway Bridge construction launch hosted by the city of Spokane
- Avista's Catalyst Project development on South Landing underway
- Integrated Parking and Mobility Strategy survey published and the Integrated Parking and Mobility Study completed for the city of Spokane
- Outgoing board members Steve Trabun (Avista), Mike Livingston (Kiemle & Hagood Co), and Robin Toth (GSI) are recognized and praised for their long-standing, transformative and exceptional service to the University District
- The scope, influence and expertise of the University District board is expanded by adding two new at-large director board seats
- Elaine Couture (Providence), Latisha Hill (Avista), Lou Gust (Itron) and Tom Quigley welcomed as new board members
- Initiated two new ad hoc board working groups for outreach and sustainable funding
- Hiring of Alden Jones, administrator; Mark Mansfield transitions to Norway and independent contractor status
- Hiring of Lars Gilberts, executive director
- Garco Construction awarded University District Gateway Bridge \$9.3 million contract
- 2017 Board Officers announced: Karl Otterstrom (chair), Kim Pearman-Gillman (vice chair and past chair), Tom Johnson (treasurer and secretary)
- UW School of Medicine-Gonzaga University Regional Health Partnership forms Spokane Advisory Board
- University of Washington expands collaborative innovation hub CoMotion to Spokane's University District
- Princeton Review ranks Gonzaga among the nation's best value colleges
- Darryl Potyk, MD, tapped to lead UW-GU Regional Health Partnership
- WSU medical school granted second accreditation
- Whitworth University among Peace-Corps' 2017 top volunteer-producing colleges
- DSP honors Dave Clack with 2017 Legacy Award
- Avista Catalyst Project announced for the area near the south landing of the University District Gateway Bridge
- WSU's Spokane Teaching Health Clinic is "building of the year" runner-up
- CCS students join 2017 All-Washington Academic Team
- EWU president hosts "Dialogues on Diversity" series
- STA hosts CCL Open House
- City of Spokane breaks ground on new University District Gateway Bridge

- Design work starts for Trent bridge replacement
- Gonzaga University men's basketball team in NCAA final game, Mark Few named Coach of the Year, women's team wins NCAA tournament
- University District and city meet with Gov. Inslee and Charles Knutson (governor's senior policy advisor) at McKinstry, provide UD update
- Hiring of Lars Gilberts, executive director
- 2017 NW Entrepreneur Competition at Whitworth
- CCS offers new cybersecurity degree
- Gonzaga students install floating wetlands on Lake Arthur
- Kim Pearman-Gillman featured in Spokane CDA Magazine
- WSU Spokane students win state community service awards
- Gonzaga Environmental Studies Senior Capstone presentations
- University District Stakeholder Forum kickoff event at Gonzaga University, event feedback posted on website
- Lars Gilberts presents to city of Spokane Plan Commission
- Revision to 2017 Board Officers announced: Latisha Hill (replaces Kim Pearman-Gillman as vice chair), Lou Gust (replaces Tom Johnson as secretary)
- WSU and Jensen-Byrd LLC end negotiations on Jensen-Byrd property
- Lars Gilberts speaks to Marketing Associates of Spokane
- Air quality sensors deployed in University District as part of Urbanova smart city laboratory
- Urbanova selected to compete in Clean Tech Showcase
- Camp Creative hired to design and write UD magazine
- Lars Gilberts interviewed by WSU Health Sciences TV
- Urbanova smart and connected street lights pilot program underway in University District
- Sustainable Funding Work group fundraising survey
- EWU's health administration program attains accreditation
- Gonzaga begins construction on Woldson Performing Arts Center
- STA awarded \$3.9 million grant by Washington State Department of Transportation
- Startup Spokane interview features Lars Gilberts and their Mind to Market program
- University District Stakeholder Forum No. 2 at Community Building regarding CCL station design; public input posted on website
- Charlie Wolff named city business development manager and begins facilitation role with UD and city projects
- Master project list developed and UDRA-project evaluation criteria approved by board
- Chancellor Lisa Brown steps down, Daryll DeWald new chancellor Sept. 1

- UDDA-UDPDA Services Agreement approved by both boards to administer UDRA funds
- University District Stakeholder Forum No. 3 regarding Sprague redevelopment, hosted by PrimeSource Credit Union
- 2017 University District Month Celebration; magazine launch and honoring Clacks with Impact Award at Hemmingson Ballroom
- Convening business owners around Sprague Redevelopment Phase 2
- Convening Bridge Partners Group
- Seven new directors elected to the board
- Convening 2018 Stakeholder Engagement on Dec. 7

4. What are your performance measures?

- Dollar amount of public investments
- Dollar amount of private investments
- Jobs created
- Patents approved

5. What outcomes has the IPZ achieved since the last biennial report (2016) or since the inception of your zone (i.e., jobs created, patents pending or received)?

- Dollar amount of public investments: \$12 million
- Dollar amount of private investments: \$1 billion
- Jobs created: Pending from Employment Security
- Patents approved: Pending

6. What funds are received by the IPZ from all sources?

Funding Sources		FY 17	FY 18	Total
	Private	0\$	0\$	0\$
	Local			
	State			
	Federal			
Total Budget		0\$	0\$	0\$

Urban Clean Water Technology (Tacoma)

IPZ:

Urban Clean Water Technology, Tacoma, WA

Partners:

- City of Tacoma – Center for Urban Waters
- University of Washington Tacoma – Center for Urban Waters
- Washington State University Puyallup Research and Extension Center
- Port of Tacoma
- Economic Development Board for Tacoma-Pierce County
- GeoEngineers
- Institute for Environmental Research and Education
- Parametrix
- Tacoma Community College

1. What are the objectives of your Innovation Partnership Zone?

- To retain and expand existing organizations, businesses and jobs in the IPZ urban clean water cluster
- To recruit and attract local and national organizations and businesses that enhance the long-term value of the cluster
- To establish and host conferences and symposia related to urban clean water that increase the cluster’s global profile

2. What tax incentives or other support have you obtained from public sector sources?

- Public sector agencies have provided the majority of the staffing and operational support for the IPZ.

3. What major activities have you completed or achieved since your IPZ designation?

- Commissioned “A Vision for the Urban Clean Water Innovation Partnership Zone” in 2017, which included a review of previous reports and activities related to the IPZ; case studies of communities that are building water industry clusters; interviews with leading stakeholders in Tacoma-Pierce County and a stakeholders’ visioning roundtable with follow-up consultations. Nine strategies are proposed and the overall vision significantly expands the geographic scope, benefits and impacts of the IPZ. The report recommends making the IPZ “the nucleus of a water innovation ecosystem that is collaborative, open, holistic and integrated. Such an innovation ecosystem opens the opportunity for reimagining and redesigning the water infrastructure to be more efficient, sustainable and resilient.” The study was completed in early 2018.

- In 2017, the EPA granted \$4,968,319 in a four-year award to Puget Sound Partnership for UWT to continue work in the UW Puget Sound Institute (PSI). The budget for this work was doubled in the second year.
- In October 2017, Joel Baker of UWT presented “The Past, Present and Future of Urban Water Quality in Tacoma, Washington,” highlighting green infrastructure and water quality work the city of Tacoma has accomplished, at the “Navigating the Future of Water Conference” in Milwaukee.
- The Washington Stormwater Center is in preliminary talks to expand the Technology Assessment Protocol – Ecology (TAPE) program to a national model. The TAPE program is the Washington State Department of Ecology’s process for evaluating and approving emerging stormwater treatment BMPs.
- Partnered with the PureBlue clean water innovation initiative, which successfully garnered a \$1 million grant funded by the U.S. Department of Commerce and partners.
- Organized and managed three successful Wellspring conferences.
- Designed website — Water Works Here.
- Built awareness of IPZ within the EPA Water Cluster Nation network and visibility with the largest association in water (Water Environment Federation).
- Completed case studies and site visits of water industry cluster initiative, including strategies, projects and governance structures to identify collaboration opportunities and inform the next phase of IPZ vision development.
- Surveyed community stakeholders and prepared analysis for a Vision RoundTable to define next steps, initiatives and performance milestones.
- **Planning/analysis for Center for Urban Waters II building and program.** Review of property availability, potential programming involving public and private sector, and initial proforma analysis for second building and expansion of program offerings.
- **Clean Water Innovation Laboratory:** The grand opening of the Clean Water Innovation Laboratory at University of Washington Tacoma was held in fall 2014. This space houses collaborations among university scientists and private and public experts, conducting research and product development for urban clean water solutions. In its current configuration, the IPZ laboratory is hosting a joint biotechnology research pilot program between UWT and JBLM-Madigan scientists. (This new lab space was primarily funded out of the 2012 state capital funding allocation for Tacoma.)
- **Advanced analytical instrument:** Installation and startup of a high-tech laboratory instrument that allows scientists to detect a broad spectrum of compounds more efficiently and cost effectively. The instrument is being used to detect tracer chemicals to help determine the source of bacterial contamination in surface waters and to determine exact causes of toxicity in fish – further protecting the state’s shellfish and fishing economic resources as well as human health. To date, this facility has allowed an additional \$436,000 of extramural grant and contract revenue to be realized at the Center for Urban Waters. (The instrument was funded out of the 2012 state capital funding allocation for Tacoma.)
- **Innovative treatment media:** IPZ members city of Tacoma and UW Tacoma were awarded series of grants from the Department of Ecology, totaling to date \$292,000 to

research and develop media that will reduce the level of phosphorus in stormwater. The active ingredient in the media is a waste product from the drinking water treatment industry. Bringing this product to market is the focus of a recently awarded Catalyst Grant from the Amazon Corporation to UW Tacoma.

- **WSU Puyallup Aquatic Toxicology building:** The renovation of the building has been completed, part of the equipment has been purchased and WSU is in the process of purchasing laboratory equipment. Renovation of this building will enable work with many more aquatic species than would be possible prior to this renovation. WSU is talking with potential partners from federal agencies, tribes, consulting companies and other universities to find common interests and discuss sources of future funding for research projects. This will benefit the growth of the IPZ in the area of water research and development.
 - ✓ Washington State University made a commitment to hire a new faculty line, an aquatic toxicologist that would be housed in the renovated aquatic lab building. WSU hired this faculty member in July 2016.
 - ✓ As WSU works with potential new partners, it anticipates that these partners will place workers at the lab. Furthermore, new staff will be hired as new research projects are funded.
- **Department of Ecology's TAPE (Technology Assessment Protocol – Ecology) Program facilitation:** UW Tacoma, via the Washington Stormwater Center, works with numerous companies to foster them through the TAPE program, and also facilitates reviews of their application documents. This program assists in product development and new product testing, which leads to additional business for companies involved. Under this program, we have assisted the following local and national companies: Royal Environmental Systems Inc., HydroInternational, StormwaterRx, Contech, Modular Wetlands, BaySaver, Filterra, Washington State Department of Transportation, Lean Environment, Aquashield and Environment 21.
- **Creation of a clean water/biotechnology research interface:** UW Tacoma supported the recruitment of an established biotechnology researcher to catalyze biotechnology/medical diagnostic research in the south Puget Sound region. Dr. David Hirschberg joined the Center for Urban Waters in 2014 and is exploring ways to bring clean water and biotechnology innovators together in the IPZ. To date, he has raised \$463,000 in federal (DoD, NSF) funding for this work.
- **Expansion of environmental engineering expertise:** Utilizing the space and instrumentation made available by the IPZ, UW Tacoma recruited a nationally recognized associate professor of environmental engineering to strengthen our expertise in water chemistry and treatment technologies.
- **Planning/analysis for Center for Urban Waters II building and program.** Review of property availability, potential programming involving public and private sector and initial proforma analysis for second building and expansion of program offerings.

4. What are your performance measures?

- Securing funding to support IPZ activities: Funds are needed to stabilize ongoing operational expenses and expand the Center for Urban Waters for a second building phase
- Creating greater access to nonproprietary research and best water-management practices relevant to urban clean water as a draw for businesses, nonprofit organizations and start-ups
- Targeting the water technology market for business recruitment/retention/expansion: Principal segments include safe drinking water, wastewater treatment, groundwater, stormwater, processed water, water reuse and source restoration
- Garnering media awareness to communicate sector accomplishments with article placements in national and regional publications about Tacoma-Pierce County water cluster
- Hosting yearly Clean Water symposia/Wellspring Conference focusing on the South Sound's expertise and how that knowledge and mindshare can be leveraged to drive job creation

5. What outcomes has the IPZ achieved since the last biennial report (2016) or since the inception of your zone (i.e., jobs created, patents pending or received)?

- **Wellspring Conferences:** Created and hosted three Wellspring conferences during which local, national and international experts presented at the event in Tacoma. National and local vendors sponsored and highlighted their technologies and services. Currently working on 2019 conference.
- **Working Waterfronts & Waterways Symposium:** The Center for Urban Waters was a sponsor of the National Working Waterfronts & Waterways Symposium in Tacoma March 25-28, 2013. This was a national symposium on issues faced by working waterfronts, including environmental challenges.
- **2013 University of Washington Water Symposium:** Sponsored by UWT Center for Urban Waters, Puget Sound Institute and UW College of the Environment, the event presented in-depth research on water sciences, engineering and policy from the Pacific Northwest water community.
- **Puget Sound Institute Workshop:** Participated in the May 2013 gathering of scientists from large aquatic ecosystems around the country to discuss how science informs ecosystem-wide recovery efforts.
- **Environmental Protection Agency:** Participated and presented at the EPA-hosted water cluster meeting in Cincinnati, Ohio, in March 2014.
See: <http://www.urbanwaters.org/us-epa-water-cluster-meeting>.
- **Water Environment Federation (WEF):** Egils Milbergs (Center for Accelerating Innovation), Bill Stewart (EDB), Lisa Rozmyn (WSU-Puyallup), and Kurt Marx (UWT-CUW) represented the Tacoma Pierce County clean water cluster at the Private Networking Meeting Collaboration and roundtable discussion with water clusters from around the

country called the Water Innovation Clusters Round-Robin at WEFTEC, Chicago, in October 2013.

- **China Trade and Investment Summit:** The Environment and Clean Technology track of the captioned summit held in June 2014 brought together speakers and companies from Tacoma to China that are working on environmental challenges to discuss technologies in groundwater and soil remediation.
- **2015 WEFTEC Conference:** Carla Milesi (UW Tacoma/Urban Waters) and Egils Milberg (on behalf of the city of Tacoma) participated in the Water Environment Federation Technical Conference in Chicago, Illinois.
- **2015 Stormwater Equipment Manufacturers Association Conference:** Carla Milesi (UW Tacoma/Urban Waters) participated as an invited guest at the SWEMA Conference to promote the TAPE accreditation program.
- **Interstate Technology Regional Council:** Carla Milesi (UW Tacoma/Urban Waters) participated as an invited guest at the SWEMA Conference to promote the TAPE accreditation program.
- **Chilean Delegation:** Hosted the Chilean ambassador to the United States and his delegation for a half-day symposium on how government and private industry can partner to restore the environment.
- **Korean Environmental Delegation:** Hosted delegates from Korea to discuss how Tacoma cleaned up the Foss Waterway and stormwater management within the city Nov. 17, 2015.
- **National Association of Flood and Storm Water Management Agencies:** Urban Waters IPZ partners received first place in the Green Infrastructure Awards presented by the National Association of Flood & Stormwater Management Agencies for the Point Defiance Regional Stormwater Treatment Facility in the medium population category. This project garnered national attention for three powerful reasons. (1) It is a game changer for the stormwater industry in treating more polluted stormwater than any other facility of its kind (over 750 acres from within the Asarco Smelter Plume). (2) It also serves as a gateway park amenity at the entrance to Point Defiance Park with a prominent waterfall feature. (3) It provides educational opportunities ranging from the casual park observer to the Science and Math Institute (SAMI) high school students, and even local universities. This project was partially funded by a \$1 million grant from the Washington State Department of Ecology.
- **Municipal Engineering Foundation (Australia):** The Center for Urban Waters hosted this group for a half-day discussion of municipal engineering practice focused on green roads, green infrastructure and innovative project delivery techniques in August 2016.

Media/Article Placements

- **Water World Magazine,** “Managing Storm Water One Parking Lot at a Time,” by Dr. John Stark, director of WSU Puyallup, September 2012. The article focuses on LID and other clean water technologies being researched in Tacoma and Pierce County.

<http://www.waterworld.com/articles/print/volume-28/issue-8/urban-water-management/managing-stormwater-one-parking-lot-at-a-time.html>

- **King 5 News report**, John Stark was interviewed by King 5 news about his work with Boeing on improving permeable pavements.
<http://www.king5.com/tech/science/environment/wsucprofessorpermeablepavementcouldsaveenvironment/279287168>
- **Pollution Engineering**, “Collaborating for Sustainable Results: Communities Work Together to Remediate Water Entering Commencement Bay,” by Dr. Joel Baker, science director, Center for Urban Waters, January 2013. http://www.vitalcontentpr.com/wp-content/uploads/2013/02/PollutionEngineering_CoverStory_Tacoma_Jan2013.pdf
- **Bloomberg BNA’s Environmental Compliance Bulletin**, “Sustainability – Tacoma Center Tackles Coastal Community Water Quality,” April 29, 2013. The article is about the CUW’s focus on Best Management Practices. http://www.vitalcontentpr.com/wp-content/uploads/2013/02/BNAEnvironmentalComplianceBulletin_4-29-13.pdf
- **Journal AWWA** (American Water Works Association), “Cleaning Urban Waters Using Collaboration and Science,” by Michael P. Slevin III, P.E., director of Environmental Services, city of Tacoma, June 2013. This article focuses on Tacoma’s success in reducing legacy contaminants in waterways and low-impact development initiatives.
http://www.vitalcontentpr.com/wp-content/uploads/2013/02/JournalAWWA_June2013_Tacoma.pdf
- **Treatment Plant Operator**, “Conference Reveals Clean-Water Industry Issues,” Oct. 21, 2013. Article was written about the success of the second annual WellSpring Conference.
http://www.tpomag.com/online_exclusives/2013/10/conference_reveals_clean_water_industry_issues
- **Water Systems Operator**, “Conference Reveals Clean-Water Industry Issues,” Oct. 21, 2013. Article was written about the success of the second annual WellSpring Conference.
http://www.wsomag.com/online_exclusives/2013/10/conference_reveals_clean_water_industry_issues
- **Water Conditioning & Purification**, “WellSpring Conference 2013: Overcoming Obstacles in Clean Water Technology,” Nov. 15, 2013. Article was written about the success of the second annual WellSpring Conference.
http://www.vitalcontentpr.com/wp-content/uploads/2013/02/WaterCondPurif_WellSpring2013_11-15-13.pdf
- **Treatment Plant Operator**, “Clean Water Conference Makes a Splash,” Nov. 20, 2013. Article was written about the success of the second annual WellSpring Conference.
http://www.tpomag.com/online_exclusives/2013/11/clean_water_conference_makes_a_splash
- **Municipal Sewer & Water**, “The Long View: Sound planning and management help Tacoma get the most out of its infrastructure,” April 2014. This article was a cover story about Tacoma Water’s asset management and best practices.
http://www.mswmag.com/editorial/2014/04/the_long_view

- **Treatment Plant Operator**, “Tacoma – Pulling It All Together,” April 2014. This article highlights Tacoma Public Utilities and partner’s efforts to be a leader in clean water technology and sustainability.
http://www.tpomag.com/editorial/2014/04/tacoma_pulling_it_all_together
- **The New York Times**, “With Data and Resolve, Tacoma Fights Pollution,” June 12, 2014. Section A article about the city of Tacoma and the Center for Urban Water’s great work in clean water technology. http://www.nytimes.com/2014/06/13/us/with-data-and-resolve-tacoma-fights-pollution.html?_r=2. Article also ran online in The Daily Mail in the UK, MSNBC.com, EIN, Yakima Herald Republic, Business Examiner, Exit133, Environmental Health News, Environment.com and more.
- **The Seattle Times**, “Tacoma takes aim at drains in big battle against pollution,” June 13, 2014. Reprint of the New York Times article about Tacoma’s great work in clean water technology.
http://seattletimes.com/html/localnews/2023842805_tacomawaterxml.html. Article also ran on numerous news websites.
- **The Seattle Times**, “Tacoma Rebounds,” July 20, 2014. Article about how Tacoma has rebounded from the recession, including its successes in clean water technology.
http://seattletimes.com/html/businesstechnology/2024110950_biztaltocol20xml.html
- **KPLU**, “A Million-Dollar Question: As Sea Levels Rise, How Can Coastal Communities Adapt?” March 29, 2016. Article about Tacoma’s participation NOAA-funded team looking at the impacts of sea level rise (SLR) on urban coastal communities.
<http://knkx.org/post/million-dollar-question-sea-levels-rise-how-can-coastal-communities-adapt>
- **Kitsap Sun**, “Lofall Creek’s pollution culprit caught: raccoons,” by Tristan Baurick, June 25, 2016, <http://www.kitsapsun.com/news/lofall-creeks-pollution-culprit-caught-raccoons-360c9ce0-9d7a-3111-e053-0100007f1de6-384412851.html> (Although the IPZ program is not mentioned specifically, the testing equipment that allowed Kitsap County to identify Lofall Creek’s pollution source was funded by IPZ grants.)
- **Washington Coastal Sea Level Rise Project (WCRP)**, “Projected Sea Level Rise in Washington State – A 2018 Assessment,” July 2018. The WCRP is a three-year effort to rapidly increase the state’s capacity to prepare for natural events that threaten the coast. The project will improve risk projections, provide better guidance for land-use planners and strengthen capital investment programs for coastal restoration and infrastructure. These are the tools that coastal communities need to become more resilient to disasters.

Business Recruitment

The Economic Development Board for Tacoma-Pierce County (EDB) has the lead role on recruitment and retention of companies in the sector. Current database of water technology companies stands at approximately 750.

EDB's hired a recruiter during 2012-2013. The recruiter attended approximately nine to 12 national and regional water technology conferences per year for direct contact with companies. Conferences included StormCon, Water Environment Federation, National Groundwater Expo, GLOBE Environmental EXPO, etc.

Industry market analyses project the global demand for clean water technology will grow 7 percent per year through 2017. Some of the challenges that have been identified in the marketplace are listed below:

- The largest customer group in this sector is composed of public entities that own and operate water and wastewater treatment systems. According to a recent National League of Cities survey, (a) 42 percent of cities delayed or canceled planned infrastructure projects as a result of budget reductions. Many companies downsized or went out of business during this prolonged period of sales decline, so adding production capacity in new locations isn't a high priority until the market gets healthier. The American Water Works Association (AWWA) says in a 2012 report that the industry's comeback has begun but will be slow. (b) The water industry is very fragmented; safe drinking water, wastewater treatment, process water (cooling; food processing; etc.), water reuse, groundwater, stormwater, etc. As a result, there are many very small companies in the industry serving customers in specific segments. (c) Tacoma has more work to do in articulating how our assets are unique and compelling for a company to actually establish operations here. Companies that don't need additional production capacity may be more interested in Tacoma for R&D support, but it needs to be support they don't already have access to. The IPZ is working on that as well.
- In looking at the manufacturing sector, manufacturing clusters are stronger in the Denver area, upper Midwest and East Coast. That may be beneficial to Tacoma as markets become more robust in the West; branch facilities will make more sense. Tacoma's marketing has been aimed at positioning the IPZ as business in this sector improves.

Business Support

- **The Clean Water Innovation Laboratory:** This laboratory is located at UWT's campus and houses collaborations among university scientists and private and public experts, conducting research and product development for urban clean water solutions. In its current configuration, the IPZ laboratory is hosting a joint biotechnology research pilot program between UWT and JBLM-Madigan scientists.
- **Washington Stormwater Center:** The emerging technologies branch of the Washington Stormwater Center helps foster the development and use of new stormwater technologies. If the technology is a candidate for the TAPE program or could be a solution to reduce or eliminate stormwater pollutants, the program can:
 - ✓ Help a company or entrepreneur navigate resources so that the product or service can be effective at helping manage stormwater.

- ✓ Disseminate and share successful products, services and ideas with stormwater managers.
- ✓ Research, develop and evaluate innovative and cost-effective technical solutions to remove pollutants from runoff and to reduce or eliminate stormwater discharges.

Job Creation

The focus on new technologies, marketable products and company formation within a defined IPZ around urban clean water has resulted in steady job creation. The foundation has been laid through new research opportunities, business recruitment, public awareness and public participation. As the IPZ matures, more employment is projected. Our job growth has included:

- 32 employees at a new clean water startup (name withheld due to company confidentiality), including eight additional jobs in 2014. The same company has also secured five patents.
- RAIN, or the Readiness Acceleration & Innovation Network, a nonprofit life-science incubator, was established to help “build a local innovation-commercialization pipeline and the prosperity that occurs as a result.” Its partners include the MultiCare Institute for Research & Innovation, Madigan Army Medical Research Hospital, the University of Washington Tacoma, Keiretsu Forum Northwest, Pierce County Executive Office, the city of Tacoma, and the Cascadia Venture Acceleration Network.
- Aqualyst, a sister company of nonprofit PureBlue, established a laboratory in Tacoma and provides customized services to early and mid-stage water technology companies to accelerate growth with pilots, sales and licenses.
- UWT/Center for Urban Waters has hired two additional senior scientists in the areas of clean water/biotechnology and environmental engineering.
- WSU Puyallup has hired a new faculty member who is an aquatic toxicologist. In addition, WSU Puyallup Director John Stark reports that working with new partners will lead to expanded employment at the school’s lab and new hires will follow as new projects are funded.
- Tacoma-based GeoEngineers increased staffing by eight, with several working on groundwater projects locally, regionally and nationally.

International Business, Education and Investment Opportunities

The World Trade Center Tacoma, city of Tacoma and Center for Urban Waters are working with Chinese officials and scientists to exchange information and learn about clean water technology and remediation experiences. A 2014 Environment and Clean Technology track of a China Summit brought together scientists working in China with Tacoma environmental consulting firms.

Business

- A Tacoma engineering firm was invited to go to China for a week as an expert to discuss Low Impact Development (LID) for the city of Shenzhen's development of an LID center. This put Tacoma on the leading edge for LID. Because of this contact, there are 20 to 30 new contacts for business development in the Tacoma area. The engineer was later invited to lecture to an incoming delegation of over 20 high-level officers and general managers affiliated with the Ministry of Housing and Urban Development. These officials are important to decision-making regarding China's Sponge-City initiative. The delegation toured the Center for Urban Waters' facility. As a result of the event, other delegations were received at the Center for Urban Waters. These included representatives from Shenzhen University and Beijing Construction University.
- A second Tacoma engineering firm was invited to become involved in a large soil remediation project in China. The initiation was made by the U.S. China Clean Tech Center, whose speaker was at the conference. The Clean Tech Center was contacted by one of the largest environmental companies in Hunan, China, regarding a very large soil remediation and water protection project. Over 20 chemical enterprises need to be relocated to a rural area, and there's an urgent need to solve the pollution problems in their used lands. The Chinese company is seeking specific technologies that can be applied in mainly five areas, including pesticides, chlorinated solvents, PCB, dioxins and petrochemical contaminants.

6. What funds are received by the IPZ from all sources?

Funding Sources		FY 17	FY 18	Total
	Private			
City of Tacoma	Local	\$10,000	\$10,000	\$20,000
	State			
EPA	Federal	\$1,242,080	\$1,242,080	\$2,484,160
Total Budget		\$1,252,080	\$1,252,080	\$2,504,160

Tri-Cities Research District

IPZ:

Tri-Cities Research District, Tri-Cities, WA

Partners:

Battelle Memorial Institute – Pacific Northwest National Laboratory

Washington State University Tri-Cities

City of Richland

Port of Benton

Columbia Basin College

TRIDEC

WorkSource Columbia Basin

Fuse SPC

Brilliance Empowered

1. What are the objectives of your Innovation Partnership Zone?

Vision statement. The Research District’s vision is to be a world-class location for companies to grow and collaborate for the advancement of science and technology.

Mission statement. The mission of the Tri-Cities Research District and its Partners is to provide access to the technical, labor and capital resources needed by technology companies to develop, commercialize and market their products globally.

2. What tax incentives or other support have you obtained from public sector sources?

The Research District received \$300,000 EDA i6 seed funds to support creation of an equity fund.

3. What major activities have you completed or achieved since your IPZ designation?

The following major activities took place or were announced:

- WSU TC student housing is announced, 15 acres, first phase 165 units with each of the seven phases proposed at \$8 million to \$9 million. Completion August 2018.
- North Richland master plan and comp plan completed fall 2017; additional 1,341 acres of mega site industrial land for clean energy manufacturers or R&D.
- PNNL announces Energy Sciences Capability Project, \$90 million research building.
- PNSO announces demolishing of Research Technology Laboratory.

- May 2017, Port of Benton acquires 40,000 square-foot former Capital Development Buildings along George Washington Way to be reused for startup space. Redevelopment and developers identified, and work to begin by year end 2018.
- April 2018, 24,000 square-foot collaboration center known as Discovery Hall opens, \$9.5 million.
- Port of Benton receives \$300,000 EDA i6 challenge grant to support startups; selects State of Motion and FUSE as partners.
- Spring 2018, Tri-Cities Launch weekend features commercialization technology.
- Port of Benton secures removal of deed restrictions; 71.5 acres of property known as the RIC.
- September 2018, Tri-Cities inaugural Tech Summit takes place.

4. What are your performance measures?

The TCRD is a 501 (c) (6) corporation managed by a board of directors of up to 15-members. The board includes representation from the Benton-Franklin Workforce Development Council, Columbia Basin College, city of Kennewick, city of Richland, city of Pasco, Port of Benton, PNNL, Innovation Center at TCRD, LLC, TRIDEC and WSU-TC, as well as representatives of district landowners and building owners. The board oversees the development of the district as well as the state-designated Tri-Cities Innovation Partnership Zone (TCIPZ) along with the zone administrator in order to assist in the implementation of the zone. An annual work plan and quarterly status report are reviewed and provided to the board to track progress.

The bylaws call for the TCRD board to have an Executive Committee, a Marketing Committee (including Communication and Community Outreach Committee) and a Resource/Funding Development Committee.

5. What outcomes has the IPZ achieved since the last biennial report (2012) or since the inception of your zone (i.e., jobs created, patents pending or received)?

Since the 2015-2016 report, no change.

6. What funds are received by the IPZ from all sources?

Funding Sources		FY 17	FY 18	Total
	Private	\$	\$	\$
TCRD board annual dues	Local	\$6,000	\$6,000	\$12,000
	State			
	Federal			
Total Budget		\$	\$	\$12,000

Thurston Craft Brewing and Distilling

IPZ:

Craft Brewing and Distilling (Thurston County)

Partners:

Primary partners:

- City of Tumwater: Organization, marketing, convening, recruiting, infrastructure, events
- Thurston Economic Development Council: IPZ administration, training, organizing, fiscal agent
- South Puget Sound Community College: Education program, workforce development, expertise
- Washington State University: Education support, research, industry programs, expertise, events
- Industry (e.g., Matchless Brewing, Triceratops Brewing, Tart Cider, Fish Brewing, Heritage Distilling, etc.): Technical expertise, job creation, private investment
- Developers (Parsons family, Kaufman Development): Private investment, infrastructure, facilities
- Experience Olympia & Beyond: Award-winning, standard-setting destination marketing efforts directed toward Thurston craft industry

1. What are the objectives of your Innovation Partnership Zone?

The goals from the original business plan:

- Create a cluster of craft brewers and distillers, a network of growers of grains and hops, and widely recognized branding, distribution, and retail of their products.
- Recruit talented individuals into the workforce, entrepreneurs and established businesses into the economy, and investment dollars into the craft brewing and distilling cluster.
- Retain successful craft brewers, brew pubs, craft distillers and other local providers of craft beers, ciders and spirits to resident community customers and out-of-town visitors.
- Expand awareness of the cluster of local producers, demand for their products and desire to visit the community and sample craft beers, ciders and spirits.
- Develop and integrate the local supply chain of ingredients.
- Develop a nationally and internationally recognized brand for craft brews, ciders and liquors coming out of Thurston County, and develop the distribution channels for local producers to access national and international markets.

2. What tax incentives or other support have you obtained from public sector sources?

- Washington State Legislature provided \$500,000 through the Washington State Department of Agriculture to fund purchase of equipment to support the brewing and distilling education program at SPSCC.
- City of Tumwater signed a contract to invest \$1.8 million in infrastructure improvements, including street, traffic control, street lights and utilities to support the Craft District Development and home to SPSCC education program.
- SPSCC has invested in the initial start-up of the education program, including hiring a program director, marketing, curriculum development and facility development. It is developing a long-term lease with the private developer, which is scheduled to be executed in late September 2018.
- Washington State University Extension and the Port of Olympia have invested in grain trials in order to determine the best grains for growing in Thurston County and using in brewing and distilling.
- City and SPSCC completed a feasibility study examining the viability of a start-up facility for the craft beverage industry. The study was funded with \$30,000 from the Washington State Community Economic Revitalization Board, \$5,000 from SPSCC and \$5,000 from the city of Tumwater.
- The city of Tumwater has expended approximately \$20,000 on marketing, branding and promotion of the Warehouse District and overall IPZ strategy at industry conferences.

3. What major activities have you completed or achieved since your IPZ designation?

SPSCC had the brewing, distilling and cider-making education program (two-year associate's degree) approved, curriculum developed, faculty recruited and program director hired. Program started in September 2018. The initial cohort of students numbered 33. This supplements a menu of recreational and adult-education courses that have been offered over the past three years in partnership with local producers and advocacy groups.

- The Warehouse District grew to include three active craft beverage producers along with three food producers. The City initiated a marketing campaign to recruit additional producers and establish the area as a tourist destination.
<http://www.tumwaterwarehousedistrict.com>
- The city entered into a development agreement with a private developer, Craft District LLC, for the development of the Craft District. The city will provide funding for infrastructure. Development includes the SPSCC education facility, Heritage Distilling facility, at least one brewery, a market building with a mix of small craft businesses, several restaurants, and an amphitheater. Zoning and environmental permits are complete. Leases are expected to be completed in late September. The first buildings will open in autumn 2019.

- Washington State University is completing grain trails to determine the best grains to grow in Thurston County for application in the craft brewing and distilling industry.
- Both the cities of Olympia and Tumwater, with support from local chambers of commerce and the Port of Olympia have initiated annual brewfests to celebrate the region's brewing legacy. Additional industry-related events are being developed.
- WSU has had an annual Cascadia Grains Conference in Olympia for the last four years, bringing together grain growers, processors, brokers, investors and policymakers across the supply chain.

4. What are your performance measures?

In subsequent years, the IPZ could measure the following:

- Number of students graduating from the SPSCC program
- Number of craft beverage businesses within the IPZ area
- Number of craft beverage startups
- Private investment in industry facilities
- Job creation and wages in the industry within the IPZ
- Volume of production, annual sales, breadth of market

5. What outcomes has the IPZ achieved since the last biennial report (2012) or since the inception of your zone (i.e., jobs created, patents pending or received)?

- Thirty-three students enrolled in SPSCC education program
- Six breweries started, one cider-maker started, and one distiller started and one recruited (construction pending). Approximately 40 jobs created.
- Thurston Bountiful Byway initiated with county signage, map, website and countrywide marketing efforts.
- Four years of hosting industry leading Cascadia Grains Conference.
- Bloom of new industry-related business start-ups.

6. What funds are received by the IPZ from all sources?

- The IPZ as an administrative entity or collective impact partnership has not directly received any funding to date, though funding explorations have begun.
- We do not currently have the capacity to track all investment industry and countywide associated with craft brewing and distilling.

Funding Sources		FY 17	FY 18	Total
	Private	\$0	\$0	\$0
	Local	\$150,000	\$180,000	\$320,000
	State	\$0	\$0	\$0
	Federal	\$0	\$0	\$0
Total Budget		\$150,000	\$180,000	\$320,000

These numbers listed are a wild guesstimation attempting to capture the contributions of staff time associated with everything from EDC administration of the IPZ to staffing of IPZ-related events, marketing efforts, industry networking by key partners and IPZ-related educational efforts.

It does not include the public sector investments listed above in Section 3, nor the significant private investments associated with all the new businesses that have been launched and expanded over the last two years. The Parsons family estimates over \$5M in investment into the Craft District project alone.

At the time of submitting this report, there are several major initiatives about to finalize, specifically the signing of tenant leases and start of construction at the Craft District facility. We expect that to happen by October and will launch another wave of major activity.

Vancouver/Camas Applied Digital Technology Accelerator

IPZ:

Vancouver/Camas Applied Digital Technology Accelerator IPZ

Partners:

City of Vancouver

City of Camas

Columbia River Economic Development Council

Clark College

Washington State University Vancouver

Greater Portland Inc.

Workforce Southwest Washington

1. What are the objectives of your Innovation Partnership Zone?

The Applied Digital Technology IPZ mission is to grow the need and market for applied digital technologies by fostering education, research and economic partnerships. The IPZ goals are:

- Marketing and networking
- Business development and recruiting
- Infrastructure and place-making
- Education and training

2. What tax incentives or other support have you obtained from public sector sources?

The IPZ has not received any tax incentives. Public support has consisted of a contribution from the city of Vancouver, which provides in-kind management resources and has funded an internship for the IPZ program. Additionally, the IPZ management team partners as well as many of the IPZ business partners have provided staff resources to assist and support the growth of the IPZ mission and goals.

3. What major activities have you completed or achieved since your IPZ designation?

City of Vancouver

- Convened four IPZ partner management team meetings
- Updated and continue to maintain IPZ website <http://www.IPZGETIN.com>
- Prepared application for re-designation
- Updated marketing materials and logo
- Continue to meet with IPZ technology firms to build relationships, inform them of the IPZ and its benefits, and seek their ideas for advancing the IPZ as a framework for digital technology partnerships and connections

WSUV

- Continued partnership with WSUV's Business Growth Mentor & Analysis (MAP) program, a free student consultancy and downtown monthly business forum
- Created new statewide entrepreneurship program, with coursework in Vancouver starting 2018
- Created new data analytics certificate program run out of computer science program, starting fall 2018

Columbia River Economic Development (CREDC)

LSW CoMission/WSU Vancouver Downtown Concept Project

- Semester-long student-led project that included site analysis and selection, building design, architectural renderings, space planning, potential partnerships and budgeting for a conceptual WSU Vancouver facility in downtown Vancouver.
- Project focused on collaborative research, maker and entrepreneurship space that would prioritize industry partnership among the county's top five industry clusters
- Students presented to Chancellor Netzhammer, Vice Chancellor Lynn Valenter and WSU Vancouver's executive cabinet

Project "Party"

- Growing local tech company expanding into downtown core
- Lease execution in-progress
- Utilizing newly launched Ryd program
- 60 FTEs with projected growth of 10 to 20 FTEs
- Company currently experiencing 15 percent annual growth in sales

Tech Tours

- Returning for its second year in downtown Vancouver, the 2018 tech tours highlight the regional partnership with the Technology Association of Oregon and provide opportunities for job seekers, tech enthusiasts and students to connect directly with our growing software and technology cluster
- Goal for 12 participating companies with the goal of over 100 attendees; Vancouver companies currently participating:
 - Discover Org
 - Edge Networks
 - ForgeRock
 - Formos
 - Gravitare
 - RealWear
 - SmartRG
 - Interject Data Systems

Business Expansion Highlights

- Discover Org, the largest downtown tech company that located downtown in 2016 has grown from 150 to 400, soon to be 500 downtown
- New Co Lab co-working space now has 100 members and 12,000 square feet of creative office space downtown

Clark College

- New STEM building constructed
 - 70,000 square-foot LED sliver building
 - 51 percent of STEM faculty are female

Entrepreneurial education

- Still lacking a physical location for a business incubator, we convene education providers to conduct annual small business workshops
- Funding has been requested from the city of Vancouver for startup money for a downtown research and development business incubator to include research lab space, office space for startups and classrooms for WSUV, including business and computer technology programs
- Bus Rapid Transit (BRT) now connects the downtown IPZ to the north; plans are underway for a BRT that will connect the east IPZ campus to the downtown campus

4. What are your performance measures?

- Annual IPZ management/partnership meeting
- Number of events that help expand collaboration between research, workforce and private sector
- Number of additional IPZ private business partners
- Number of students receiving degrees and/or certifications related to applied digital technologies
- Creation of a branded hub within the zone and a digital strategy to highlight activities, events and successes
- Number of successful recruitments to the IPZ geographic area
- Future applied digital technology occupation projections
- Number of businesses sited due to IPZ research and/or other activities
- Amount of available incubator or coworking space

5. What outcomes has the IPZ achieved since the last biennial report (2016) or since the inception of your zone (i.e., jobs created, patents pending or received)?

The Vancouver/Camas Applied Digital Technology Accelerator IPZ is designed to grow and support tech companies in downtown and East Vancouver/Camas Employment Center by cultivating partnerships between private business, education, and local governments and agencies. The IPZ in downtown Vancouver is working to grow its tech cluster by supporting

complementary businesses — the coffee shops, bars, breweries, restaurants, food trucks and vibrant public spaces that help firms recruit and retain top tech talent. Since the formation of the IPZ in 2013, 47 new places to eat and drink have opened downtown.

In East Vancouver/Camas, the IPZ focus is on mature tech businesses to create meaningful connections to education through mentorships, project-based learning and employment for students. Partnerships with Camas School District, Clark College and Washington State University Vancouver are helping to create a homegrown, qualified tech workforce.

6. What funds are received by the IPZ from all sources?

Funding Sources		FY 17	FY 18	Total
	Private	\$0	\$ 0	\$0
	Local	\$20,000	\$20,000	\$40,000
	State	0	0	0
	Federal	0	0	0
Total Budget		\$20,000	\$20,000	\$40,000

Additional notes

Additional support and funding from the Department of Commerce would strengthen the program locally and also statewide.

Walla Walla Innovation Partnership Zone

IPZ:

Walla Walla Innovation Partnership Zone

Partners:

- City of Walla Walla (IPZ administrator, staff support)
- Walla Walla Community College (staff support, planning and evaluation, headquarters)
- Port of Walla Walla (staff support)
- Port of Columbia County
- ETS Labs
- Nelson Irrigation
- Confederated Tribes of Umatilla Indian Reservation

1. What are the objectives of your Innovation Partnership Zone?

- Create and Implement a Micro-Business Assistance (MBA) program focuses on low-income population with a focus on minority population and women/single mothers.
- Revise, refresh and update “Wine Cluster Study”
- Secure designation of an Opportunity Zone for Census Tract 920500
- Retain and create family-wage jobs
- Improve wages and benefits
- Attract and grow a talented workforce
- Increase private-sector investment
- Seek public investment to help support IPZ infrastructure
- Promote applied research and technology transfer
- Establish Applied Baccalaureate Degree Programs at WWCC
- Expand Health and Social Services training
- Establish a Center for Rural Entrepreneurship

2. What tax incentives or other support have you obtained from public sector sources?

- There are currently no tax incentives being utilized as there is not funding available from the state and/or federal government.

3. What major activities have you completed or achieved since your IPZ designation?

- Designation by the governor and with approval of the U.S. Department of the Treasury of an Opportunity Zone in Census Tract 920500. Still awaiting publication of final regulations by the Department of the Treasury before any real progress can be made.
- Creation of Micro Business Assistance program in partnership with Mercy Corps Northwest. First program will commence October 2018, and second round fundraising will begin October 2018.
- Established a degree in Health and Human Services (WWCC)
- Established two Baccalaureate in Applied Science degrees: Sustainable Agriculture Systems (fall quarter 2018) and Applied Management and Entrepreneurship (fall quarter 2019)
- Established Sea-Tech Skills Center on WWCC Campus
- Completed Blue Mountain Station
- Expanded Railex wine distribution center
- Established Salmon Recover Research Center
- Expanded Renewable Energy Systems Technology Training
- Expanded Vineyard Acreage, including the establishment of the Rocks District of Milton Freewater AVA (a sub-appellation within the Walla Walla Valley AVA)

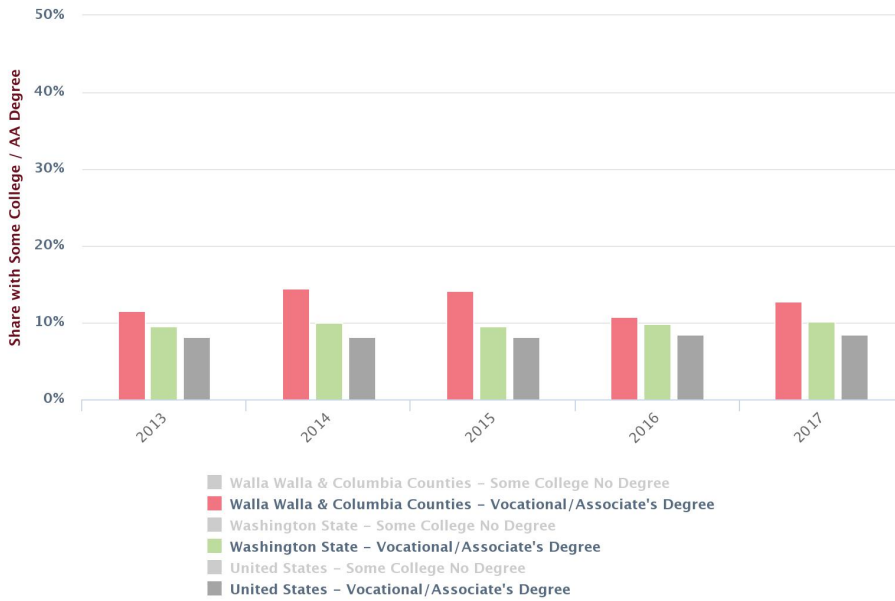
4. What are your performance measures?

- Growth in family-wage jobs
- Growth in wages
- Reduction of poverty
- Increases in education attainment (population ages 22 to 64 has attained at least an associate's degree)

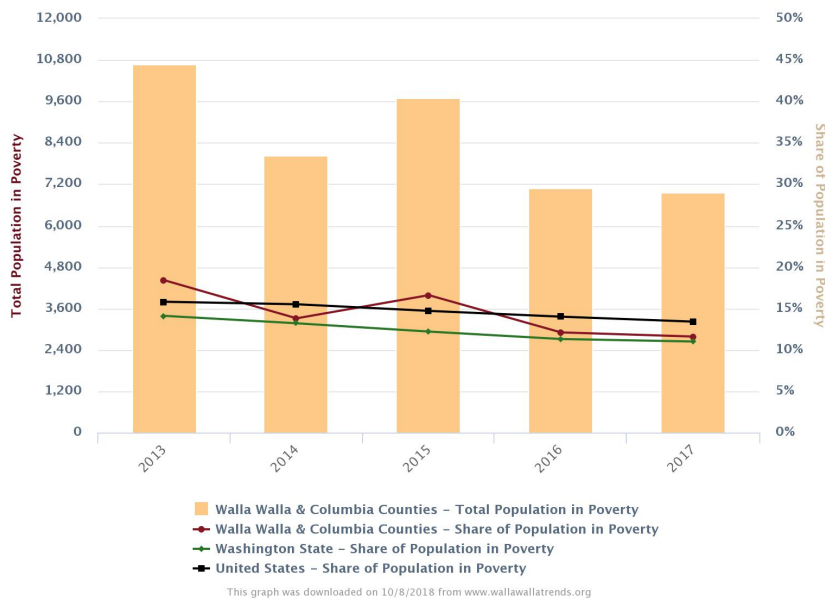
5. What outcomes has the IPZ achieved since the last biennial report (2016) or since the inception of your zone (i.e., jobs created, patents pending or received)?

- A study of the economic impact of the regional wine economy and wine tourism is underway. Results will be forwarded upon completion (estimated mid-December).

2.3.2 Share of the Population Ages 25+ with at Least Some College or an Associate's Degree



1.6.1 Total and Share of Population Living In Poverty



- According to Community Attributes, the economic impact of the wine cluster is over \$300 million. WWCC intends to update its economic impact study in the upcoming months.
- Railex Wine Services LLC is expanding its existing 500,000 square-foot Wine Services Distribution Center in Wallula, Washington, with a Phase 2 expansion. Phase 2 is a 262,000 square-foot bonded wine storage and distribution warehouse. Railex Wine Services LLC will invest approximately \$10 million to build and operate Phase 2, and the new distribution center is scheduled to be completed and opened in March 2017. Roughly 1 million cases per 100,000 square-foot of building: Capacity 7.5 million cases of wine. Value: \$500 million.

Walla Walla IPZ Accomplishments

- Established Sea-Tech Skills Center on WWCC campus.
- Completed Blue Mountain Station.
- Expanded Railex as Wine Distribution Center.
- Established Salmon Recovery Research Center.
- Developed and Expanded Renewable Energy Systems Technology Training.
- Expanded Vineyard Acreage in the Walla Walla Appellation.
- Expanded IPZ Boundaries to Cover the Functional Economy of the Walla Walla Valley.
- Established Universal Health Care Training Program at WWCC.
- Established a robotics/high tech manufacturing training program.
- Updated “Wine Cluster Study” annually to include skills-gap analysis.
- Initiated development of Renewable Energy Park.
- Provided ongoing development and support of Water Quality Lab.
- Successful advocated for U.S. Highway 12 improvements.
- Supported the successful development of the Wine Cluster hospitality sector evidenced by Walla Walla’s well regarded hosting of the Gentlemen of the Road Stopover and its audience of 23,000.

Previous Accomplishments

- Constructed, equipped and staffed the Enology and Viticulture Center.
 - Enhanced regional wine services by expanding ETS lab space.
 - Enhanced Enology and Viticulture Program by adding and equipping wine chemistry classroom.
 - Enhanced Enology and Viticulture Program by adding office space for additional staff.
 - Provided office space to serve as future headquarters for IPZ.
- Constructed, equipped and staffed the William Grant Water and Environmental Center.
 - Provided initial facility design funds for center expansion.

- Enhanced regional water analysis services by financing a water-quality lab.
- Advocated for capital funds at local, state and national level to construct facility addition.
- Administered Titus Creek Stream Restoration project; restoration of approximately 1,200 feet that flows through WWCC campus.
- Provided capital funds to enhance internet connections to and within the IPZ; installed fiber optic cable and provided broadband availability.
- Made infrastructure improvements at Walla Walla Regional Airport, including street maintenance, sewer and waterline extension and replacements, roof replacements, stormwater improvements, ingress and egress improvements, and tenant improvements to airport-owned buildings (ADA, etc.).
- Focused attention on the importance of innovation and entrepreneurship as strategies to enhance economic development.
- Helped educate economic developers and the public on new approaches to economic development.
- Advocated for economic, environmental and cultural sustainability.
- Helped secure funds to support hospitality cluster study.
- Helped put Walla Walla on the map as innovation “hot spot.”
- Promoted applied research and development for wine and water clusters. Efforts focused on salmon recovery, natural resource restoration, energy efficiency, renewable energy, reuse and remanufacturing of “otherwise” waste products, vineyard practices, and wine production and marketing practices.
- Helped understand the potential of expanding the hospitality industry as a key economic strategy.
- Strengthened partnerships with local manufacturers and other businesses to protect and create jobs.
- Tracked job creation and patent generation in the IPZ.
- Technology in the development and use of optical sorting technology. A case study was authored by two WWCC instructors, Timothy Donahue and Sabrina Lueck, and was printed in June 2014 issues of Wine Business Monthly.
- In June 2014, WWCC and Whitman College co-hosted the annual meetings of the American Association of Wine Economists in Walla Walla. The meetings bring together world-renowned academics and practitioners in the field of wine economics.
- The Wine Country Culinary Institute revamped its curriculum and expanded to a year-round program.
- The institute has established a 4,000 square-foot greenhouse, a Vermi (worm) Composting program. Now switching to aerated static piles, and its expanded culinary garden that will be used to teach students about sustainable food production practices and simultaneously supply locally grown product to the institute’s culinary endeavors.

- Students provide hot lunch to Assumption Elementary School three days per week, cooked for the Washington State Governor’s Inauguration Ball, and won third place in the “knowledge bowl” at the American Culinary Federation’s Western Regional Conference in April 2014.
- WEC/WWCC staff work with multiple local partners to conduct an annual two-day environmental education event for area fifth-grade students called Make a Splash!
- WEC/WWCC staff work with CTUIR staff to conduct an annual community salmon festival called Return to the River.
- WEC/WWCC has hired Earth Economics to assess the economic and social impact of the WEC. The assessment will quantify the economic impacts of the WEC and its five co-locators.
- The WEC is in the process of creating a new four-year strategic plan to prioritize needs for establishing new workforce education degree programs, public education and outreach initiatives, and parameters for establishing new research and education partnerships.
- WEC/WWCC is establishing a new precision agriculture degree program.
- WEC/WWCC has installed demonstrations of two scales of aerated static pile composting to serve as models to local farms, ranches and wineries of environmentally and economically beneficial approaches to organic waste management.
- The WEC is the site where UNIBEST International has been incubated since August 2012. UNIBEST International in an innovative firm that is developing new technologies to monitor and test water and soil.
- WEC/WWCC staff is working with the DOE to create the project sponsor commitments required to support a year-round Washington Conservation Corps (WCC) six-member work crew in the Walla Walla Basin.
 - Conducted 2007 study of the Walla Walla Wine Cluster.

6. What funds are received by the IPZ from all sources?

I am unaware of any IPZ activities supported by budgeted funds from any source. If a program somehow has a tie established to the IPZ, there is no funding support provided from either the IPZ or because the program is now affiliated with the IPZ. All funding is independent of the IPZ.

Wenatchee Valley – Data Analytics Technology

IPZ:

Data Analytics Technology

Partners:

North Central Workforce Development Council (SkillSource)

Van Doren Sales

Washington State University

Giga Watt

Wenatchee Valley College

Port of Douglas County

Wenatchee Downtown Association

Wenatchee Valley Chamber of Commerce

Our Valley Our Future

Port of Chelan County

City of Wenatchee

City of East Wenatchee

North Central Washington Economic Development District

1. What are the objectives of your Innovation Partnership Zone?

Objective 1: Create active collaboration and networking between research, education, public and industry partners.

Objective 2: Support and facilitate growth for existing zone businesses.

Objective 3: Recruit and expand our business portfolio with complementary businesses and industries, including start-ups specializing in emerging technologies.

Objective 4: Foster new innovation through establishing an entrepreneurial and innovation-driven business climate.

Objective 5: Increase the region's GDP.

Objective 6: Assist property owners in developing and marketing their properties for beneficial and symbiotic purposes.

Objective 7: Train tomorrow's workforce for the needs of our local agriculture, energy and tech industries.

Objective 8: Build worldwide awareness of our research assets through collaboration and sharing.

Objective 9: Establish the structure needed for a healthy and enduring IPZ.

Objective 10: Infrastructure improvements.

2. What tax incentives or other support have you obtained from public sector sources?

N/A

3. What major activities have you completed or achieved since your IPZ designation?

Objective 1 and 8: “Science in Our Valley,” a series of presentations on research that is taking place in the IPZ as well as the region. Approximately 30 research seminars were held between Oct. 4, 2017, and June 10, 2018, and another 30 are planned for the 2018-2019 school year, beginning Oct. 3, 2018. The start and continuation of this series has provided significant opportunities for researchers from both the public and private sectors to meet one another and to share ideas and resources. We have also had respected presenters from outside the area, creating further synergies that we hope will develop into partnership opportunities.

Objective 1: Creation of the Bridge Research and Innovation District. Our first strategic plan has been developed and was set to be publicly launched Oct. 2 with an evening press event.

Objective 2 and 3: Received a Small Community Air Service Development Grant from the FAA to expand service from Pangborn Airport to the Bay Area in California. An air service provider is expected to be announced in early 2019, with flights beginning in summer 2019.

Objective 2 and 4: Flywheel Investment Conference. The first Flywheel Investment Conference was held with one start-up businesses, Cartogram, being awarded \$100,000 and a second start-up, Strive Tech, receiving a \$5,000 cash prize. This company relocated its manufacturing to Wenatchee in early summer 2018. Over 250 attendees were at the Flywheel Investment Conference. A few highlights:

- 70 percent of attendees were local residents (within 10 miles of Wenatchee), with 30 percent traveling to the event.
- Attendee make-up: 14 percent investor, 21 percent entrepreneur, 33 percent professional services, 30 percent interested community member and 2 percent student.
- 80 percent said they made a valuable connection at the conference.
- 17 percent are interested in participating as an angel investor next year.
- 28 percent are interested in learning more about sponsorship opportunities.

Since the conference:

- Cartogram continues to successfully raise funding. Check out the recent article in [GeekWire](#).
- [PetHub](#), our local tech company, is working on a [\\$1 million raise](#). It’s raised \$405,000 as of June 30.

Objective 3: Developed an RFP and will award a contract in the fall of 2018 to conduct an economic study of emerging technologies in the region and identify our benefits and gaps associated with emerging technology.

Objective 3: A group of professionals from private business; government; and economic, community and workforce development has been organized and meets monthly to share ideas and leads and to work on opportunities within the IPZ and region.

Objective 4: A new business incubator was built in the Pybus Public Market to cultivate start-up tech companies.

Objective 5: Meeting with agriculture and blockchain businesses to assess agriculture needs and potential solutions. The loss of Alcoa several years ago has affected our GDP, and we are still re-establishing a new baseline.

Objective 6: Worked with the county to identify additional areas to zone for industrial uses to accommodate industry growth.

Objective 7: Established a working group to increase funding for scholarships from private business that are geared toward two-year degrees and/or certificates related to computer programming.

- The Workforce Development Council received over \$300,000 in governor’s discretionary funding to enhance career connected learning activities for youth and create/expand apprenticeship opportunities in STEM fields.
- As part of the Career Connect Washington initiative, created the first registered youth apprenticeship program in the region for computer technicians. Based on the public school employees’ standards for adult computer technician apprenticeships, this 2,000-hour program will employ qualified youth in the school district for on-the-job training, with formal instruction taking place in the CTE classroom or in community college courses. Youth apprentices will earn credit toward high school graduation and college certificates.
- Wenatchee Valley College is working on the statement of need for a potential BAS in data analytics, though we are simultaneously exploring a partnership with WSU for a 2+2 degree path that ensures students can complete their program from our valley through virtual learning environments.
- Wenatchee Valley College is set to launch a series of non-credit computer science courses, powered by Cod fellows, in winter quarter 2019.

Objective 8: A public relations firm has been hired to develop a marketing and messaging campaign around the innovation happening in the IPZ and region.

Objective 10: An affordable housing study has been completed with next steps being created. This was an intensive effort, with significant public and private participation across our broader region. The published version of the study and recommendations were set to be released in October 2018. Specific areas within the IPZ, such as Wenatchi Landing, have been identified, and infrastructure deficiencies have been identified and prioritized. A cost-benefit analysis has also been completed to demonstrate the benefit of investing public funds into the infrastructure projects. Also, the IPZ partners have been working with the Federal Reserve Bank, National Development Council and Department of Commerce to hold an Opportunity Zone Listening session in Wenatchee. A large portion of the opportunity zones in the Wenatchee Valley are in the boundaries of the IPZ.

4. What are your performance measures?

In our first year, we have been able to track more measures than initially anticipated, yet we still are developing systems and partnerships to track the full set of indicators that we believe will allow us to keep a pulse on and demonstrate the innovation and investment in our area. A full list with the information that we have been successful in collecting follows:

EMPLOYMENT & EDUCATION/TRAINING

- Employment by sector
- Educational attainment by sector
- Number of new jobs in startups
- Number of students receiving degrees or certificates or in-training-related employment
- Job creation in existing businesses and in relocated businesses

INNOVATION

- Dollars in venture capital: Flywheel Angel Fund launched in early 2018 with its first \$100,000 investment
- Total R&D dollars
- Number of startups, patents, licensing deals
- Number of “open innovations” reported
- Number of research awards and journal articles
- Private sector expansion
- New product development
- Employment numbers in research

INFRASTRUCTURE INVESTMENT

- Office, retail and housing occupancy rates: Housing vacancy rates are still awaiting updates for 2018, with last reported numbers from our data partner (EWU) showing 2016.
- Increase in mixed use
- Increase in upper-floor uses: None this year, though renovations continue in three buildings in the center of the zone that will increase upper-floor use significantly in 2019 and 2020
- Presence of social destinations that attract workers and residents: Founded “Brewers Row” in the last year, which is located in the very center of the IPZ and includes three brewery partners
- New business recruitment: The Diamond Foundry
- Number of new anchor tenants: Three, Actapio Inc. (A Yahoo Japan U.S. subsidiary), Bitmain, Power Block 509

COMMUNITY & BUSINESS ENGAGEMENT

- Effectiveness of IPZ partnerships
 - Number in attendance at meetings: Seven on average for monthly meetings; 20 to 40 for IPZ-connected events such as “Science in Our Valley” seminar
 - Number of events that expand collaboration among research, workforce and private: 60 events
 - Number of additional IPZ partners: Zero formal additions this year
 - Number of hosted events by IPZ partners: 42 events
 - Number of non-hosted events owned by innovators and supported by the IPZ partners: Approximately 30 after-seminar networking events

- Efficiency gains (partnering and collaboration with one-stop partners): Not tracked this year; however, several IPZ employers are working with the workforce development partners through on-the-job training, internships and initial discussions around possible apprenticeship
- Networking opportunities and participation: As reported above

5. What outcomes has the IPZ achieved since the last biennial report (2012) or since the inception of your zone (i.e., jobs created, patents pending or received)?

- Two new Tier 4 data centers have located within the IPZ and are under construction.
- Two blockchain data centers have located in the IPZ and are under construction. One has completed construction and is operational, and one is still under construction. The blockchain data center that has been completed within the IPZ has resulted in the creation of 17 new jobs, paying between \$17 and \$46 per hour. This is direct employment by the owner of the data center and does not include indirect or contracted employment at the site. The total private investment at this site is just over \$20 million, with over \$1.1 million paid in state and local sales and use tax.
- One co-working space has opened in the IPZ, and another one is in the feasibility stage.
- The Hydropower Research Institute focused on aggregating and analyzing operational data from hydropower owners from around the world has located in the IPZ. Just over \$1 million has been invested into the institute to date.

6. What funds are received by the IPZ from all sources?

To date, no funding has been directly given to the IPZ. All funding has been given directly to partners in the IPZ for specific projects, or partner funding has been used to support various activities within the IPZ.