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Associate Development Organizations 2017-2018

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Table of Contents

Introduction.....	1
Report Scope and Methodology	3
Key Outcomes	5
State Audit Findings and Recommendations.....	7
Appendix A: ADO Reports by County.....	9
Adams County Development Council.....	10
Southeast Washington Economic Development Association – Asotin, Columbia & Whitman Counties	13
Tri-City Development Council Benton & Franklin Counties.....	23
Port of Chelan County.....	42
Clallam County Economic Development Council.....	45
Columbia River Economic Development Council-Clark County	51
Port of Columbia.....	55
Cowlitz Economic Development Council	59
Port of Douglas County.....	61
Grant County Economic Development Council	70
Greater Grays Harbor, Inc.....	76
Island County Economic Development Council	82
Economic Development Council of Jefferson County	86
Economic Development Council of Seattle & King County	90
Kitsap Economic Development Alliance	99
Kittitas County Chamber of Commerce.....	104
Klickitat County Public Economic Development Authority	108
Lewis County Economic Development Council.....	115
Lincoln County Economic Development Council.....	123
Economic Development Council of Mason County	126
The Economic Alliance – Okanogan County.....	129
Pacific County Economic Development Council	136
Pend Oreille County Economic Development Council.....	140
Economic Development Board for Tacoma-Pierce County	145
San Juan County Economic Development Council.....	155
Economic Development Alliance of Skagit County	163
Skamania County Economic Development Council.....	168
Economic Alliance Snohomish County	172
Greater Spokane Incorporated	178
Tri County Economic Development District – Ferry & Stevens Counties.....	185
Thurston County Economic Development Council	191

Wahkiakum Chamber of Commerce 208
Port of Walla Walla 212
Port of Bellingham – Whatcom County 225
Yakima County Development Association 230

Introduction

Overview

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

[RCW 43.330.080](#) directs Commerce to contract with county-designated ADOs. It also directs organizations that are designated as ADOs to build strong relationships with public and private partners within their community. ADOs leverage their state funding to obtain financial support from their partners to drive job creation, economic growth and capital investment in their communities. Because each ADO is a local entity, it focuses on local activities and results.

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

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

ADO/Commerce Relationship

The formation of ADOs dates back to 1985 and the *Team Washington* strategy. As part of this strategy, the ADOs were formed to provide countywide economic services and support. Initially, the Local Economic Development Assistance Program was responsible for overseeing the administrative grants for the ADOs. This responsibility shifted to the Department of Trade and Economic Development when the Growth Management Act passed in 1990, and the ADO network was officially recognized as the delivery system for local economic development

resources and program oversight. Today, the Office of Economic Development & Competitiveness (OEDC) within the Department of Commerce manages the ADO network contracts.

ADO contracts are negotiated with Commerce on a biennial basis. This negotiation process requires ADOs and Commerce staff to jointly determine and agree upon target goals for a set of performance measures for each county. Currently, Commerce maintains contracted partnerships with 35 ADOs that oversee all 39 counties.

The relationship between the OEDC and ADOs plays out on two distinct levels. The first is a contractual one, where grants are awarded to ADOs and Commerce monitors results. The second level is one of economic partnership between state and local entities to coordinate activities, jointly market the state to businesses and investors, and leverage state and local branding, messaging, resources and staff to create a unified strategy for strengthening communities, particularly those in rural and underserved parts of the state.

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

ADOs serve as the principal contact for Commerce regarding local economic development initiatives, providing the OEDC with specific data about communities, industrial sites, plans for business development and retention, reports on business activities, and proposals for other economic activities in their service areas.

Report Scope and Methodology

Commerce is mandated to report ADO performance results to the Legislature by Dec. 31 of each even-numbered year. The report must include the performance results of the contracts with ADOs as required by [RCW 43.330.082](#). Additional background information on local economic development around the state and recent program improvements may be presented as part of this report.

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

ADO Performance Data

ADOs report quarterly to Commerce qualitative and quantitative data reflecting their economic development activities that were supported by their state funds, as well as local match. This information is entered into a Salesforce portal at the OEDC. ADOs also report the number of businesses, jobs and capital investments leveraged with the ADO grant funds. Performance data has been available since 2008, though the actual metrics have changed over time.

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

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

Each ADO selected annual goals for the 2013-14 reporting period. While this new reporting system expanded the breadth of reporting, it did not contribute to increasing the accuracy of the reporting, nor did it show a tangible relationship between local economic development efforts and recruitments, retentions, expansions, jobs, or capital investment. As such, the reporting process was restructured again in 2015 at the prompting of a state audit to provide more accurate and consistent data reporting across the ADO network. Reporting for 2017 follows this same structure.

Data Limitations

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

- Each ADO self reports its data. The reporting system does not employ performance measures that are verifiable by a third party. Therefore, Commerce staff is unable to fully audit the performance reports.
- Several ADOs report difficulty determining the value of certain measures, such as the amount of capital investment leveraged and employment wages for many projects. Gathering this information depends greatly on the strength of the relationship between the ADO and the individual business it is reporting on, so results are often inconsistent.
- Each ADO focuses on different aspects of recruitment, retention, expansion, and trade, so reporting is not consistent among ADOs. For example, a small county like Asotin has fewer resources than an urban county in Western Washington, so their efforts are typically focused on a smaller set of deliverables.
- ADO turnover and shortages in staffing compound the accuracy of reporting from quarter to quarter and year to year.
- Quality and accuracy of ADO reporting varies widely. Some ADOs don't accurately track key metrics, either because of lack of training or lack of adequate staff resources. Commerce has hired a new staff person to address this issue with the goal of increasing participation and the accuracy of future reporting.

Key Outcomes

In state fiscal year (SFY) 2018, ADOs reported that they:

- Assisted 123 companies throughout the state relocate, expand, and grow through retention or startup.
- Recruited 13 companies to locate new facilities within the state.
- Supported 18 business expansions.
- Worked on the expansion of 12 businesses.
- Retained 33 businesses.
- Worked with 47 startups.

These efforts led to 801 jobs being created, 2,617 jobs being retained and \$557 million in private investment. In comparison, ADOs created and retained 1,052 jobs and supported \$216 million in private investment in SFY 2018.

Business Recruitment

ADOs recruited 13 companies statewide in SFY 2018. The bulk of recruitments were in King County (4). Counties not listed did not report job numbers.

County	New Jobs Created	Jobs Retained
Benton/Franklin	101	
Grant	15	35
King	185	50
Kitsap	43	12
Kittitas	3	5
Klickitat	101	170
Pierce	190	85
San Juan	30	202
Snohomish	2	
Spokane	13	400
Whatcom	33	22
Yakima	85	71
Totals	801	1,052

Source: ADO Quarterly Reports

Business Retention and Expansion

ADOs completed 33 retention projects and supported 18 expansions for the reporting period.

Business Startups

ADOs provided business startup services to 46 new businesses during 2017-18, compared to 55 in 2015-16.

As a whole, the state of Washington continues to recover from the Great Recession, not only in urban centers but also in many rural communities throughout the state. However, recovery is still uneven due to many factors, from lack of infrastructure and workforce to unavailability of suitable land or shovel-ready properties.

Best Practices

In 2012 the Legislature made several changes to the annual contractual and reporting requirements of the ADOs and the responsibilities of Commerce. One of these changes was for the ADOs to meet and share best practices at least twice annually. Commerce has coordinated these meetings since 2012. Additionally, the ADOs are required to provide a “summary of best practices shared and implementation” in their annual reports to Commerce (Appendix A).

State Audit Findings and Recommendations

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

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

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

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

The audit closed with the recommendations that the Legislature:

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

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

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

Appendix A: ADO Reports by County

Adams County Development Council

Summary of Best Practices Shared and Implementation

Grantee: Adams County Development Council

Grant Number: S18-75106-550

County: Adams

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

Unemployment rate as of March 2018 = 6.9 percent
Annual unemployment rate for 2017 = 5.8 percent

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

Total nonfarm employment up 1.2 percent at 5,830
Civilian labor force up 4.8 percent at 8,603

- Other relevant information on the community or regional area;

Historically low unemployment rates during the past six months have contributed to workforce needs. One example is the new, utility grade solar farm constructed at Lind. The construction company set out to hire 155 construction labors, heavy equipment operators and electricians locally. Twelve hiring events held. Several in Adams County and others in Franklin, Grant and Spokane Counties. Even so, as this project begins to hit full construction pace, the complete crew not secured yet.

Existing employers in the food processing, health care and agriculture sectors continue to face hiring challenges. Several factors contribute to that. The first is lack of population in the eastern region of Adams County. Additionally, the needs for skilled workforce and the ability to achieve upskill/backfill continues to be a significant need.

Infrastructure, the lack of it, has proven to be a hurdle for recruitment of new business and industry. A partnership between Adams County and the Port of Othello is moving forward to design an industrial wastewater treatment plant and water reuse system to serve the food and beverage processing industry.

Rural broadband is much more than a buzz phrase in Adams County. A focused effort to identify what we have and what we need is underway. A series of meetings and focus groups are planned, as well as meetings with telecommunications providers.

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

	FY 18	Total
Commerce Funds Awarded	\$ 35,000	\$35,000

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

Other Funding Sources:		FY 18	Total
	Private	\$11,300	\$11,300
	Local	\$45,208	\$45,208
	State	0	0
	Federal	0	0
	Commerce Award	35,000	35,000
	Total Budget	\$91,508	\$91,508

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

Lineage Logistics (expansion): Support provided to this cold storage company in Othello to connect it with state incentives primarily regarding material handling and racking equipment. Othello selected over two other sites in other counties for a \$28 million expansion project that will create up to 45 new jobs. Construction commenced in April.

SVZ USA (expansion): Assistance during the past year is leading to a 2019 expansion project for this Othello food processor that will result in a 20% increase in the company’s local workforce. A Strategic Reserve Fund Application for a wastewater main extension is in the process of being prepared.

Building a Sustainable Business (6-week training): This was a training program offered in Ritzville in partnership with the WSU Extension office. The targeted clients were entrepreneurs and small business startups. Twelve participants signed up for the training (three husband-and-wife teams were among the attendees). Topics include business plan

preparation, identifying market segment, assessing workers' needs, estimating revenue and expense. The participants include four farm entrepreneurs, the future Ritzville Maker Space, a catering business and a microbrewery.

Othello Career Showcase (workforce development); this inaugural event in October 2017 introduced 1,500 Othello School District students in grades 8 - 12 to 25 Othello-based employers. The school district's CTE Director was able to construct a brand new network with local employers that resulted in the majority of seniors gaining direct access to employers in the various career fields the students have interest in.

Adams County Development Councils is creating a new "annual report." Due to timing and staffing, this report actually represents the past 18 months of effort. It will also serve as the new "capital campaign" tool. The ACDC Board of Directors intend to kick off the campaign in the fall of 2018.

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

Summary of Best Practices Shared and Implementation

Grantee: Southeast Washington Economic Development Association (SEWEDA)

County: Asotin

Grant Number: S18-75106-575

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

Asotin County not seasonally adjusted unemployment rate was at 4.7 percent in April 2018, which is 0.4 percent higher than in April 2017, while recording 0.4 percent decrease from March 2018, according to the estimates by the federal Bureau of Labor Statistics (BLS).

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

The labor force expanded in April 2018 for Asotin County contracted over-the-month by 0.9 percent, while recording an increase of 1.3 percent over-the-year. The resident labor force increased from 10,126 people in April 2017 to 10,260 in April 2018, which is a 1.3 percent increase over-the-year.

Asotin County not seasonally adjusted estimates indicate an increase of 190 jobs in nonfarm employment for April 2017 through April 2018. This is an increase of 3.6 percent in jobs over-the-year. The area's private sector employers increased by 190 jobs over-the-year, while total government employment remained unchanged.

Over the month, Asotin County added 100 new jobs, where 70 jobs come from private industries and 30 jobs increase recorded in government.

- Other relevant information on the community or regional area;

Asotin County goods-producing industry has grown over the year with an increase of 48 jobs or 5.3 percent. It has been main leader of job growth over the last 20 years. Construction is rebounding from the recession drop in employment, and manufacturing is continuing its stability and growth.

Agriculture, forestry, fishing and hunting continue to be a small component of total 2016 employment at 1.6 percent; however, it did increase over the year by 12.9 percent. Total covered payrolls were at \$2.0 million. Overall, average agricultural wages in 2016 were \$21,250 for the workers.

Construction employment continued to grow for the fourth year in a row with 38 additional jobs in 2016. Total count was 434 covered jobs, which is highest in the past eight years. Construction is the sixth-largest industry in the county with 7.2 percent of employment and an average \$49,726 annual wage.

Total employment in manufacturing decreased by 0.2 percent in 2016 from 2015. Now manufacturing makes up only 7.2 percent of total employment or 432 jobs. Manufacturing pays a \$40,398 average annual wage.

Recent reports indicate business sales and productivity of workers are both up. Major growth occurred in transportation equipment manufacturing. This specific industry is primarily jet boat manufacturing, which has national and international appeal. Boat manufacturing in the area is gaining momentum, expanding with additional exports and trade growth at the international level.

Retail trade is the third largest industry in the county with an 18.0 percent share of total employment. Retail employment increased in 2009 as the result of a new Wal-Mart store opening in Clarkston, Wash. The store was previously in Lewiston, Idaho. In addition, the Clarkston area hosts a Costco shopping warehouse, which brings regional appeal to shoppers in Southeastern Washington and Central Idaho. However, average wages in the retail sector tend to be lower than those of other industries at \$31,780 annually. Total employment in the retail trade was at 1,078 in 2016 with an increase over the year of 2.7 percent.

Health care and social assistance in Asotin County is the largest industry making up 19.8 percent of total employment in 2016. It has been and continues to be a key source of jobs for the county. Total number of jobs in the health care and social assistance was 1,185 with an increase of 5.8 percent from the 2015 level. The health care and social assistance industry paid on average \$39,436 annually in 2016.

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

	FY 18	Total
Commerce Funds Awarded	\$35,000	\$35,000

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

Other Funding Sources:		FY 18	Total
	Private	\$0	\$0
	Local	0	0
	State	0	0
	Federal	13,097	13,097
	Commerce Award	35,000	35,000
	Total Budget	\$48,097	\$48,097

- The ADOs impact on employment through all funding sources.

The impact of the ADO funding upon employment is difficult to separate out due to the dynamics inherent in growing businesses in rural areas. These include all resources from multiple service providers accessed by businesses with a desire to grow and add employees, the resulting employment increases partially attributed to the ability of a business to access funding, market, and the quality of the services rendered. The ADO contacts made are an integral part of the economic ecosystem that supports the businesses' decisions to grow and employ. In rural areas where resources are limited, the ADO is the lead resource for the business community.

Our impacts this past year were felt in workforce development, financing, and technical assistance to the affected businesses. We have concentrated our efforts in supporting the manufacturing sector of the local economy, as the multipliers in this area have the greatest impact upon the local economy.

Secondary efforts were made in assisting business starts and in the development of entrepreneurs. We have been a leading resource for assistance with startups, business relocation, and a growing tourism market within the emerging wine industry and river cruise boats bringing in approximately 40,000 visitors from May thru September. Our business assistance workshops and collaboration with government, tourism, and other economic development partners throughout the region have led to the ADO within this rural area to be an invaluable resource for business startups, workforce, and business retention.

The ADO is working with the area high school to promote workforce development and awareness of job availability and shortage in the manufacturing and technology within the region

The ADO is improving the quality of life and economic well-being of people living in rural areas, often relatively isolated and sparsely populated areas. These areas in Washington State remain much underserved with resources from government agencies.

Grantee: Southeast Washington Economic Development Association (SEWEDA)

County: Garfield

Grant Number: S18-75106-575

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

The state's not seasonally adjusted unemployment rate was at 4.4 percent in April 2018. The state's seasonally adjusted unemployment rate was at 4.8 percent and nationwide unemployment rate was 3.9 percent in April 2018.

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

Garfield County not seasonally adjusted unemployment rate was at 5.1 percent in April 2018, which is 0.1 percent higher than in April 2017, while recording 2.1 percent decrease from March 2018, according to the estimates by the federal Bureau of Labor Statistics (BLS).

The labor force expanded in April 2018 for Garfield County contracted over-the-month and over-the-year. The resident labor force declined from 884 people in April 2017 to 876 in April 2018, which is a 0.9 percent decrease over-the-year.

- Other relevant information on the community or regional area;

The Garfield County workforce employed primarily in agriculture or government services. Farmland occupies over two-thirds of the county's total land usage. The main crop is dry land wheat. The total value of agricultural sales tends to equal the total wages earned for the county.

Healthcare and the jobs associated with it are at significant risk in Garfield County as the taxpayer-supported hospital district struggles to stay viable in providing emergency medicine, long-term care, lab and radiology services, physical therapy and a medical clinic.

A lack of quality lodging and eateries is detrimental to the tourism and recreationist markets; however, historic preservation and downtown revitalization efforts have begun to breathe new life in the city of Pomeroy’s downtown corridor.

Working with the area high school to promote workforce development and awareness of job availability and shortage in the manufacturing and technology within the region

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

	FY 18	Total
Commerce Funds Awarded	\$35,000	\$35,000

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

Other Funding Sources:		FY 18	Total
	Private	\$0	\$0
	Local	0	0
	State	0	0
	Federal	16,543	16,543
Commerce Award		35,000	35,000
Total Budget		\$51,543	\$51,543

- The ADOs impact on employment through all funding sources.

Small Business Assistance: connected start-ups and existing business with financial and other resources. The ADO was a lead in locating a manufacturer to a vacant building within the Port District, which produced 12 jobs for this small rural agriculture community.

Local Economic Advisory Board meets monthly, addressing the housing shortage and infrastructure needs within the county.

GEW—partnership with Pomeroy School Districts to host Global Entrepreneurship Week, to promote workforce development and awareness of job availability and shortage in the manufacturing and technology within the region. Numerous successful grant applications for business and community development.

The ADO contacts made are an integral part of the economic ecosystem that supports the businesses decision to grow and employ. Our impacts this past year were felt in workforce development, financing, and technical assistance to businesses.

The ADO is improving the quality of life and economic well-being of people living in rural areas, often relatively isolated and sparsely populated areas. These areas in Washington remain underserved with resources from government agencies.

Grantee: Southeast Washington Economic Development Association (SEWEDA)

County: Whitman

Grant Number: S18-75106-575

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

Whitman County unemployment rate, April 2018, 4.5%

The average annual unemployment rate in Whitman County is always one of the lowest in the state. The unemployment rate fluctuates throughout the year, reflecting its seasonal changes in higher education employment. In the first six months of 2017, the unemployment rate averaged 4.6 percent.

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

The Whitman County civilian labor force for the first six months of 2017 averaged 23,493, which is an increase of 338 over the same period a year ago. The increase in the labor force was due to employment gains. The number of workers unemployed decreased by 137.

- Other relevant information on the community or regional area;

Agriculture employment expected to continue its very slow growth in terms of jobs, as wheat production continues becomes more mechanized. In 2017, wheat production was high but prices dropped which has farmers concerned for the economic future. In addition, as farmer's age, finding replacement workers will be a challenge.

Export-related manufacturing and technical educational services are a source of growth for the county's economy. Unlike agriculture, as overall economic conditions change around the world, the types of products manufactured and education (WSU) in Whitman county are somewhat resistant to down cycles, which gives the county greater strength and diversity in its economy.

Employment at Washington State University continues to recover. Student enrollments keep increasing, and the university added a new College of Medical Sciences to go along with the Colleges of Nursing and Pharmacy.

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

	FY 18	Total
Commerce Funds Awarded	\$41,634	\$41,634

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

Other Funding Sources:		FY 18	Total
	Private	\$0	\$0
	Local	0	0
	State	0	0
	Federal	23,437	23,437
	Commerce Award	41,634	41,634
	Total Budget	\$65,071	\$65,071

- The ADOs impact on employment through all funding sources.

The impact of the ADO funding upon employment is difficult to separate out due to the dynamics inherent in growing businesses in rural areas. These include all resources from multiple service providers accessed by businesses with a desire to grow and add employees, attributed to the ability of a business to access funding, market, and the quality of the services rendered. The ADO contacts made are an integral part of the economic ecosystem that supports the businesses decision to grow and employ.

Our impacts this past year felt in workforce development, financing, and technical assistance to the affected businesses. We have concentrated our efforts in supporting the manufacturing sector of the local economy, as the multipliers in this area have the greatest impact upon the local economy. Secondary efforts made in assisting business starts and in the development of entrepreneurs. The ADO has been a leading resource for the small rural cities of Whitman County for assistance with many startups, business relocations, and retention. Our business assistance workshops and collaboration with government, tourism, and other economic development partners throughout the region have led to the ADO within this rural area to be an invaluable resource for startup businesses, and workforce issues.

The ADO contacts made are an integral part of the economic ecosystem that supports the businesses decision to grow and employ. Our impacts this past year were felt in workforce development, financing, and technical assistance to businesses.

The ADO is improving the quality of life and economic well-being of people living in rural areas, often relatively isolated and sparsely populated areas. These areas in Washington are underserved with resources from government agencies.

Tri-City Development Council Benton & Franklin Counties

Summary of Best Practices Shared and Implementation

Grantee: Tri-City Development Council (TRIDEC)

County: Benton and Franklin Counties

Grant Number: S18-75106-581

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

Increase of 1,600 total nonfarm jobs from May 2017 to May 2018. See attached information.

- Other relevant information on the community or regional area;

TRIDEC's CEO appointed by WSU President Kirk Shultz to co-chair the search for a new Chancellor for WSU's Tri-City Campus. The search involved screening candidates recommended by the executive search firm, two days of interviews at SeaTac and four on-campus interviews. Chancellor Sandra Haynes was selected late in 2017 and arrived on campus in March.

In February 2018, TRIDEC held its 19th Tri-Cities Economic Outlook. This event is the only comprehensive review of the region's economy and outlook for the coming year. Nearly 400 local business executives and government leaders attended the Outlook.

In June 2018, TRIDEC held the fourth Annual FABREO Expo, which showcases locally produced food and beverage products for food brokers and buyers from throughout the Pacific Northwest. The 2018 Expo had 63 exhibitors, which included companies from

Seattle, Oregon and Boise, as well as Eastern Washington. Twenty-three brokers and buyers attended. This year’s event featured a series of eight seminars focused on the food and beverage industry. Each seminar averaged about 30 attendees.

TRIDEC continues to be one of only three associate members in Washington of the Industrial Asset Managers Council (IAMC). IAMC is the leading association of corporate real estate executives and site location consultants. The Council has two meetings per year which TRIDEC attends and for the past decade has sponsored a breakfast at the event.

In September 2017, TRIDEC signed an agreement with Whitaker and Associates SmartLeads program. This agreement calls for the consultant to provide 25 leads per month within TRIDEC’s target industry sectors. SmartLeads uses a proprietary predictive model, which ranks companies within target industry sectors using an algorithm to determine each company’s probability of relocating, or expanding based on dozens of variables. The program is limited to 15 subscribers nationally.

TRIDEC aggressively pursues federal funding for Hanford cleanup and programs important to the Pacific Northwest National Laboratory during the annual congressional budget cycle. TRIDEC is likely the only stand-alone ADO in the state with its own Washington, D.C. representative.

Each year TRIDEC presents an annual letter of request to the Congressional delegation regarding needs in funding over and above the proposed administration’s budget. For the FY18 budget cycle, Hanford received approximately \$203 million more than the administration’s requested budget. This represented slightly more than half of the TRIDEC request. While the actual number of jobs created or retained is not available, a general rule of thumb has been one job for every \$100,000 in clean-up funding.

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

		FY 18	Total
Commerce Funds Awarded	Benton County	\$84,847	\$84,847
Commerce Funds Awarded	Franklin County	\$47,936	\$47,936

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

Other Funding Sources:		FY 18	Total
	Private	\$745,744	745,744
	Local	309,500	309,500
	State	0	0
	Federal	14,159	14,159
Commerce Award		132,783	132,783
Total Budget		\$1,201,806	\$1,201,806

- The ADOs impact on employment through all funding sources.

Successful recruitment Project Sunrise (Autozone) began daily operations in June 2017 with an initial employment of 148. Since July 1, 2017 an additional 101 jobs been added to its Pasco, WA distribution plant, 249 employees at the end of June 2018. Strategic Reserve Funds, as well as TRIDEC’s own incentive funds, were used to bring Autozone to the Tri-City Area.

Benton County profile

Source: <https://www.esd.wa.gov/labormarketinfo/county-profiles/benton>, accessed on 6/21/2018

by Ajsa Suljic, regional labor economist - *updated September 2017*

Overview

Regional context

Benton County, named after Missouri Sen. Thomas Hart Benton, created from eastern Yakima and Klickitat counties in 1905. The county is located in southeastern Washington at the confluence of the Columbia, Snake and Yakima rivers. The Columbia River defines the north, south and east boundaries, making the county part of the semi-arid river basin in the rain shadow of the Cascade, Blue, Wallowa and Rocky mountains. Ranching and dry land farming made up the bulk of its economy in the 1800s. Today, it is the ninth most densely populated county in the state with 103 persons per square mile. Due to its nuclear-related and other research and development industries. Agriculture is still a large producer in the area.

Local economy

Deer and elk, along with fishing, seeds, roots and berries provided food for the indigenous people in the area even though there was little rainfall. Migrations of white settlers into the

area in the 19th century disrupted this tribal world, and the Indian Wars of the 1850s resulted in tribes moved to reservations.

The gold rush of 1858 in British Columbia brought the first large group of whites through the area. By the 1870s, cattle and horse ranchers occupied the majority of land in the area. In the 1880s, steamboats and railroads, allowing farmers and ranchers to get products to market, connected major settlements along the Columbia River. Farming included corn, wheat, alfalfa, potatoes and fruit, especially apples. Many farmers were successful in dry-land farming. However, in the 1890s, the Yakima Irrigation and Improvement Company built the first irrigation canals. With irrigation, railroad and electricity development, there were accompanying expansions of orchards, vineyards, farming and ranching.

World War II brought the Hanford Project into the county to develop the plutonium used in the first nuclear bomb. Continued federal investment has led to scientific diversification and nuclear and chemical cleanup, with skilled engineers and scientists following the jobs. In the late 1980s, Washington State University expanded into the area, offering advanced degrees. The well-educated, trained workforce has made many contributions in agricultural production, processing and research. Over time, the county has attracted a variety of manufacturers, including production of chemicals, fertilizer and zirconium tubing and titanium, along with supporting storage and distribution centers.

Growth and prosperity have continued with population growth and development centering in Kennewick, Richland and Prosser. Recreational industries and tourist attractions are developing along with the popularity of the wine industry. The economy tied to agriculture, food processing, medical equipment manufacturing, energy production, nuclear-fuel fabrication, wine production and wine tourism.

Geographic Facts (Source: U.S. Census Bureau QuickFacts)

	Benton County	Rank in state
Land area, 2010 (square miles)	1,700.38	22
Persons per square mile, 2010	103	9

Outlook

The Benton County economy is moving right along towards new horizons in economic growth and expansion. County economy increased by 3.0 percent or 2,506 jobs from 2015 to 2016. Industry growth in 2016 occurred in construction, retail trade, transportation and warehousing, educational services, healthcare, administrative and support services,

accommodation and food services and government. Local service providing industries continue to expand to accommodate local and regional demand.

As the economy becomes more stable and moves forward with new markets, new products and technology in research and development, the construction, transportation and warehousing, and wine production and utilization industries are expected to play a big role in Benton County's future prosperity. One of the examples of continuous growth is in educational services, which expanded by 5.9 percent over the year, and is marching forward with growth to accommodate ever-increasing demand.

Nonfarm employment projections are done for Benton and Franklin Counties combined, and the two counties together are expected to grow at the rate of 2.0 percent a year through 2020. Industries that are projected to add the most jobs include private and public education, health care, and leisure and hospitality.

Labor Force and Unemployment (Source: Employment Security Department)

Current labor force and unemployment statistics are available on the labor area summaries page.

The Benton County resident labor force estimated at 94,454 in 2016, an increase of 3.0 percent from 2015. The county's unemployment rate averaged 6.5 percent in 2016, which was 0.2 percent lower than in 2015. Total resident employment increased by 3.2 percent or 2,721 over the year.

The most recent numbers released for July 2017 show the unemployment rate at 4.8 percent, which is 1.4 percent less than that in July 2015. The Benton County resident labor force was 98,799, employment was 94,104 and unemployment was 4,695. The resident labor force is expanding as more workers are participating in workforce activities, while at the same time employment is increasing as more residents are finding jobs in expanding economy.

Industry Employment (Source: Employment Security Department)

Benton County total covered employment was 84,797 in 2016, an increase of 3.0 percent or 2,506 jobs since 2015. The county's total covered payroll was \$4.5 billion, an increase of 4.9 percent over 2015. As the result, the covered average annual wage in Benton County was \$52,594 in 2016, an increase of 1.8 percent from the average annual wage of \$51,676 in 2015. In 2016, according to the Quarterly Census of Employment and Wages, there were 5,391 total firms in the county.

Top 10 Industries in Benton County (Source: Employment Security Department, QCEW)

Rank	Industry	% of Total
1	Government	15.2%
2	Health care and social assistance	13.0%
3	Professional and technical services	11.3%
4	Administrative and waste services	11.5%
5	Retail trade	11.4%
6	Accommodation and food services	8.4%
7	Agriculture	6.9%
8	Construction	6.0%
9	Manufacturing	4.7%
10	Finance and insurance	2.1%

Goods-producing industries, which include natural resources, mining, construction and manufacturing, increased in employment from 2015 to 2016 by 1.9 percent, or 274 jobs. Average monthly employment in 2016 was 14,901 workers and annual wages totaled \$671.4 million, which translates to a \$45,060 average annual wage for goods-producing workers.

The manufacturing industry declined in employment over the year by 0.3 percent. The averaged employment was at 3,996 jobs in 2016, with average annual pay of \$55,701. Manufacturing represented 4.7 percent of total covered employment in Benton County.

Construction accounted for 6.0 percent of the total average annual employment in the county with 5,081 jobs.

- The average annual wage in construction was \$57,040 in 2016.
- Construction employment in the county increased for the fourth year in a row, with a 10.5 percent change over the year.

Agriculture is one of the base industries in the area, representing 6.9 percent of total employment. It is, however, highly seasonal and volatile from year to year.

- Average annual employment in agriculture in 2016 was 5,820, a decline of 3.3 percent from 2015.

- The average annual wage in agriculture was \$27,298, mainly due to the seasonality of agricultural activities. The average annual wage has increased by 6.1 percent over the year.

Service-providing industries are a major share (82.2 percent) of the county's economy. There was an average of 69,744 jobs, which increased 3.3 percent, or by 2,232 jobs. Service-providing industries paid an average annual wage of \$54,133 in 2016, up by 1.4 percent over the year.

- Health care and social assistance employment in the private sector was 11,005 jobs, which represented about 13.0 percent of total employment in 2016 and the second largest industry cluster in the county. Health care and social assistance increased by 5.0 percent from 2015, with increases in different segments including hospitals and ambulatory health care services. Health care and social assistance industry is the fourth largest payroll in the county with \$504.4 million. The average annual wage in this industry was \$45,836.
- Accommodations and food services increased by 8.0 percent over the year, with total employment at 7,114. Total payrolls were at \$121.6 million with average annual wage at \$17,099. A major contribution to growth comes to accommodation services, as new hotels build and offer their services. This industry continues to expand at the rate of 2.7 percent a year since 2010.

Government employment, which includes both public education and health care, totaled 12,903 in 2016, which is the largest industry in the area with an increase of 2.8 percent from 2015.

- Over 83.3 percent of total employment in government was in local government, 10.8 percent in state government and 6.0 percent in federal government.
- It had the second largest payroll in the county at \$786.5 million, with an average annual wage at \$60,953.

The administrative support and waste management and remediation industry in Benton County represented 11.5 percent of total employment. The average annual employment in this industry was 9,710 in 2016 with an increase of 3.8 percent from 2015. Total covered payrolls were \$772.0 million in 2016, with an increase over the year of 1.4 percent. The average annual wage for this industry was \$79,512.

- The professional, scientific and technical services industry is the fifth largest private industry in Benton County with an 11.3 percent share of total employment.
- This industry had an average annual employment of 9,593, with an increase of 0.2 percent from 2015.

- Total payroll for this industry was \$904.2 million, with an over the year increase of 2.0 percent. Average annual wages were \$109,460 for the industry workers.

Retail trade is the fourth largest employing industry in Benton County, representing 11.4 percent of total employment.

- In 2016, this industry had an average of 9,625 jobs, with \$273.0 million in payroll and an average annual wage of \$28,365.
- The largest contributors of growth were furniture and home furnishing stores with an increase over the year of 27.7 percent, followed by the health and personal care stores' increase of 27.1 percent and clothing and clothing accessories stores, which increased by 8.8 percent.

The fastest growing industry over the year has been transportation and warehousing with a 9.3 percent increase from 2015. This industry makes up only 1.1 percent of total employment, but it is expanding rapidly. Total payrolls in this industry were \$40.1 million, with an average annual wage of \$42,287.

Industry Employment by Age and Gender (Source: The Local Employment Dynamics)

The Local Employment Dynamics (LED) database, a joint project of state employment departments and the U.S. Census Bureau, matches state employment data with federal administrative data. Among the products is industry employment by age and gender. All workers covered by state unemployment insurance data are included; federal workers and non-covered workers, such as the self-employed, are not. Data presented by place of work, not place of residence. Some highlights:

In 2016, the largest share of employment held by 25 to 34 year-olds at 22.0 percent, which is close to the state's figure of 22.9 percent. The age group of 35 to 44 year-olds had a 21.2 percent share of employment, followed by those 45 to 54 years-old at 20.2 percent.

The county's employment showed male workers at 51.3 percent and females at 48.7 percent.

Male-dominated industries included construction (81.5 percent), utilities (75.4 percent), wholesale trade (75.1 percent), transportation and warehousing (74.8 percent) and administrative and waste management (68.8 percent).

Female-dominated industries included health care and social assistance (80.6 percent), educational services (73.0 percent), finance, insurance (68.3 percent), accommodation, and food services (55.2 percent).

Wages and income (Source: Employment Security Department; Bureau of Labor Statistics; Bureau of Economic Analysis; U.S. Census Bureau; U.S. Census Bureau, American Community Survey)

In 2016, there were 84,797 jobs in Benton County covered by unemployment insurance, with a total payroll of over \$4.4 billion.

The average annual wage was \$52,594 in 2016 for Benton County, while for the state it was \$59,073 and the state less King County was \$46,771. The Benton County average annual wage was third highest in the state. The median hourly wage in 2016 was \$22.89, below the state's median hourly wage of \$23.91.

Personal Income

Personal income includes earned income, investment income, and government payments such as Social Security and Veterans Benefits. Investment income includes income imputed from pension funds and from owning a home. Per capita personal income equals total personal income divided by the resident population.

In 2015, Benton County's personal income totaled at \$8.3 million and per capita personal income was \$43,507, less than the state (\$51,898) and the nation (\$48,112).

According to the U.S. Census Bureau QuickFacts, the median household income was \$60,251 in 2011-2015. The county's median was slightly less than that of the state (\$61,062) during the same period.

Benton County's poverty rate of 14.2 percent was above Washington State's rate of 12.2 percent and the nation's rate of 13.5 percent in 2015, according to U.S. Census Bureau QuickFacts.

Population (Source: U.S. Census Bureau)

In 2016, Benton County's population was 193,686 with a 10.6 percent growth from 2010 to 2016 compared to the state's growth rate of 8.4 percent over the same period.

The largest city in Benton County is Kennewick with a population of 80,454 in 2016. The second largest city is Richland with population at 54,989. Third largest is West Richland with population of 14,198.

Population Facts (Source: U.S. Census Bureau QuickFacts)

	Benton County	Washington state
Population 2016	193,686	7,288,000
Population 2010	175,177	6,724,540
Percent change, 2010 to 2016	10.6%	8.4%

Age, Gender and Ethnicity (Source: U.S. Census Bureau QuickFacts)

Benton County has a younger population than does the state.

Benton County's largest population was under 18 years of age (26.8 percent) compared to the state (22.4 percent) in 2016.

Residents under the age of 5 years old made up 7.2 percent of the total population compared to 6.2 percent in the state in 2016.

In 2016, Benton County's population 65 years and older made up 14.1 percent of the total compared to 14.8 percent of the state's population.

The gender split in the county was 49.9 percent female compared to 50.0 percent in the state in 2016.

Benton County is not as racially or ethnically diverse as the state except in its Hispanic or Latino residents, who can be any race. Hispanics or Latinos were 21.4 percent of the population compared with 12.4 percent in the state.

Demographics (Source: U.S. Census Bureau QuickFacts)

	Benton County	Washington State
Population by age, 2016		
Under 5 years old	7.2%	6.2%
Under 18 years old	26.8%	22.4%
65 years and older	14.1%	14.8%
Females, 2016	49.9%	50.0%
Race/ethnicity, 2016		
White	90.7%	80.0%

	Benton County	Washington State
Black	1.7%	4.1%
American Indian, Alaskan Native	1.2%	1.9%
Asian, Native Hawaiian, other Pacific Islander	3.4%	9.4%
Hispanic or Latino, any race	21.4%	12.4%

Educational Attainment (Source: U.S. Census Bureau QuickFacts)

About 88.9 percent of Benton County’s population 25 years and older were high school graduates, 2011-2015. This graduation rate compares to that of the state’s rate of 90.4 percent.

Those holding a bachelor’s degree or higher made up 29.4 percent of Benton County residents age 25 and older, compared to 32.9 percent of state residents.

Franklin County Profile

Source: <https://www.esd.wa.gov/labormarketinfo/county-profiles/franklin>, accessed June 21, 2018 by Ajsa Suljic, regional labor economist - *updated September 2017*

Overview

Regional context

Franklin County, named for Benjamin Franklin, created from Whitman County in 1883. The county is located in southeastern Washington at the convergence of the Snake and Columbia rivers. The Columbia River forms its western border and the Snake River forms its southern and eastern borders. Adams County is to its north. The railroads secured the county’s future as towns grew up around its railroad stations. Ranching and farming have continued to be the economic mainstay of Franklin County. It ranked 27th in the state in terms of land area and 15th in the state in persons per square mile (62.9) in 2010.

Local economy

Native Americans were the first people who inhabited this area, hunting game and fishing salmon. In the 1850s, white prospectors traveled through the area to the gold rush in British Columbia. Some stayed to raise sheep and plant orchards. The 1855 treaty agreements resulted in the native people ceding their lands to the United States and moving onto reservations.

In the 1800s, cattle and horse ranches dominated much of the northern county while orchards flourished elsewhere. With the coming of the railroad, settlements started at the mouth of the

Snake River. Pasco connected to Kennewick through ferry-operated services and steamboats, which ended in 1887 when the first railroad bridge connected Pasco to Kennewick. The railroad furthered development throughout the 1900s. There were settlements of Chinese who worked for the railroad. Some of the Chinese panned gold and operated businesses in the rail towns.

There was unremarkable growth until World War II when the U.S. Army-Air Force base moved to Pasco and the Hanford project moved to Richland. In 1948, the first farm received water from the Grand Coulee Dam irrigation system. Manufacturing and storage facilities, including icehouses and fruit-packing facilities, followed.

The 1990s and 2000s brought increasing industrial diversity with continued agriculture and food manufacturing as its economic base. The economic downturn, however, did not spare Franklin County. The county’s rate of unemployment has risen and the length of joblessness has increased. Construction, real estate, rental, and leasing were the industries that lost the most employment during the recession. Industries that are creating stability in the area include food manufacturing, agriculture and private and public educational and healthcare services.

Franklin County became the first Hispanic-majority County in the Pacific Northwest. It is also one of the region’s fastest-growing counties.

Geographic Facts (Source: U.S. Census Bureau QuickFacts)

	Franklin County	Rank in State
Land area, 2010 (square miles)	1,242.17	27
Persons per square mile, 2010	62.9	15

Outlook

Local population growth, which increased by 15.3 percent since 2010, continues to drive demand for more educational services as well as health care

The good news is that the housing market in the county is stable with growing housing inventories and affordable prices. Over the past year, many industries have contributed to the job growth in Franklin County, including construction, retail trade, and transportation and warehousing, real estate, rental and leasing, administrative services, accommodation and food services, arts, entertainment and recreation, and government.

Average annual employment growth in Franklin County was 2.6 percent for the past five years.

Nonfarm employment projections done for Benton and Franklin counties combined, and the two counties together are expected to grow at the rate of 2.0 percent a year through 2020.

Industries projected to add the most jobs include private and public education, health care, transportation and warehousing, and leisure and hospitality.

Labor Force and Unemployment (Source: Employment Security Department)

The Franklin County total resident labor force estimated at 39,969 in 2016, which was 2.6 percent higher than in 2015. The Franklin County unemployment rate was 7.6 percent in 2016, which was same as in 2015. The resident labor force employment increased by 931 jobs over the year to 36,913, while the number of unemployed residents increased by 80 to 3,056 in 2016. The labor force picture is starting to improve after a slight decline in 2013. The labor force participation rate in Franklin County was around 64.9 percent as of 2015, with a slight increase from 2014. The labor force participation rate was a bit more volatile year to year in Franklin County than in the state (64.1 percent) because of its core agricultural industry.

The most current data show that the Franklin County July 2017 preliminary unemployment rate was 4.8 percent, which decreased by 1.6 percent from the 6.4 percent reading in July 2016.

Preliminary July 2017 estimates for the Franklin County show that the total civilian labor force was up by 2.4 percent, from 41,770 in July 2016 to 42,789 in July 2017. The number of employed residents was 40,730 in July 2017, up by 2.8 percent from 39,094 in July 2016. At the same time the number of unemployed workers decreased by 617 from 2,676 in July 2016 to 2,059 in July 2017.

Industry Employment (Source: Employment Security Department)

Total covered employment in Franklin County was 33,717 in 2016, which has grown by 1.6 percent or 530 jobs since 2015. The five-year average annual growth rate of Franklin County covered employment was 2.6 percent.

The average annual wage for covered employment in Franklin County was \$38,177 in 2016, an increase of 3.5 percent over the year. Franklin County total covered annual payroll in 2016 was at \$1.3 billion, which is 5.1 percent higher than in 2015.

In 2016, according to the BLS Quarterly Census of Employment and Wages, there were 2,602 total establishments in Franklin County. Private establishments provided about 27,463 jobs or 81.5 percent of the total in 2016, and public administration provided 6,254 jobs or 18.5 percent of the total employment in 2016.

Top 10 Industries in Franklin County (Source: Employment Security Department, QCEW)

Rank	Industry	% of Total
1	Agriculture	19.5%
2	Government	18.5%
3	Manufacturing	11.9%
4	Retail trade	8.5%
5	Wholesale trade	8.0%
6	Health care and social assistance	7.8%
7	Construction	6.8%
8	Accommodation and food services	6.3%
9	Transportation and warehousing	4.5%
10	Administrative and waste services	3.9%

Goods-producing industries, which include natural resources, mining, construction and manufacturing, increased in employment from 2015 to 2016 by 3.3 percent, or 101 jobs.

Average monthly employment in 2016 was 12,171 workers, and annual wages totaled \$425.8 million, with an increase over the year of 3.3 percent. Total payrolls translates to a \$34,987 average annual wage for goods-producing workers.

Manufacturing decreased employment over the year by 1.7 percent or by 65 jobs to 3,737 in 2016, with average annual pay of \$40,839. Manufacturing represented about 11.9 percent of total covered employment.

Food manufacturing subsector increased by 1.8 percent over the year, and this provides over 2,984 jobs with average annual wage at \$39,089.

Construction accounted for 6.8 percent of the total average annual employment in the county with 1,860 jobs.

- The average annual wage in construction was \$47,197 in 2016.
- Over the year the construction sector increased by 6.7 percent. Construction activities are moving forward with new housing developments to accommodate the current demand.

Agriculture is number one industry Franklin County, representing 19.5 percent of total employment. It is, however, highly seasonal and volatile from year to year.

- Average annual employment in agriculture in 2016 was 6,574, with a decrease over the year of 2.3 percent.
- The average annual wage in agriculture was at \$28,205, mainly due to the seasonality of agricultural activities.
- Crop production represents 52.3 percent of total agriculture, which is largely in non-citrus fruit farming, including apple orchards, grape vineyards and other produce.
- Support activities shared 37.8 percent of employment, which includes post-harvest crop activity.

Service-providing industries in 2016 have a 64.4 percent share of Franklin County's total employment. There was an average of 21,439 jobs in this industry, which paid an average annual wage of \$40,179 in 2016. Over the year, service-providing industries increased by 2.8 percent, or by 575 jobs.

Retail trade is the largest employing private service industry in Franklin County, representing 8.5 percent of total employment and the fourth largest of all industries after agriculture, government and manufacturing. Retail trade is a very stable industry and in 2016, this industry had an average of 3,327 jobs, which paid an average annual wage of \$32,803. Retail trade industry marks 6.5 percent increase over the year, with continuous increases of 4.1 percent a year since 2011.

Health care and social assistance employment in the private sector was 2,573 jobs, which represented about 7.8 percent of total employment in 2016. The average annual wage in this industry was \$38,917. Five-year average annual growth rate of this industry has been over 5.9 percent, with continuous growth due to population expansion and demand.

Public administration is the largest service-providing industry in Franklin County with an 18.5 percent share of total employment. The largest share of employment in this industry is in the local school administration and health care services, as there is more demand by growing population. This industry had an average annual employment of 6,254 in 2016, and an average annual wage of \$48,389.

Industry Employment by Age and Gender (Source: The Local Employment Dynamics)

The Local Employment Dynamics (LED) database, a joint project of state employment departments and the U.S. Census Bureau, matches state employment data with federal administrative data. Among the products is industry employment by age and gender. All workers covered by state unemployment insurance data are included; federal workers and non-covered workers, such as the self-employed, are not. Data are presented by place of work, not place of residence. Some highlights:

In 2016, the largest share of employment was held by those 25 to 34 years of age with 22.2 percent share. Second largest share is in 35 to 44-year-olds at 21.9 percent, which is close to the state's figure of 22.9 percent, which follows by 35 to 44 with 22.2 percent. In addition, 45 to 54 years olds had a 19.9 percent share of employment in the Franklin County.

The county's demographics showed male workers held 56.1 percent and females held 43.9 percent of all jobs.

- Male-dominated industries included wholesale trade (81.0 percent), transportation and warehousing (78.9 percent), construction (78.6 percent), utilities (71.5 percent), and public administration (68.5 percent).
- Female-dominated industries included health care and social assistance (79.8 percent), finance and insurance (69.5 percent), educational services (69.0 percent), professional, scientific, and technical services (59.2), and accommodation and food services (54.9 percent).

Wages and Income

(Source: Employment Security Department; Bureau of Labor Statistics; Bureau of Economic Analysis; U.S. Census Bureau; U.S. Census Bureau, American Community Survey)

In 2016, there were 33,717 jobs in Franklin County covered by unemployment insurance, with a total payroll of over \$1.3 billion.

The average annual wage was \$38,178, well below the state's average annual wage of \$59,073. The median hourly wage in 2016 was at \$17.08, below the state's median hourly wage of \$23.31.

Personal Income

Personal income includes earned income, investment income, and government payments such as Social Security and Veterans Benefits. Investment income includes income imputed from pension funds and from owning a home. Per capita personal income equals total personal income divided by the resident population.

In 2015, Franklin County’s personal income totaled \$3.1 million, which translates into a \$33,955 per capita personal income. Franklin County’s per capita personal income was 37.0 percent less than the state (\$51,898) and 32.2 percent less than the nation (\$48,112).

According to the U.S. Census Bureau QuickFacts, the median household income was \$59,664 in 2015. The county’s median was less than that of the state (\$64,129) during the same period.

Franklin County’s poverty rate of 15.8 percent was higher than Washington State’s rate of 12.2 percent and the nation’s rate of 14.7 percent in 2015, according to U.S. Census Bureau QuickFacts.

Population (Source: U.S. Census Bureau)

In 2016, Franklin County’s population was 90,160. Since 2010, Franklin County has had a 15.3 percent growth rate. In comparison, the state grew by 8.4 percent from 2010 to 2016.

The largest city in Franklin County is Pasco, the county seat, with a population of 69,451 in 2016.

Population Facts (Source: U.S. Census Bureau QuickFacts)

	Franklin County	Washington State
Population 2016	90,160	7,288,000
Population 2010	78,163	6,724,540
Percent change, 2010 to 2016	15.3%	8.4%

Age, Gender and Ethnicity (Source: U.S. Census Bureau QuickFacts)

Franklin County has a much younger population than does the state.

Over one-third of Franklin County’s population (33.1 percent) under 18 years of age compared to the state (22.4 percent) in 2016.

Residents under the age of 5 years old made up 9.3 percent of the county’s total population compared to 6.2 percent in the state in 2016.

In 2016, Franklin County’s population 65 years and older made up 8.6 percent of the total compared to 14.8 percent of the state’s population.

The county was 48.4 percent female compared to 50.0 percent for the state in 2016.

Franklin County was the first county in the region to have a majority of Hispanics in its population. In 2016, Franklin County was 40.7 percent white alone and not Hispanic, compared to 69.5 percent in the state. Hispanics or Latinos were 53.0 percent of the population compared with 12.4 percent in the state.

Demographics (Source: U.S. Census Bureau QuickFacts)

	Franklin County	Washington State
Population by age, 2016		
Under 5 years old	9.3%	6.2%
Under 18 years old	33.1%	22.4%
65 years and older	8.6%	14.8%
Females, 2016	48.4%	50.0%
Race/ethnicity, 2016		
White, not Hispanic	40.7%	69.5%
Black	2.9%	4.1%
American Indian, Alaskan Native	1.6%	1.9%
Asian, Native Hawaiian, other Pacific Islander	2.7%	9.4%
Hispanic or Latino, any race	53.0%	12.4%

Educational Attainment (Source: U.S. Census Bureau QuickFacts)

High school graduates among Franklin County’s population 25 years and older totaled 73.6 percent, lower than the state (90.4 percent) in 2011 - 2015.

Those holding a bachelor’s degree or higher made up 15.9 percent of Franklin County residents age 25 and older, compared to 32.9 percent of state residents over the same period.

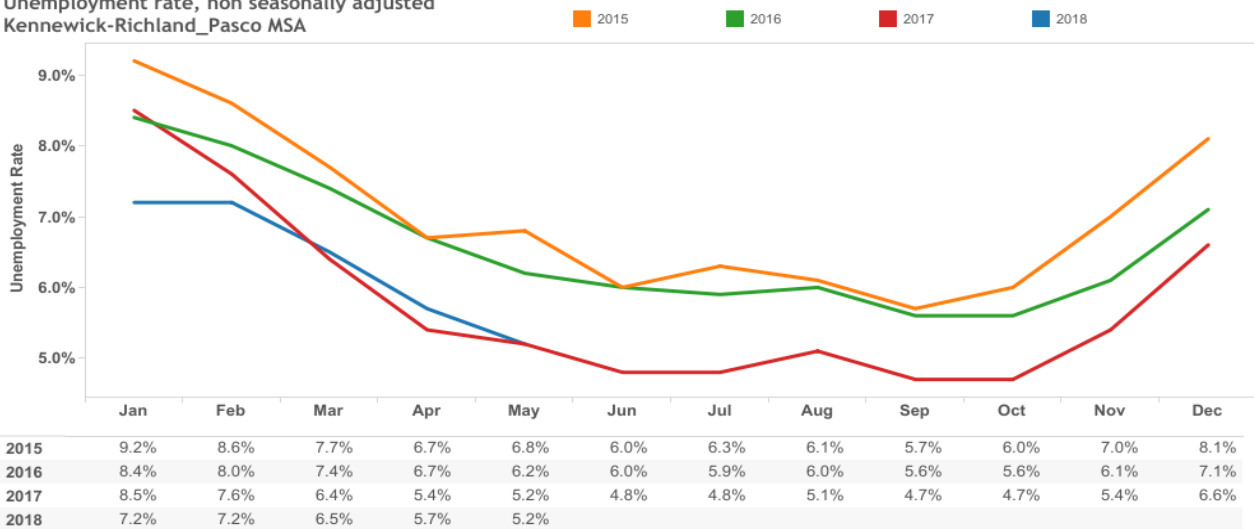
Select area:
Kennewick-Pasco-Richland MSA

Nonfarm employment, not seasonally adjusted

Industry Title	2018		2017		2016
	May	April	May	April	May
Total Nonfarm	115,300	113,900	113,700	112,400	111,200
Total Private	94,800	93,400	93,400	92,200	91,400
Goods Producing	16,900	16,600	17,100	16,700	15,400
Mining, Logging, and Construction	9,600	9,300	9,200	8,700	7,400
Manufacturing	7,300	7,300	7,900	8,000	8,000
Service Providing	98,400	97,300	96,600	95,700	95,800
Private Service Providing	77,900	76,800	76,300	75,500	76,000
Trade, Transportation, and Utilities	20,000	19,400	19,700	19,500	19,800
Retail Trade	13,800	13,300	13,100	13,000	13,200
Financial Activities	3,900	3,900	3,900	3,800	3,900
Professional and Business Services	21,200	21,100	21,300	21,100	21,600
Education and Health Services	16,300	16,200	15,400	15,400	15,100
Leisure and Hospitality	12,100	11,800	11,500	11,300	11,300
Government	20,500	20,500	20,300	20,200	19,800
Federal Government	1,200	1,200	1,200	1,200	1,200
Local Government	15,900	16,000	15,800	15,700	15,300
State Government	3,400	3,300	3,300	3,300	3,300
Administrative and Support Services	10,900	10,900	11,200	10,900	10,900
Food Services	8,900	8,700	8,700	8,500	8,400
Workers in Labor/Management Disputes	0	0	0	0	0

Select area:
Kennewick-Richland_Pasco MSA

Unemployment rate, non seasonally adjusted
Kennewick-Richland_Pasco MSA



Employment and unemployment, not seasonally adjusted
Kennewick-Richland_Pasco MSA

	2018		2017		2016
	April	May	April	May	May
Civilian Labor Force	136,463	138,372	136,240	137,427	134,585
Employment	128,738	131,181	128,847	130,261	126,228
Unemployment	7,725	7,191	7,393	7,166	8,357
Unemployment Rate	5.7%	5.2%	5.4%	5.2%	6.2%

Source: <https://fortress.wa.gov/esd/employmentdata/reports-publications/regional-reports/labor-area-summaries>

Port of Chelan County

Summary of Best Practices Shared and Implementation

Grantee: Port of Chelan County

County: Chelan

Grant Number: S18-75106-552

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

Chelan/Douglas Counties (Wenatchee MSA) Labor Area Summary issued by Chelan – Douglas Trends for calendar year 2017 shows unemployment at 5.1%, a decrease of 1.18% from 2016, equating in approximately 2,051 more individuals employed. Total nonfarm employment estimated at 44,700, total labor force was approximately 62,582, with agriculture and government still holding strong as the top two employing sectors.

Mining, logging and construction, as well as education and health services, increased in 2017. Most jobs in the mining, logging and construction category fall into construction for new residential housing and hotels.

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

Chelan/Douglas Counties (Wenatchee MSA) Labor Area Summary states 2017 unemployment has decreased from the 6.2805% in 2016 to 5.1% in 2017; local nonfarm jobs increased approximately 500 jobs (1.13% increase) from 44,200 in 2016 to 44,700 in 2017; and total labor force increased by 3.3% from 60,531 in 2016 to 62,582 in 2017.

- Other relevant information on the community or regional area;

Chelan County, WA has a population of 74,761 people with a median age of 39.8 and a median household income of \$51,845.

The population of Chelan County is 68.8% white and 27.2% Hispanic. Twenty-five percent of the people in Chelan County speak a non-English language, and 92.8% are U.S. citizens.

The median property value in Chelan County is \$246,100, and the homeownership rate is 65.7%. Most people commute by driving alone, and the average commute time is 17.3 minutes. The average car ownership is two cars per household.

Chelan County is the 17th most populated county in Washington.

There are currently three new hotels under construction, showing tourism and travel demand being quite high.

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

	FY 18	Total
Commerce Funds Awarded	\$52,934	\$52,934

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

Other Funding Sources:		FY 18	Total
	Private	\$3,056,476	\$3,056,476
	Local	2,699,741	2,699,741
	State	45,748	45,748
	Federal	369,339	369,339
Commerce Award		52,934	52,934
Total Budget		\$6,224,238	\$6,224,238

The Port of Chelan County operates under a calendar year. Numbers provided are per the Dec. 31, 2017 financial statements. The Port of Chelan County is the financial recipient of Federal Aviation Administration Grant Funding for the Pangborn Memorial Airport Runway Extension project. All federal funding reported above was passed through to the airport, not used in Port operations.

- The ADOs impact on employment through all funding sources.

The Port of Chelan County has 21 tenants located in the Greater Wenatchee area.

After significant wood waste cleanup, the Port sold 3.53 acres in Cashmere to a truss manufacturer that is now building a plant and plans to employ 20-25 people in Chelan County.

The Port has leased 1,950 square feet in the Pybus Public Market in order to attract incubator tenants to Chelan County. Current tenant improvements continue, with our first technology tenant in the process of moving to the area under an 18-month lease. The entity plans to employ approximately 15 people.

The Port has recruited a manufacturing company into a Port-owned industrial building, which intends to employ 15 people. The company works with injection molding of plastics, and is in the process of installing equipment.

In addition, the Port was active in the recruitment of a synthetic diamond manufacturer, which has leased space previously used by the fruit industry. They are leasing from the private sector and will start up with approximately 50 employees.

Business assistance through the Small Business Development Center continues to help with business retention, expansion and start-up businesses. In addition, support of the wine and agricultural tourism program continues to aid in the creation of new wineries and fruit stands throughout the county.

Clallam County Economic Development Council

Summary of Best Practices Shared and Implementation

Grantee: Clallam County Economic Development Council

County: Clallam

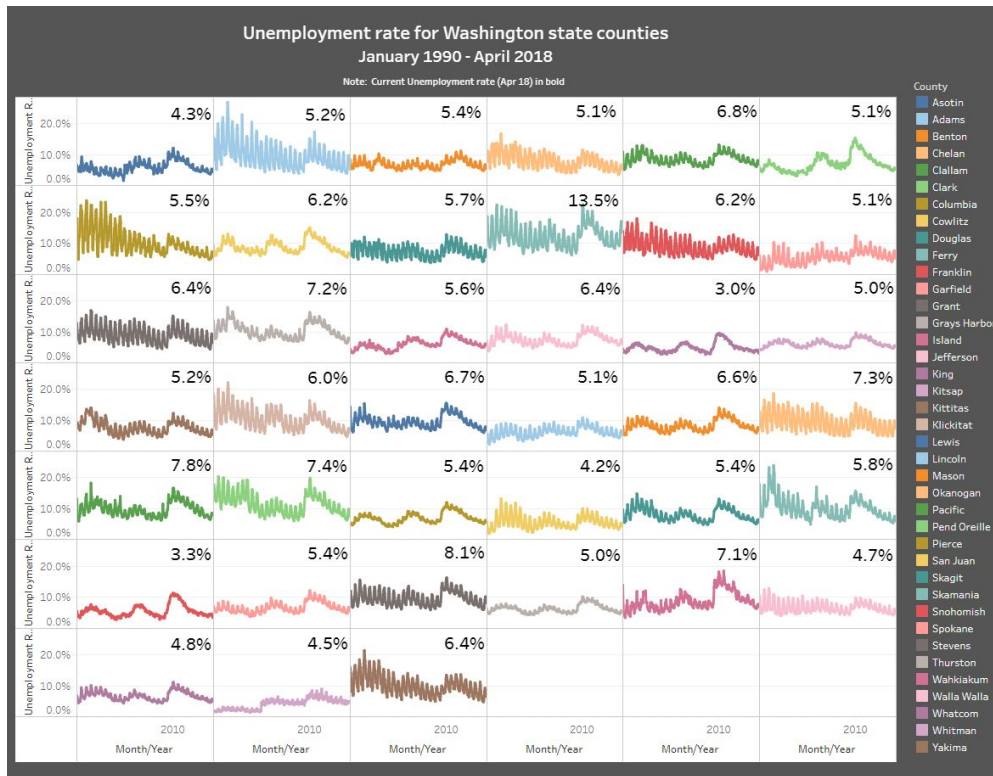
Grant Number: S18-75106-553

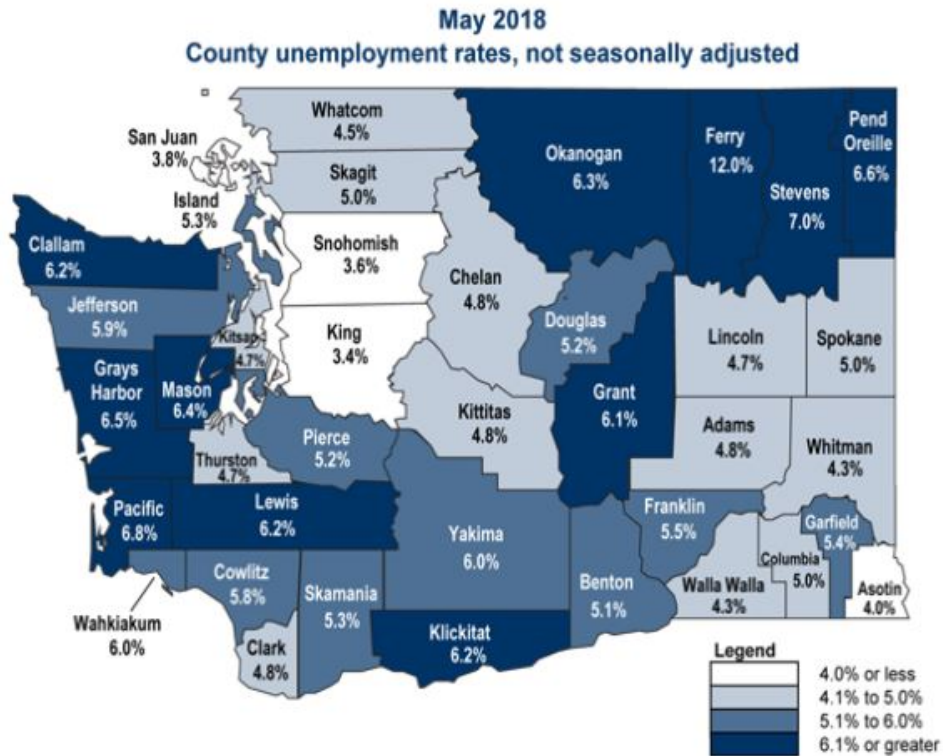
Time Period Covered: July 1, 2017 – June 30, 2018

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

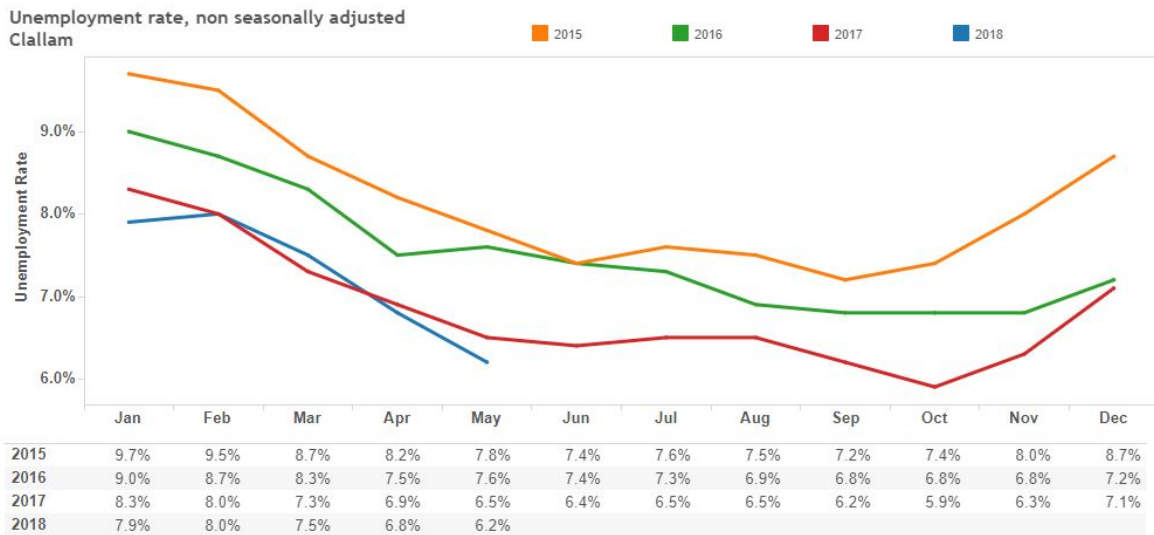
Clallam EDC is experiencing a slightly dropping unemployment rate. Clallam County’s unemployment rate as of May 2018 is 6.2%, which is high compared to a metropolitan area like Seattle at 3.4%. Clallam’s unemployment rate is comparable to Washington State rural coastal counties.

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





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



**Employment and unemployment, not seasonally adjusted
Clallam**

	2018		2017		2016
	April	May	April	May	May
Civilian Labor Force	27,410	27,608	27,610	27,797	27,262
Employment	25,551	25,893	25,715	25,985	25,193
Unemployment	1,859	1,715	1,895	1,812	2,069
Unemployment Rate	6.8%	6.2%	6.9%	6.5%	7.6%

- Other relevant information on the community or regional area:

Clallam County EDC and partners achieved something never before achieved in the United States: a collaborative proposal to nominate low-income census tracts as part of the federal government’s Opportunity Zone project. Five Tribes, three municipalities, one port authority and the county EDA collaborated on this project, and all 10 stakeholders awarded Opportunity Zone status, more than any other county in Washington. Clallam EDC and stakeholder partners are achieving national recognition for this effort, which will attract investors and grow our economy in underserved areas.

For more information, please go to this link:

<https://home.treasury.gov/news/press-release/sm0283>

<http://www.commerce.wa.gov/news-releases/gov-inslee-approves-opportunity-zones-in-communities-across-washington/>

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

	FY 18	Total
Commerce Funds Awarded	\$51,182	\$51,182

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

Other Funding Sources:		FY 18	Total
	Private	\$69,000	\$69,000
	Local	125,000	125,000
	State	0	0
	Federal	0	0
Commerce Award		51,182	51,182
Total Budget		\$245,182	\$245,182

- The ADOs impact on employment through all funding sources.

Wage comparisons for Clallam County, monthly, 2018:

REPORT ON HOURS AND EARNINGS FOR 2018													
Year													
2018													
INDUSTRY	Production Workers Average Weekly Earnings					Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
	Jan	Feb	Mar	Apr	May								
Construction	\$1,200.05	\$1,207.23	\$1,220.83	\$1,264.90	\$1,288.32								
Manufacturing	\$1,156.48	\$1,171.11	\$1,171.46	\$1,212.68	\$1,201.75								
Transportation Equipment	\$1,638.21	\$1,634.38	\$1,641.37	\$1,665.64	\$1,650.06								
Food Manufacturing	\$ 697.79	\$ 716.16	\$ 709.32	\$ 711.87	\$ 686.56								
Trade, Transportation, and Utilities	\$ 735.49	\$ 739.97	\$ 740.31	\$ 767.90	\$ 737.61								
Wholesale Trade	\$ 990.34	\$ 998.71	\$ 998.71	\$1,053.86	\$ 951.69								
Retail Trade	\$ 579.07	\$ 576.45	\$ 578.28	\$ 600.49	\$ 597.87								

INDUSTRY	All Employees Average Weekly Earnings					Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
	Jan	Feb	Mar	Apr	May								
Total Private	\$1,101.14	\$1,119.08	\$1,112.63	\$1,161.27	\$1,116.99								
Goods Producing	\$1,401.01	\$1,410.95	\$1,412.49	\$1,451.20	\$1,440.80								
Construction	\$1,245.60	\$1,255.71	\$1,271.69	\$1,330.51	\$1,346.63								
Manufacturing	\$1,489.19	\$1,497.73	\$1,507.12	\$1,536.33	\$1,512.08								
Private Service Providing	\$1,037.74	\$1,055.04	\$1,049.56	\$1,099.24	\$1,048.32								
Trade, Transportation, and Utilities	\$ 878.78	\$ 886.28	\$ 883.40	\$ 920.84	\$ 882.85								
Information	\$2,349.62	\$2,367.41	\$2,396.81	\$2,625.26	\$2,333.83								
Financial Activities	\$1,207.71	\$1,265.17	\$1,241.73	\$1,314.65	\$1,280.11								
Professional and Business Services	\$1,304.97	\$1,323.83	\$1,326.01	\$1,373.44	\$1,323.43								
Education and Health Services	\$1,047.70	\$1,065.02	\$1,048.21	\$1,075.71	\$1,045.46								
Leisure and Hospitality	\$ 477.51	\$ 497.70	\$ 485.60	\$ 518.70	\$ 504.23								
Other Services	\$ 786.80	\$ 785.26	\$ 779.92	\$ 835.25	\$ 789.33								

INDUSTRY	All Employees Average Hourly Earnings					Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
	Jan	Feb	Mar	Apr	May								
Total Private	\$ 32.01	\$ 32.25	\$ 32.25	\$ 32.62	\$ 32.19								
Goods Producing	\$ 35.74	\$ 35.63	\$ 35.85	\$ 36.01	\$ 36.02								
Construction	\$ 33.94	\$ 34.03	\$ 34.37	\$ 34.83	\$ 35.16								
Manufacturing	\$ 36.77	\$ 36.53	\$ 37.03	\$ 37.02	\$ 36.88								
Private Service Providing	\$ 31.07	\$ 31.40	\$ 31.33	\$ 31.77	\$ 31.20								
Trade, Transportation, and Utilities	\$ 25.18	\$ 25.25	\$ 25.24	\$ 25.65	\$ 25.01								
Information	\$ 62.49	\$ 62.63	\$ 62.58	\$ 63.72	\$ 62.07								
Financial Activities	\$ 34.31	\$ 35.34	\$ 34.88	\$ 35.34	\$ 35.46								
Professional and Business Services	\$ 36.35	\$ 36.57	\$ 36.63	\$ 37.02	\$ 36.66								
Education and Health Services	\$ 30.02	\$ 30.87	\$ 30.56	\$ 30.56	\$ 30.48								
Leisure and Hospitality	\$ 19.57	\$ 19.75	\$ 19.74	\$ 19.95	\$ 19.93								
Other Services	\$ 28.10	\$ 27.65	\$ 27.27	\$ 28.41	\$ 28.09								

Nonagricultural Wage and Salary Employment in Clallam County 2018:

Nonagricultural Wage and Salary Employment in Clallam County, 2018									
Not Seasonally Adjusted/*Updated with ***QCEW Data: December 2017									
Please scroll for previous years.	Annual	Prelim.							
**NAICS Industry Titles	Average	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total Nonfarm 1/	22,920	23,500							
Total Private	15,020	15,420							
Goods Producing	2,560	2,620							
Mining, Logging, and Construction	1,510	1,580							
Manufacturing	1,040	1,040							
Durable Goods	920	920							
Nondurable Goods	120	120							
Service Providing	20,360	20,880							
Trade, Transportation, and Utilities	3,930	4,030							
Wholesale Trade	260	270							
Retail Trade	3,200	3,290							
Transportation, Warehousing, and Utilities	470	470							
Information and Financial Activities	720	720							
Professional and Business Services	1,250	1,250							
Education and Health Services	3,030	3,050							
Leisure and Hospitality	2,580	2,780							
Government	7,900	8,080							
Workers in Labor/Management Disputes	0	0							

A comparison of Non-Agricultural Wage and Salary Employment in Clallam County 2017:

Nonagricultural Wage and Salary Employment in Clallam County, 2017									
Not Seasonally Adjusted/*Updated with ***QCEW Data: December 2017									
Please scroll for previous years.	Annual								
**NAICS Industry Titles	Average	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total Nonfarm 1/	23,140	23,380	23,590	23,670	23,550	23,540	23,270	23,160	22,910
Total Private	15,320	15,360	15,680	15,860	15,910	15,790	15,420	15,280	15,160
Goods Producing	2,570	2,550	2,590	2,660	2,630	2,630	2,610	2,560	2,530
Mining, Logging, and Construction	1,490	1,450	1,500	1,600	1,590	1,600	1,550	1,530	1,500
Manufacturing	1,080	1,100	1,090	1,060	1,040	1,030	1,060	1,030	1,030
Durable Goods	890	910	890	860	850	840	880	880	880
Nondurable Goods	190	190	200	200	190	190	180	150	150
Service Providing	20,580	20,830	21,000	21,010	20,920	20,910	20,660	20,600	20,380
Trade, Transportation, and Utilities	4,100	4,140	4,170	4,180	4,180	4,230	4,090	4,090	4,070
Wholesale Trade	280	280	280	270	260	300	260	260	270
Retail Trade	3,350	3,400	3,420	3,440	3,450	3,450	3,350	3,360	3,300
Transportation, Warehousing, and Utilities	470	460	470	470	470	480	480	470	500
Information and Financial Activities	780	790	800	800	800	800	760	750	760
Professional and Business Services	1,220	1,190	1,200	1,210	1,240	1,230	1,240	1,270	1,250
Education and Health Services	2,920	2,910	2,920	2,900	2,940	2,960	2,950	3,020	3,000
Leisure and Hospitality	2,780	2,810	3,010	3,150	3,140	2,990	2,810	2,630	2,590
Government	7,820	8,020	7,910	7,810	7,640	7,750	7,850	7,880	7,750
Workers in Labor/Management Disputes	0	0	0	0	0	0	0	0	0

Population growth for Clallam County:

Population estimates, July 1, 2017, (V2017)	75,474
PEOPLE	
Population	
Population estimates, July 1, 2017, (V2017)	75,474
Population estimates base, April 1, 2010, (V2017)	71,404
Population, percent change - April 1, 2010 (estimates base) to July 1, 2017, (V2017)	5.7%
Population, Census, April 1, 2010	71,404

North Olympic Library system approves \$445,480 in capital improvements:

<http://www.peninsuladailynews.com/news/north-olympic-library-system-approves-445480-in-capital-expenditures-for-2018/>

William Shore Pool received \$1.5 million in state funding for pool expansion:

<http://www.peninsuladailynews.com/news/state-money-to-allow-pool-to-kick-start-expansion/>

The Port Angeles Capital Projects Levy failed in December 2017:

https://www.portangelesschools.org/community/capital_projects_levy

Columbia River Economic Development Council-Clark County

Summary of Best Practices Shared and Implementation

Grantee: Columbia River Economic Development Council

County: Clark

Grant Number: S18-75106-554

Time Period Covered: July 1, 2017 – June 30, 2018

Due Date: July 9, 2018

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

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

	APRIL 2018	APRIL 2017	ANNUAL CHANGE	ANNUAL GROWTH
BY PLACE OF RESIDENCE:				
Civilian Labor Force	225,680	225,730	-50	-0.02%
Employment	214,270	214,557	-284	-0.13%
Unemployment	11,410	11,173	237	2.12%
Unemployment Rate	5.1%	4.9%		

- Other relevant information on the community or regional area;

In April 2018, nonfarm employment in Clark County expanded by 200 jobs on a seasonally adjusted basis, a relatively slow pace. Unemployment estimated at 5.1 percent (not seasonally adjusted).

Unadjusted nonfarm employment rose by 1,000 jobs over the month; all but 100 jobs were in the private sector. Trade, transportation and utilities added 400 jobs (half in retail trade) while leisure and hospitality rose by 300 jobs. Total employment reached 165,400 jobs.

Two employment losses reflected in upcoming job reports. The Georgia Pacific paper mill in Camas planned to cut 300 jobs in May, and Lionbridge Technologies planned to close its Vancouver office in June, ending 120 jobs.

Additional details:

Job growth over the year estimated at 6,000 jobs, or 3.8 percent. Comparison rates: U.S., 1.6 percent; state of Washington, 2.6 percent; state of Oregon, 1.4 percent; Portland Metro, 1.8 percent.

Fast-growing sectors:

- Construction and mining (+1,400 jobs over the past 12 months, an 11.2 percent growth rate)
- Financial services (+600, 7.0 percent)
- Professional & business services (+1,100 jobs, 5.6 percent)

Medium-growing sectors:

- Leisure and hospitality (+600 jobs, 3.0 percent)
- Government (+900 jobs, 3.4 percent)
- Other services (+200, 3.4 percent)
- Education and health services (+700 jobs, 2.7 percent)
- Manufacturing (+300 jobs, 2.2 percent)
- Trade, transportation & utilities (+600 jobs, 2.1 percent)

Slowly growing sectors:

- Information services (-400 jobs, -12.9 percent)

Clark County's unemployment rate estimated at 5.1 percent, slightly above last April's 4.9 percent. Over the year, the estimated number of employed residents was down 0.1 percent while the number of unemployed rose by 2.1 percent.

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

	FY 18	Total
Commerce Funds Awarded	\$152,102	\$152,102

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

Other Funding Sources:		FY 18
	Private	\$433,500
	Local	\$380,650
	State	\$14,400
	Federal	\$57,277
Commerce Award		152,102
Total Budget		\$1,037,929

- The ADOs impact on employment through all funding sources.

ANNUAL REPORT 2017

Our vision is for Clark County to be recognized as one of the most inclusive, healthy, and amenity-rich communities in the country. As a result, and with a continued focus to grow a diverse base of community-minded employers, talent sees greater opportunity here than anywhere else in the country.

CLARK COUNTY COMPREHENSIVE ECONOMIC DEVELOPMENT PLAN

Over 200 local private and public sector leaders engaged over a nine-month period to develop a 20-year vision for Clark County with a five-year implementation plan to focus the collective energies of all economic development partners in the area.

Goal 1: Expand the Existing Base

Goal 2: Support People

Goal 3: Create Place

BY THE NUMBERS

(3) Recruitment wins

(3) Expansion and growth wins

(90) Business visits

(\$8.1M) Capital investment

(254) New jobs projected

(18) New investors

MARKETING

Updated marketing collateral including target sector pieces, recruitment packet and investor materials.

Website updates include an overall refresh, an investor-only portal, and analytics with 25,000 page views from users in 75 different countries and almost 50 states.

New marketing logo and swag created with an effort to build exposure and excitement for the community as a whole, especially with external partners and recruitment efforts.

Port of Columbia

Summary of Best Practices Shared and Implementation

Grantee: Port of Columbia

County: Columbia

Grant Number: S18-75106-555

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

5.0% unemployment (May 2018) - down .2% from previous year. This is down from 6.7% in May 2014, when the Port of Columbia first took over the ADO contract. We are very proud of this large decrease.

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

Net change – Labor force up to 1,800 (May 2018) from 1,766 (May 2017) – up 1.925%.

- Other relevant information on the community or regional area;

Wages:

According to data from the Employment Security Department, Columbia County's average per capita income is \$48,769, which is significantly below the state average. However, wages are trending upward, with the average hourly wage of \$18.83, an increase of \$0.46 over the year. We anticipate that the opening of the new Columbia Pulp straw pulp plant will add up to an additional 90 living wage jobs in the area.

Tax revenue:

The tax base of Columbia County has grown significantly over the last 15 years, from \$265,172,876 in 2003 to \$868,138,777 in 2017. This is largely due to wind industry expanding in this area. While these tax dollars are very helpful, we have found that the

higher tax base has not necessarily led to more spending in our Main Street stores. Many retail shops in Columbia County continue to struggle, and we are currently focusing on revitalizing our shop local campaign to limit retail leakage.

New Jobs and Businesses:

Columbia Pulp has added 15 new management level jobs as it prepares to open this year and remains the most high-profile new business in the region. The construction of the plant and initial hiring of management staff have led to an infusion of new people in the area. When the plant opens at the end of 2018, we anticipate that it will add over 100 jobs to the local community. However, small business support and retention will always remain a focus of the area. Blue Mountain Station continues to be a success story in fostering new food and beverage businesses. We currently have seven small businesses using our on-site commercial kitchen on a regular basis. In addition, the on-site farmers market provides five small farmers with a regular location to sell their produce. Along our Main Street Corridor, we have had seven new retail and service businesses open in the last year, creating 20 new jobs. The combination of big steps like Columbia Pulp and small steps like our local main street development are an effective job creation strategy in our region.

Business Retention:

We assisted one local restaurant in moving from a downtown building to Blue Mountain Station. This was instrumental to our economic development, both because it saved two jobs and because it is an extra amenity that adds to the appeal to the area for businesses looking to move here.

Business Relocation:

Columbia REA moved its headquarters from Dayton to Walla Walla in 2017. The community was not aware that this move was under consideration until we read about it in the newspaper. We are grateful to Columbia Pulp for purchasing the beautiful building that Columbia REA left empty as their new headquarters.

Succession Planning:

We were sad to lose two eating establishments this last year when owners retired or passed away. While the retired owners are not interested in selling their restaurant at this time, the ADO is actively working with a local realtor to promote the sale of Woody's Bar, whose owner passed without a will in January. Additionally, a previous emphasis on succession planning is paying off now with two local businesses that wish to retire and sell, but are committed to staying open until new owners are located.

Capacity Building and Community Development:

Like most rural communities, the work our ADO organization does in regards to capacity building and community development is vital. In addition to the day-to-day tasks related to business recruitment, retention and expansion, the ADO works on projects such as
Grant applications for a bike trail;

Coordinating meetings between small businesses and the SBDC;
 Assisting the Sherwood Trust with recruitment for its upcoming Community Leadership Class;
 Local Food Systems work;
 County Fairgrounds Facilities Planning;
 City and county comprehensive Planning;
 Teaching Junior Achievement classes;
 Sitting on boards such as Dayton Historic Depot and Downtown Task Force;
 WorkSource Employment

We believe, without a doubt, that this work is what has not only kept our community alive, but in a position to grow and flourish.

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

	FY 18	Total
Commerce Funds Awarded	\$35,000	\$35,000

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

Other Funding Sources:		FY 18	Total
	Private	\$0	\$ 0
	Local	71,250	71,250
	State	0	0
	Federal	0	0
Commerce Award		35,000	35,000
Total Budget		\$106,250	\$106,250

*The Port of Columbia, as overseen by the Economic Development Steering Committee designated by Columbia County to manage the Department of Commerce ADO contract for economic development work. In addition to the ADO funding, the Port commits an additional \$65,000 to put towards economic development activities and can be broken down into the following categories:

Salary and Benefits	\$56,500
Advertising & Promotions	\$20,000
Contracted services	\$10,000
Office Expenses	\$5,000
Travel	\$5,000
Community Support	\$7,000
SBDC	\$1,750
Dues, Subs, Pubs	\$1,000

- The ADOs impact on employment through all funding sources.

Through business recruitment, retention and expansion activities, the ADO has aided in retaining or creating 35 jobs during Q1-Q4.

Cowlitz Economic Development Council

Summary of Best Practices Shared and Implementation

Grantee: Cowlitz Economic Development Council

Grant Number: S18-75106-556

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

The latest figures from the Employment Security Dept. are from May 2018, which shows the Cowlitz County unemployment rate at 5.8%.

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

The unemployment rate has decreased slightly from the May 2017 rate, which was 5.9%.

- Other relevant information on the community or regional area;

We are currently working on several projects within Cowlitz County that total over \$4 billion in capital investment. The projects are going through permitting and are not under construction. The estimated investment for the projects are NW Innovation Works methanol manufacturing facility at the Port of Kalama (\$2 billion), Pacific Coast Fertilizer at The Mint Farm in Longview (\$800 million) and the Millennium Bulk project in Longview (\$660 million).

We have additionally made significant progress on the IWOW transportation project, which will improve road and rail from I-5 west to the Port of Longview's Barlow Point property. The committee working on the project recently narrowed the list of potential alternatives down to two. As the administrator of the Foreign Trade Zone in Cowlitz County, we have seen an uptick in inquiries due to the current federal administration's trade policies.

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

	FY 18	Total
Commerce Funds Awarded	\$64,606	\$64,606

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

Other Funding Sources:		FY 18	Total
	Private	\$165,000	\$ 165,000
	Local	120,000	120,000
	State	0	0
	Federal	34,000	34,000
Commerce Award		64,606	64,606
Total Budget		\$383,606	\$383,606

- The ADOs impact on employment through all funding sources.

Year to date of expanding and recruited companies, 85 new jobs were created in the last year. Our projections for future years with the three projects alone will be over 500 new jobs.

Columbia Precast

New manufacturing company in Woodland, WA with 35 new jobs and private investment of \$5 million.

NorPac

Assisted NorPac in a BRE project by coordinating with Senator Cantwell and others; brought a newsprint machine back online, and the company hired 50 employees.

Port of Douglas County

Summary of Best Practices Shared and Implementation

Grantee: Port of Douglas County

County: Douglas

Grant Number: S18-75106-557

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

May 2018 Nonfarm industry employment report from the Central Washington Employment Security Economist Don Meseck.

Between the Mays of 2017 and 2018 total nonfarm employment rose 4.2 percent, from 44,900 to 46,800 jobs in Chelan and Douglas counties (the Wenatchee MSA), while Washington's nonfarm market expanded 2.7 percent during this timeframe. Highlights of year-over-year changes follow:

In the mining, logging and construction category, most jobs are in "construction." Year over year, the pace of job growth in the Wenatchee MSA's construction industry has surpassed the pace of growth statewide for the past eleven months (July 2017 through May 2018). Construction provided 2,700 jobs across Chelan and Douglas counties in May 2017 versus 3,000 in May 2018, a strong 11.1 percent upturn ranking it as the fastest growing local industry in the Wenatchee MSA this May. There were 19.5 percent more home or condo sales (i.e., closed sales) in the first five months of this year versus January through May 2017 across the Wenatchee market (i.e., in Wenatchee, Malaga, East Wenatchee, Orondo and Rock Island, WA) according to the May 2018 Real Estate Snapshot newsletter published by Pacific Appraisal Associates. Specifically, the number of single-family homes or condominiums sold from January to May 2018 was 404 versus 338 closed sales Year-to-Date (YTD) in May 2017. The number of active listings rose from 130 in May 2017 to 145 in May 2018 (up 11.5 percent). Meanwhile the median sales price of homes/condos sold in the

Wenatchee Market continued to climb, from \$279,900 in the first five months of 2017 to \$315,000 YTD in May 2018, up 12.5 percent. Statewide, construction has been adding workers for the past 75 consecutive months (from March 2012 through May 2018).

Locally, manufacturing employment has either stagnated or decreased for 29 months (from January 2016 through May 2018). Between the Mays of 2017 and 2018 estimates indicated this industry saw payrolls decline from 2,500 to 2,400, a 4.0 percent downturn. Statewide, manufacturing employment posted year-over-year gains for the past three months (March through May 2018), small steps in the right direction following 21 consecutive months of job losses (from June 2016 through February 2018).

Year over year, the Wenatchee MSA's private education and health services industry has added jobs for the past 56 months (October 2013 through May 2018). Numerically, this category is primarily composed of private health services providers. The industry tallied 7,300 jobs in May 2017 and 7,700 in May 2018, a 400-job and 5.5 percent upturn in employment. Statewide, this industry has been growing for 59 months (July 2013 through May 2018).

Year over year, leisure and hospitality employment in the Wenatchee MSA virtually stagnated from July through September 2017 before bouncing back strongly from October 2017 through May 2018. Leisure and hospitality accounted for 6,600 jobs (primarily at hotels and restaurants) in May 2017 versus 6,800 jobs in May 2018, a 200 job and 3.0 percent increase. Washington's leisure and hospitality industry has added jobs for 92 consecutive months (October 2010 through May 2018).

For Douglas County, an analysis of industry employment changes from 2007 through 2017 shows that:

Total covered employment rose from 10,645 in 2007 to 12,659 in 2017, a 2,015-job and 18.9- percent upturn. The number of agricultural jobs (a subset of total covered employment) increased from 2,757 in 2007 to 3,245 in 2017, a 488-job and 17.7-percent uptrend. In 2007, Douglas County's agricultural industry accounted for 25.9 percent of total covered employment. In 2017, agricultural employment accounted for 25.6 percent of total covered employment countywide. Hence, the agricultural share of employment slipped three-tenths of a percentage point (from 25.9 to 25.6 percent) in Douglas County during this ten-year period. Total covered wages rose from \$283.3 million (in 2007) to \$465.7 million (in 2017) a \$182.4 million and 64.4 percent upturn. The agricultural payroll (a subset of total covered wages) advanced from \$43.5 million in 2007 to \$85.7 million in 2017, a substantial \$42.2 million and 97.1 percent uptrend. In 2007 Douglas County's agricultural industry accounted for 15.4 percent of total covered wages and by 2017 agricultural wages tallied 18.4 percent of total covered payroll; meaning that the agricultural share of wages increased 3.0 percentage points (from 15.4 to 18.4 percent) during this period. Hence, one

could generalize that within the past 10 years, agriculture has become a larger player in Douglas County in terms of the wages “pumped” into the county’s economy.

Wage and employment information regarding the top five industries in Douglas County.

2016 is the most current information regarding the top five industries in both total numbers employed and total wages paid from Employment Security. See carts 1.1 & 1.2 below

1.1 The top five industry sectors in Douglas County in terms of employment were (2016):

Sector	Number of jobs	Share of employment
1. Agriculture, forestry and fishing	3,100	25.9%
2. Local government	1,804	15.0%
3. Retail trade	1,520	12.7%
4. Accommodation and food services	941	7.8%
5. Health services	814	6.8%
All other industries	3,812	31.8%
Total covered employment	11,991	100%

1.2 The top five industry sectors in Douglas County in terms of payrolls were (2016):

Sector	Payroll	Share of payrolls
1. Local government	\$90,187,346	21.4%
2. Agriculture, forestry and fishing	\$74,139,966	17.6%
3. Retail trade	\$44,926,144	10.6%
4. Professional and business services	\$33,667,330	8.0%
5. Construction	\$23,422,173	5.6%
All other industries	\$154,797,795	36.7%
Total covered payrolls	\$421,935,392	100%

More than two-thirds of all jobs in Douglas County were in five industries or sectors:

- Agriculture
- Local Government
- Retail Trade
- Accommodation and Food Services
- Private Health Services

This indicates that Douglas County’s economy is not very diverse. However, it is “more the rule than the exception,” in many agricultural-based economies (i.e., in Adams, Chelan, Grant, Okanogan, and Yakima counties) throughout Central Washington.

In 2016, QCEW data showed that Douglas County’s labor market provided \$421.9 million in wages. Agriculture was clearly the top job provider with 25.9 percent. However, local government provided the most wages. Local government ranked first out of the 22 industry categories, accounting for 21.4 percent of all earned wages countywide. More than one in every five dollars earned in Douglas County earned in a local government organization (i.e., local public schools, public utility districts, police and fire departments, etc.).

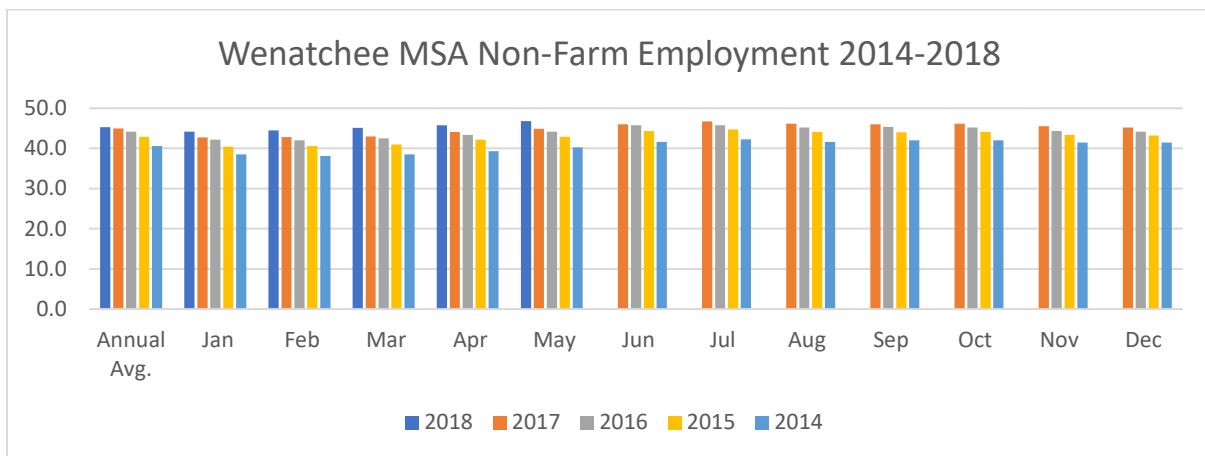
The county’s largest jobholder age group was the 55+ year-olds with 24.5 percent of the workforce. This category followed by the 45 to 54-year-olds with 20.4 percent of the workforce.

Men held 52.8 percent and women held 47.2 of all jobs in Douglas County.

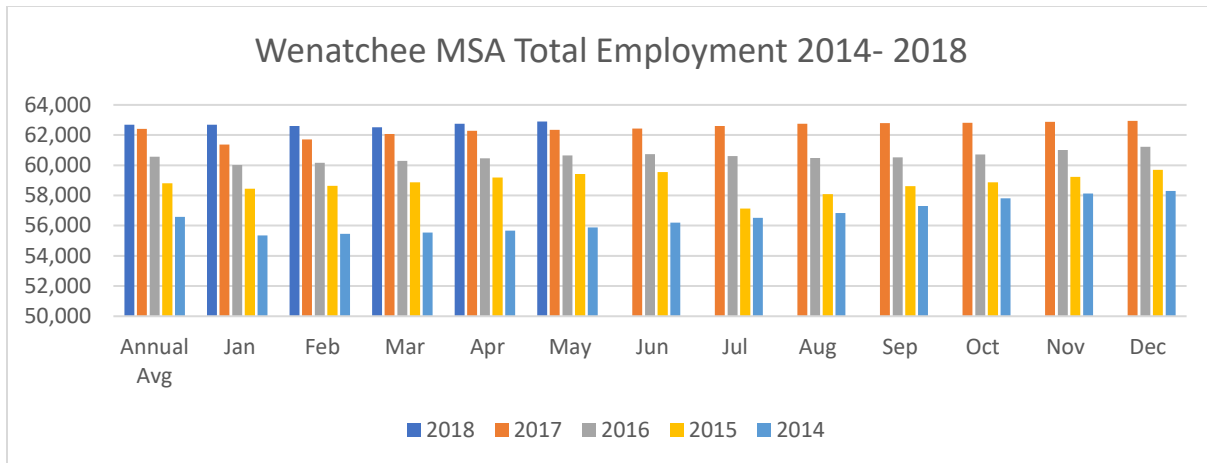
Male-dominated industries included construction (81.4 percent of the workers in that industry), utilities (73.9 percent) and manufacturing (70.5 percent).

Female-dominated included health care and social assistance (81.1 percent), finance and insurance (76.6 percent) and management of companies and enterprises (71.5 percent).

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



The above graph shows year-over-year employment growth in non-farm employment in the Wenatchee MSA (Douglas and Chelan Counties). Non-farm employment increased by 4,700 between 2014 and 2018, from 40,600 to 45,300.



The above graph shows year-over-year total employment growth (includes Ag) for the Wenatchee MSA (Douglas and Chelan Counties). Total employment increased by 6,100 between 2014 and 2018, from 56,500 to 62,600.

- Other relevant information on the community or regional area;

Douglas County Profile	
Population	
Population estimates, July 1, 2017	41,945
Population estimates, July 1, 2016	41,327
Population, Census, April 1, 2010	38,431
Population, percent change - April 1, 2010 to July 1, 2017	9.10%
Age and Sex	
Persons under 5 years, percent	6.80%
Persons under 18 years, percent	26.10%
Persons 65 years and over, percent	16.80%
Female persons, percent	49.50%

Race and Hispanic Origin	
White alone, percent	93.10%
Black or African American alone, percent	0.90%
American Indian and Alaska Native alone, percent	2.20%
Asian alone, percent	1.20%
Native Hawaiian and Other Pacific Islander alone, percent	0.30%
Two or More Races, percent	2.40%
Hispanic or Latino, percent	31.50%
White alone, not Hispanic or Latino, percent	64.40%
Population Characteristics	
Veterans, 2012-2016	3,018
Foreign born persons, percent, 2012-2016	15.80%
Housing	
Housing units, July 1, 2016, (V2016)	16,502
Owner-occupied housing unit rate, 2012-2016	71.10%
Median value of owner-occupied housing units, 2012-2016	\$214,900
Median selected monthly owner costs -with a mortgage, 2012-2016	\$1,416
Median selected monthly owner costs -without a mortgage, 2012-2016	\$386
Median gross rent, 2012-2016	\$800
Building permits, 2016	181
Families & Living Arrangements	
Households, 2012-2016	14,348
Persons per household, 2012-2016	2.77
Living in same house 1 year ago, percent of persons age 1 year+, 2012-2016	86.50%
Language other than English spoken at home, percent of persons age 5 years+, 2012-2016	28.20%
Education	
High school graduate or higher, percent of persons age 25 years+, 2012-2016	81.10%
Bachelor's degree or higher, percent of persons age 25 years+, 2012-2016	17.70%

Douglas County Profile Continued	
Health	
With a disability, under age 65 years, percent, 2012-2016	12.80%
Persons without health insurance, under age 65 years, percent	9.80%
Economy	
In civilian labor force, total, percent of population age 16 years+, 2012-2016	62.50%
In civilian labor force, female, percent of population age 16 years+, 2012-2016	55.70%
Total accommodation and food services sales, 2012 (\$1,000)	36,067
Total health care and social assistance receipts/revenue, 2012 (\$1,000)	59,323
Total manufacturers shipments, 2012 (\$1,000)	62,410
Total merchant wholesaler sales, 2012 (\$1,000)	D
Total retail sales, 2012 (\$1,000)	429,966
Total retail sales per capita, 2012	\$10,927
Transportation	
Mean travel time to work (minutes), workers age 16 years+, 2012-2016	18.6
Income & Poverty	
Median household income (in 2016 dollars), 2012-2016	\$53,758
Per capita income in past 12 months (in 2016 dollars), 2012-2016	\$23,966
Persons in poverty, percent	12.80%
Businesses	
Total employer establishments, 2016	745
Total employment, 2016	6,852
Total annual payroll, 2016 (\$1,000)	231,145
Total employment, percent change, 2015-2016	1.50%
Total nonemployer establishments, 2015	1,624
All firms, 2012	2,061
Men-owned firms, 2012	960
Women-owned firms, 2012	743
Minority-owned firms, 2012	312
Nonminority-owned firms, 2012	1,638
Veteran-owned firms, 2012	156
Nonveteran-owned firms, 2012	1,744

Geography	
Population per square mile, 2010	21.1
Land area in square miles, 2010	1,819.26

D = Suppressed to avoid disclosure of confidential information
Source: American Community Survey, US Census

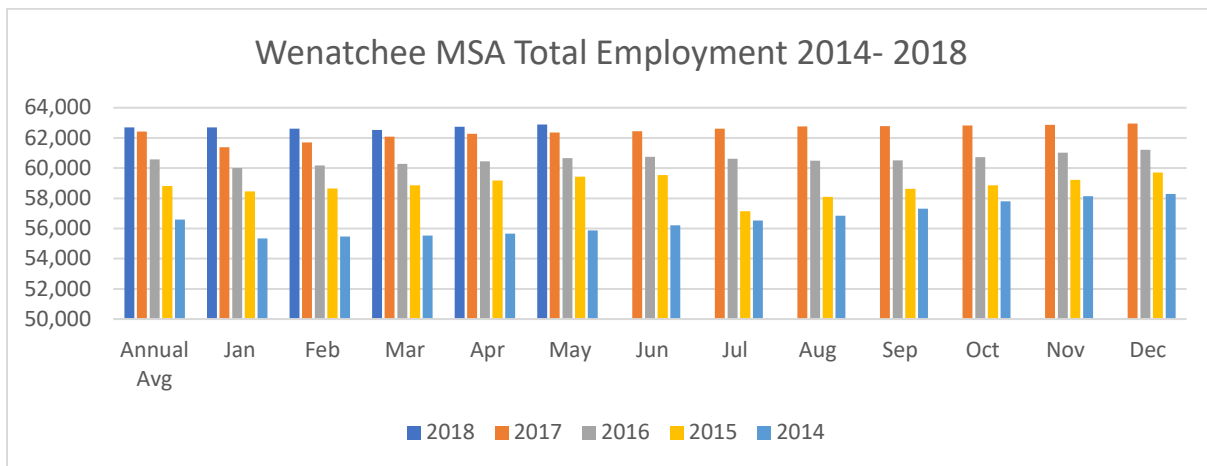
- The amount of funds received by the ADO through its contract with the department;

	FY 18	Total
Commerce Funds Awarded	\$40,203	\$40,203

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

Other Funding Sources:		FY 18	Total
CERB Match from Tenant	Private	\$94,741	\$94,741
Rent and reimbursements	Local	1,116,407	1,116,407
Ecology Grant	State	151,686	\$151,686
	Federal	0	0
Tax Revenue	Local	972,420	972,420
Commerce Award		40,203	40,203
Total Budget		\$2,375,457	\$2,375,547

- The ADOs impact on employment through all funding sources.



The above graph shows year-over-year total employment growth (includes Ag) for the Wenatchee MSA (Douglas and Chelan Counties). Total employment increased by 6,100 between 2014 and 2018, from 56,500 to 62,600.

Grant County Economic Development Council

Summary of Best Practices Shared and Implementation

Grantee: Grant County Economic Development Council

County: Grant

Grant Number: S18-75106-561

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

	Jul-17	Aug-17	Sept-17	Oct-17	Nov-17	Dec-17
Civilian Labor Force	49,835	47,444	48,449	47,012	43,885	42,740
Total Employment	47,471	44,980	46,358	44,923	41,411	39,262
Total Unemployment	2,364	2,464	2,091	2,089	2,474	3,478
Unemployment Rate	4.7%	5.2%	4.3%	4.4%	5.6%	8.1%

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Civilian Labor Force	43,601	42,021	43,645	44,179	45,202	N/A
Total Employment	40,247	38,100	40,215	41,365	42,425	N/A
Total Unemployment	3,354	3,921	3,430	2,814	2,777	N/A
Unemployment Rate	7.7%	9.3%	7.9%	6.4%	6.1%	N/A

2017 Average total employment (not seasonally adjusted): 45,310

2017 Average unemployment rate: 6.3 percent

The 2016 average annual wage was \$38,795 or 65.7 percent of the state average of \$59,090.

Five sectors accounted for well over two-thirds of all wages countywide: Local government provided 22.1 percent, agriculture 18.0 percent, manufacturing 16.9 percent, health services 6.4 percent and retail trade 6.3 percent of total covered wages/payrolls countywide.

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

June 2015 data is not yet available from Employment Security but throughout the month-by-month comparisons, employment increased and unemployment decreased.

July-17 to June-18	Jul-17	Aug-17	Sept-17	Oct-17	Nov-17	Dec-17
Civilian Labor Force	49,835	47,444	48,449	47,012	43,885	42,740
Total Employment	47,471	44,980	46,358	44,923	41,411	39,262
Total Unemployment	2,364	2,464	2,091	2,089	2,474	3,478
Unemployment Rate	4.7%	5.2%	4.3%	4.4%	5.6%	8.1%

July-17 to June-18	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Civilian Labor Force	43,601	42,021	43,645	44,179	45,202	NA
Total Employment	40,247	38,100	40,215	41,365	42,425	NA
Total Unemployment	3,354	3,921	3,430	2,814	2,777	NA
Unemployment Rate	7.7%	9.3%	7.9%	6.4%	6.1%	NA

July-16 to June-17	Jul-16	Aug-16	Sept-16	Oct-16	Nov-16	Dec-16
Civilian Labor Force	47,142	46,323	46,745	45,390	42,867	42,005
Total Employment	44,445	43,600	44,323	42,977	39,989	38,392
Total Unemployment	2,697	2,723	2,422	2,413	2,878	3,613
Unemployment Rate	5.7%	5.9%	5.2%	5.3%	6.7%	8.6%

July-16 to June-17	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Civilian Labor Force	41,711	42,484	43,677	43,719	44,561	47,893
Total Employment	37,439	38,472	40,313	40,692	42,079	45,555
Total Unemployment	4,272	4,012	3,364	3,027	2,482	2,338
Unemployment Rate	10.2%	9.4%	7.7%	5.9%	5.6%	4.9%

NET CHANGE	Jul	Aug	Sep	Oct	Nov	Dec
Civilian Labor Force	2,693	1,121	1,704	1,622	1,018	735
Total Employment	3,026	1,380	2,035	1,946	1,422	870
Total Unemployment	-333	-259	-331	-324	-404	-135
Unemployment Rate	-1.0%	-0.7%	-0.9%	-0.9%	-1.1%	-0.5%

NET CHANGE	Jan	Feb	Mar	Apr	May	Jun
Civilian Labor Force	1,890	-463	-32	460	641	NA
Total Employment	2,808	-372	-98	673	346	NA
Total Unemployment	-918	-91	66	-213	295	NA
Unemployment Rate	-2.5%	-0.1%	0.2%	0.5%	0.5%	NA

The 2015 average annual wage was \$37,323 or 65.9 percent of the state average of \$56,642

The 2016 average annual wage was \$38,795 or 65.7 percent of the state average of \$59,090.

Wage grew by \$1,472 and percentage of state wage decreased 0.2%

- Other relevant information on the community or regional area;

Grant County has seen significant investment in the past year in the aerospace sector and the Value-Added Agriculture sector.

Everett-based AeroTEC expanded and constructed a new hangar at the Grant County International Airport. The hangar will house new clients beyond the Mitsubishi Regional Jets for flight-testing and certification, bringing 400 jobs. The hangar is large enough to accommodate the largest airplanes in the world, and once the Mitsubishi Regional Jet certified, other planes utilize the space for testing and certification.

Sonico Inc. relocated its facilities from the Grant County International Airport to Patton Boulevard, investing \$4.5 million into its new building. By relocating, Sonico Inc. saved 35 jobs for Grant County and added an additional nine jobs.

Cascade Organic Flour worked with EDC and the Small Business Development Center to export to Asia, which in turn has helped the company expand its operation and create 10 new jobs. The EDC and SBDC have also helped with the financing of the expansion.

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

	FY 18	Total
Commerce Funds Awarded	\$58,096	\$58,096

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

Other Funding Sources:		FY 18	Total
	Private	\$ 154,349.96	\$ 154,349.96
	Local	181,900.00	181,900.00
	State	0	0
	Federal	0	0
Commerce Award		58,096	58,096
Total Budget		\$ 394,345.96	\$ 336,249.96

- The ADOs impact on employment through all funding sources.

Job Creating Success Stories

In partnership with Commerce and other local partners, the Grant County EDC assisted the following companies:

Cascade Organic Flour with exporting assistance. Employment at Cascade Organic Flour grew by 10 full time equivalents since July 1, 2017.

Ekenburg Farms with exporting assistance. Employment at Ekenburg Farms grew by five full time equivalents since July 1, 2017.

Job Creating Projects Started

Eleven companies conducted site visits to the county or are considering expansions. The EDC facilitated meeting agencies and organizations as requested including Dept. of Ecology, local governments, utility providers, real estate representatives, workforce training providers including Employment Security, the community college, and others. One of these companies visited the county on its own and then reached out to the EDC afterwards for assistance in follow-up questions.

The Grant County EDC also responded to an additional 17 requests for information from companies that are considering constructing new facilities in Grant County. Information provided included demographics, workforce characteristics, wage data, cost of living, utility rates, available properties, transportation and other infrastructure, largest employers, regulatory processes, incentives, and other information as requested.

Workforce Development

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

- SGL Automotive Carbon Fibers

- Chemi-Con Materials

- Takata/Joyson Safety Systems

Greater Grays Harbor, Inc.

Summary of Best Practices Shared and Implementation

Grantee: Greater Grays Harbor, Inc.

County: Grays Harbor

Grant Number: S18-75106-562

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

Grays Harbor County has made tremendous progress in lowering its unemployment rate, especially within the past three years. Our current rate is 6.5 percent and has improved from last year.

Nonfarm employment has increased by 710 (3 percent) from May 2017 – May 2018. Currently, our May 2018 nonfarm employment number is 23,640. The vast majority of our employment is derived from service providing industries (19,850) while our professional and business services (+270 jobs) and government (+200 jobs) sectors continue trending upward this year.

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

YEAR	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
2018	8.0%	7.9%	7.7%	7.2%	6.5%							
2017	8.7%	8.3%	7.9%	7.5%	6.9%	6.4%	6.5%	6.5%	6.3%	6.2%	6.5%	7.2%
2016	9.7%	9.5%	9.1%	8.3%	8.0%	7.9%	7.7%	7.9%	7.6%	7.5%	7.6%	8.1%

- Other relevant information on the community or regional area;

Participated in a trade mission to China in March 2018 with representatives from Greater Grays Harbor, Thurston County EDC, Thurston Chamber of Commerce, St. Martin's University, and a private sector business to promote our region for economic development opportunities and to encourage foreign direct investment (FDI). We represented the SW Washington Regional Partnership and met with China's second-largest distillery, toured a BMW engine factory, vinegar factory, and the American company - Genie Lifts (Terex). We also met with the Zhejiang Chamber of Commerce. This chamber represents over 15,000 members in Shanghai. Cities visited included Beijing, Mianyang, Chengdu, Shanghai, Dantu City, and Guangzhou Province.

This year, as a follow up to our 2016 Business Retention and Expansion (BRE) survey, Greater Grays Harbor Inc. wanted to gain a greater understanding of our small business community and quantify any challenges or constraints to doing business at the local level (county/municipality). The goal was to compile a Regional Business Conditions Survey report that accurately describes the positive and negative aspects of local business creation, retention, and expansion within the county as it relates to starting or expanding a business, applying for permits, inspections, regulations, and the overall business development process. Our objective is to compile this report with action items that we can present to local and county governments with the intention to make the process of starting or expanding a business easier, cheaper, streamlined, more efficient, and more responsive to the needs of the local population. Project initiated in spring 2017 with completion for October 2018.

Greater Grays Harbor Inc. is currently working together with the City of Aberdeen to develop a Gateway Center for Enterprise and Tourism. This facility will include a business and enterprise center and visitor information center at the entrance of the downtown Aberdeen corridor and will create a one-stop resource center for entrepreneurial support and business support resources for the region. Potential tenants may include GGHI, the SBDC Business Advisor, Grays Harbor Council of Governments, Grays Harbor College, and Grays Harbor County Tourism Office. To date, the City of Aberdeen received a \$1 million-dollar capital budget appropriation for land acquisition in 2015, a \$550,000 capital budget appropriation for design and engineering in 2016, and most recently a \$1.75 million-dollar capital budget appropriation for final design and engineering to bring the project to a shovel-ready condition by January 2019. The next phase is to secure funding for construction in 2019-2020.

We also continue to collaborate with our local WorkSource, Grays Harbor College, Port, PUD, SBA and others to provide workshops and business forums to assist our local businesses.

Successfully recruited three businesses in 2017 and received approval for one business in 2018 to participate in the WA Department of Commerce, Economic Gardening project.

Business Start-ups/Recruitment:

Fuller Hill Development - A grower/distributor of cannabis located at the Satsop Business Park. \$6.5 mil investment. Sixty new jobs for the county.

Overstock.com - In-bound call center located at the Satsop Business Park- \$100,000 investment. Three hundred new jobs for the county.

Hoquiam Plywood - This mill was in danger of closing for good. Purchased by a local business owner from an out-of-state company for an undisclosed amount. Purchase retained 95 jobs and added 15 more.

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

	FY 18	Total
Commerce Funds Awarded	\$53,237	\$53,237

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

Other Funding Sources:		FY 18	Total
	Private	\$168,000	\$168,000
	Local	177,000	177,000
	State	0	0
	Federal	0	0
Commerce Award		53,237	53,237
Total Budget		\$398,237	\$398,237

- The ADOs impact on employment through all funding sources.

Attended the Washington STEM education summit in Olympia in 2017 and lobbied our legislators to support funding a STEM proposal that would provide funding for Career Connected Learning. Concurrently, GGHI and partners helped create the Capital Region STEAM Network (GH, Mason, Lewis, Pacific, and Thurston) to provide the ability to receive, allocate, and implement funding to address workforce development opportunities. As a result, in 2018 our network received a \$977,000 grant (administered through Pac Mountain WDC) with \$146,000 allocated for career connected learning and workforce development activities in Grays Harbor.

Meylah Labs – in collaboration with Greater Grays Harbor – is actively seeking to innovate around tourism and develop high-tech cluster opportunities for its community. As such, the **Smart City Tourism IoT Pilot** is a public-private collaboration that includes Greater Grays Harbor Inc., Washington Dept. of Commerce, Microsoft, HPE, Aruba (an HP Enterprise Company) and Meylah. The objective of this collaboration is to attract and grow the region's tourism, empower merchants to participate in the digital economy while expanding rural broadband/Wi-Fi access to the communities.

The goals of this pilot are as follows:

Increase tourism revenue opportunities: Local business online sales, greater awareness of tourism attractions, sales tax revenue

Digital commerce: enable retailers and merchants to attract new customers globally

Infrastructure planning: provide predictive planning capabilities for new infrastructure needs such as resource planning, citizen safety, sustainability, transportation and public health

This project was conceptualized and initiated during the summer of 2017 and is currently underway and testing infrastructure technology in the city of Westport (summer 2018).

Worked with several project partners to address the childcare crisis in Grays Harbor County. GGHI worked cooperatively with the Pac Mountain WDC to identify and secure funding (\$99,000) for an Early Learning Workforce Grant designed to provide funding to support tuition, fees and books for students taking early childhood education courses or other course work required to achieve an early childhood associate's or bachelor's degree. The goal of this project is to train more childcare workers within the county.

Concurrently, the Imagine Institute also provided funding to establish a mentoring program that paired successful in-home childcare workers with individuals interested in establishing their own childcare businesses within Grays Harbor. From our GGHI press release: "Imagine U is a new 10-month long relationship-based mentorship program designed to increase the number of licensed family child care providers who can care for children in Washington State. Imagine U pairs experienced and talented licensed child care providers with those interested in becoming licensed and offers both the mentor and intern supports to help them grow professionally."

Imagine Institute mentorship program has been very successful!

Round 1:

Mentors Tracy D. and Fawn W. each had three mentees that completed the program (6 total).

Of the six mentees, currently:

Three are licensed

Two are pending

One will apply in August/September

Demographically, most are in the 25-29 age range. Five are parents or foster parents of young children.

Locations:

Two in Central Park

One in Hoquiam

Two in Aberdeen

One in Elma

Child Care Slots Added:

Upon licensing in September 2018:

$6 \times 6 = 36$ slots will open

Seven slots are for provider's own children

Twenty-nine slots open to the community

After 1 year:

Three providers have space in their home to expand from 6 to 9 or 12 slots

$2 \times 3 = 6$ slots

$1 \times 6 = 6$ slots

Total slots from Round 1: $36 + 12 = 48$ slots added

Round 2:

Tracy and Fawn are each taking on three more mentees in the second round (six total).

If all 6 participants become licensed providers, by September 2019 we will have added cumulatively:

$48 \text{ slots (round 1)} + 36 \text{ slots (round 2)} = 84 \text{ slots}$

Comparison to other communities:

Not every county has identified mentors to take advantage of this program. We have heard that Clallam County "envies" Grays Harbor—they do not have mentors available.

Our mentors have agreed to take on three each, while nearly all other mentors only oversee 1-2 at a time. 3 x 20 hours = 60 hours/month of mentors' time.

Benefits to new providers:

Assistance compiling licensing materials—one local childcare licenser has appreciated how prepared the Imagine Institute mentorship participants have been when applying for a license.

Learn how to implement the quality rating system, Early Achievers. This requires specific environmental setup and types of interactions with children. Mentees gain the information, skills, and confidence to be rated earlier than without the program. Early Achievers participants received \$4,000 in incentives.

Our local mentors have personally donated over \$1,000 worth of equipment in-kind to help new providers set up their childcare program.

Below is information from Child Care Aware, Dept. of Early Learning, and Office of Financial Management (OFM) showing the number of licensed providers and approximate number of childcare slots. We have had several close in the last year, so with the new Imagine Institute providers, it has remained at 52. (The total capacity includes 125 slots at the Chehalis Tribe's childcare center; only about 25 percent (31) slots typically serve Grays Harbor families—the rest are families from Thurston or Lewis. Adjusting for this puts the estimated total at 1,134.)

Grays Harbor Child Care Data	2012	2016	2018
# of Licensed Providers	69	52	52
Est. Licensed Capacity (birth-12)	1,506	1,246	1,228
Est. Population (birth-5)	4,124	3,968	3,958
Est. % of children under 6 with both parents working	66%	68%	68%
Est. # of children under 6 with both parents working	2,722	2,698	2,691

Island County Economic Development Council

Summary of Best Practices Shared and Implementation

Grantee: Island County Economic Development Council

Grant Number: S18-75106-564

County: Island

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

2017 Island County Resident Civilian Labor Force and Employment

Civilian Labor Force	Employment	Unemployment	Unemployment Rate
34,175	32,354	1,821	5.3%

2017 Firms and Wages per 2-digit NAICS

NAICS	Industry subsector	Firms	Average annual employment	Total 2017 wages paid	Average annual wage
11	Agriculture, forestry, fishing and hunting	45	195	\$5,613,289	\$28,786
22	Utilities	*	*	*	*
23	Construction	288	958	\$42,476,360	\$44,339
31-33	Manufacturing	60	828	\$44,923,576	\$54,256
42	Wholesale trade	74	149	\$12,785,028	\$85,806
44-45	Retail trade	186	2,141	\$62,463,436	\$29,175
48-49	Transportation and warehousing	21	258	\$11,618,854	\$45,034

51	Information	20	165	\$9,433,338	\$57,172
52	Finance and insurance	40	263	\$13,444,391	\$51,119
53	Real estate and rental and leasing	80	348	\$10,159,476	\$29,194
54	Professional and technical services	189	583	\$31,362,184	\$53,794
56	Administrative and waste services	133	586	\$22,323,554	\$38,095
61	Educational services	44	307	\$7,697,165	\$25,072
62	Healthcare and social assistance	369	1,798	\$52,692,065	\$29,306
71	Arts, entertainment, and recreation	40	332	\$6,212,697	\$18,713
72	Accommodation and food services	143	2,043	\$39,968,215	\$19,563
81	Other services, except public administration	144	647	\$19,093,220	\$29,510
	GOVERNMENT	55	4,590	\$239,224,934	\$52,119
Total		1,946	16,356	\$638,259,238	\$39,023

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

Net change from year 2016

NAICS	Industry description	Change Estab	Change avg annual employment	Change total wages paid	Change Avg annual wage
11	Agriculture, forestry, fishing and hunting	2	-2	\$254,664	\$1,585
22	Utilities	-12	*	-\$2,728,518	-\$47,043
23	Construction	10	80	\$4,321,174	\$882
31-33	Manufacturing	-3	45	\$3,471,853	\$1,316
42	Wholesale trade	5	-5	\$2,138,919	\$16,675
44-45	Retail trade	4	-11	\$827,188	\$534
48-49	Transportation and warehousing	0	56	\$1,746,784	-\$3,838
51	Information	0	25	\$1,830,363	\$2,865
52	Finance and insurance	4	27	\$2,098,745	\$3,044
53	Real estate and rental and leasing	3	-27	-\$1,532,280	-\$1,984
54	Professional and technical services	1	51	\$5,251,817	\$4,714
56	Administrative and waste services	7	-20	\$571,874	\$2,201
61	Educational services	1	25	\$630,121	\$12
62	Healthcare and social assistance	-7	89	\$5,673,553	\$1,794

71	Arts, entertainment, and recreation	-1	-12	\$299,286	\$1,523
72	Accommodation and food services	-4	120	\$5,448,995	\$1,612
81	Other services, except public administration	-3	69	\$2,684,136	\$1,121
	GOVERNMENT	0	40	\$12,486,513	\$2,286

- Other relevant information on the community or regional area;

EDC staff attended many of the Career Café programs hosted by WorkSource during the past six months, including the one that Nichols Brothers Boat Builders attended to find younger people to apprentice at their manufacturing facility in Freeland. This specific hiring program at Nichols Brothers is using a state apprenticeship grant to hire and to train younger people so they do not have to leave the county for employment.

Marketing Workshops – The EDC board of directors provided a scholarship a few years ago to the EDC’s program coordinator so she could obtain her master’s degree in marketing which she completed in 2016. In 2016, she delivered 20+ workshops on building marketing plans and use of social media and in 2017; she delivered five workshops up until October when she departed the EDC to join a partnership organization.

Lemonade Day - The EDC participated in the National Lemonade Day in 2017, which is a youth educational program. Twenty-six children from across Whidbey Island, ages 8-12 years old, created their own lemonade stands, learning and practicing how to start and operate their own business.

Student Entrepreneur Challenge – The EDC originally initiated this challenge for Island county which encourages local youth to explore their entrepreneurial spirit. This was the third consecutive year of the challenge where student teams write a business plan, get financing, work with a local mentor and sell goods or services during Global Entrepreneurship Week. Three teams of 3-5 high school students successfully crossed the finish line. Over the course of the week, the students earned collectively \$6,500 in net profit, which they get to keep in addition to the scholarships the winning teams receive.

Other items of note:

- Used the Department of Commerce’s Grantstation subscription to send out targeted grant announcements to Island County organizations.
- Worked and shared information with partner organizations.
- Delivered a variety of business workshops.
- Provided business-counseling times to startups and existing businesses.

Collaborated with the Naval Air Station Whidbey Island’s Fleet and Family Support Center to address Community Employment Resources for veterans.

Developing a number of programs to increase impact on business recruitment, retention/expansion and startup.

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

	FY 18	Total
Commerce Funds Awarded	\$55,161	\$55,161

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

Other Funding Sources:		FY 18	Total
	Private	\$14,658	\$14,658
	Local	\$75,000	\$75,000
	State	0	0
	Federal	0	0
Commerce Award		55,161	55,161
Total Budget		\$144,819	\$144,819

- The ADOs impact on employment through all funding sources.

The EDC impacted increased employment by directly helping individuals apply for and received their business licenses, delivering business workshops, and providing one-on-one business advising to start up and existing businesses.

One of the largest positive impacts on employment in the county is the retention and future expansion of a manufacturer in Northern Whidbey Island. Technical Services, Inc. (TSI) is one of the largest private manufacturers in the county and is a significant employer for diversifying the local economy. EDC staff were successful in involving a key county commissioner in touring TSI and in this commissioner’s understanding of the need for approving a RCDF grant to help Oak Harbor expand sewer services to the desired TSI expansion project on 21st Court. The approval of the .09 grant to expand the sewage which TSI uses has enabled the company to move forward in on the construction project of their its facility which will potentially house 170-190 employees, representing a potential growth of 30-50 new high-paying manufacturing jobs in Island County. The current manufacturing facility used by TSI slated to have one of their key suppliers move in. This will add new jobs in Oak Harbor, improve TSI’s manufacturing efficiency, and enable the company to meet growing demand for its products.

Economic Development Council of Jefferson County

Summary of Best Practices Shared and Implementation

Grantee: Economic Development Council of Jefferson County

County: Jefferson

Grant Number: S18-75106-565

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

The May 2018 unemployment rate for Jefferson County was 5.9 percent, as compared to the statewide average of 4.7 percent (20 percent higher). This ranks Jefferson as 26th out of 39 Washington counties.

In comparison, the UE rates of neighboring counties included 6.2 percent in Clallam (30th) and 6.4 percent in Mason (34th) counties, and 6.5 percent in Grays Harbor (35th). Statewide rates per county ranged from 3.4 percent (King) to a high of 12.0 percent (Ferry).

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

Favorable unemployment trends have continued but slowed during the past year in Jefferson County, as reflected in the current rate of 5.9 percent (equal to May 2017) . Despite the flat YOY growth in May, the 2017 UE average improved from 2016 – falling from 7.0 percent to 6.1 percent.

Although the 2017 average EU rate falls below the qualifying threshold of a “distressed county” ($\geq 6.8\%$), Jefferson remains classified as such given the three-year average rate of 6.8 percent. We expect not be classified as distressed in 2019.

The average number of available jobs throughout Jefferson County totaled 11,285 in 2017 – a net increase of 582 jobs, or 5.4 percent from 2016. The labor force also grew by 514, or 4.5 percent during the same period.

- Other relevant information on the community or regional area;

FY18 has included some significant projects and general efforts that have yielded direct benefit to Jefferson County and the Olympic Peninsula Region. These include:

- Assistance with business retention and expansion efforts for the purpose of retaining jobs and growing locally owned companies.
 - Direct leadership towards addressing urgent economic development priorities in the community.
 - Continuing to work with public and private stakeholders to address the current housing crisis. This includes collaborative interaction with local planning departments to address zoning, and engagement with potential developers to analyze the feasibility of targeted housing projects for local workforce and low-to-mid income communities.
 - Assisting with research and strategic planning around access to broadband throughout Jefferson County, including legislative advocacy to incent current and potential service provider engagement.
 - In partnership with the Olympic Workforce Development Council, North Olympic Development Council, WorkSource, Skillmation, and others, plan and implement relevant workforce training workshops, hiring fairs, and mentorship programs. Recent efforts have included the implementation of a 1:1 mentorship match with the ninth Grade class at Port Townsend High School, and the expansion of certified marine systems training courses with the NW School of Wooden Boat Building.
- Assistance with project feasibility analysis and access to capital.
 - Led countywide multi-agency effort to coordinate the Opportunity Fund application. This also included collaborating with Clallam County, the Hoh Tribe, and Jamestown Tribe for the regional Emerald Coast Opportunity Fund proposal.
 - Coordination with Congressman Kilmer’s office and Forterra toward the pursuit of an impact investment fund that could potentially align with the Opportunity Zone designations.
 - Ongoing BRE consultations with existing potential business owners.

- Continued administrative support for Local Investment Opportunity Network (LION), and direct consultation to applicant businesses.
- Coordination of advocacy efforts and outreach from elected officials to local business owners.
 - Support of legislative proposals to address broadband connectivity, access to housing, and workforce development.
 - Assembled regional task force addressing access to broadband.
 - Coordinated roundtable discussions between local business owners and community leaders for Congressman Kilmer, Senator Murray, and Governor Inslee.
- The amount of funds received by the ADO through its contract with the department;

	FY 18	Total
Commerce Funds Awarded	\$37,133	\$37,133

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

Other Funding Sources:		FY 18	Total
	Private	\$7,000	\$7,000
	Local	62,200	62,200
	State	0	0
	Federal	0	0
Commerce Award		37,133	37,133
Total Budget		\$106,333	\$106,333

- The ADOs impact on employment through all funding sources.

Examples of EDC Team Jefferson’s direct impact on local employment opportunities include, but are not limited to the following:

- Ongoing consultation with representatives from the Marine Services Sector, who were concerned with lease practice changes by the Port. Assistance provided in the creation of an Economic Impact Study of the local sector, delivered in July 2018.
- Coordination with a successful roofing company, seeking capital for the business purchased by two key employees. Ten to 15 FTE positions were retained because of the transfer of ownership, and successful funding through LION.

- Consultation provided to five individual downtown businesses who are seeking to sell to new owners. Ownership succession remains in process, and reflects more than 25 FTE jobs.
 - Ongoing support for a newer boat manufacturing company, resulting in the creation of additional jobs through continued growth (currently 34 FTE positions). Entity is a qualified prospect for Economic Gardening program.
 - Consultation between the City of Port Townsend, and a newly formed REDS task force composed of the Dept. of Commerce, USDA, EDA, and others regarding the Rainier (née Howard) Street Corridor project. Planned tenants include the Mt. Townsend Creamery.
- Average median hourly wage (not adjusted for inflation) has improved from \$19.95 in 2015 to \$20.16 in 2016 – a 1.1 percent increase.

Economic Development Council of Seattle & King County

Summary of Best Practices Shared and Implementation

Grantee: Economic Development Council of Seattle & King County

County: King

Grant Number: S18-75106-560

Time Period Covered: July 1, 2017 – June 30, 2018

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

- Current employment and economic information for the community or regional area produced by the Employment Security Department:

All statistics are for King County

May 2018 Unemployment Rate: 3.4 percent

May 2018 Nonfarm Employment: 1,439,400

May 2018 Total Private Employment (preliminary): 1,255,100

Overview

In May 2018, the not seasonally adjusted unemployment rate in King County was 3.4 percent. This is up from 3.0 percent, observed in April. Twelve months ago, the unemployment rate was 3.4 percent.

Nonfarm employment expanded by 12,600 from April 2018 to May 2018. There were an estimated 1,439,400 total nonfarm jobs in King County. Total nonfarm employment in May 2018 was 42,800 jobs above the level observed in May 2017. This represents a 3.1 percent increase in employment over the year.

Nine industries added jobs over the month and two industries shed jobs. The largest gains were attributable to hiring in retail trade (up 4,000) and education and health services (up 1,900). The deepest losses were attributable to construction (down 300).

Year-to-year growth observed in most industries tracked by ESD. The largest gains were observed in retail trade (up 11,100), education and health services (up 8,200), and professional and business services (up 7,800). Construction shed 600 jobs over the year.

By comparison, the “Great Recession” gripped Washington in mid-2008. Through the course of 2008 and 2009, the unemployment rate rapidly increased, reaching a peak rate of 9.5 percent in the beginning of 2010. Since then, the elevated rate has diminished.

May 2018 figures are:

King County labor force:	1,250,006
Total employed	1,208,111
Total unemployed:	41,895
Unemployment rate:	3.4 percent

Month-to-month, King County’s labor force contracted by 5,022 people. The number of employed people decreased by 9,109 and the number of active job seekers increased by 4,087. Over-the-year, the labor force expanded by 21,987 people or 1.8 percent.

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

2017 - 2018

Net change in Unemployment Rate:	0 percent
Net change in employment:	42,800
Net change in Total Private Employment:	42,700
2017-2018 Employment rate of growth:	3.1 percent

Sector Employment

In May, King County-located manufacturing employers collectively added 1,000 jobs. Over the year, total manufacturing employment was up 2,600 or 2.5 percent. Aerospace products and parts manufacturing added 500 jobs over the month but shed 900 jobs over the year. Nondurable goods manufacturing was up 900 over the year. Manufacturing led early economic recovery locally and statewide. Over the past couple years, however, employment growth in manufacturing has more-or-less stagnated. The count of aerospace products and parts manufacturing only catches those employers that are directly and primarily responsible for manufacturing aerospace products. Other products and services in the supply chain counted under their best-fit industries.

Service providers represent an extremely diverse collection of sectors. Taken as a whole, service-providing employers in May added 11,900 jobs. Over the year, service providers added 40,900 new jobs to the King County economy, with gains observed in all major industry breakouts.

- Other relevant information on the community or regional area:

Organizational Shift

This contract period for the ADO of Seattle and King County has been a successful yet highly transitional one, with the president departing the organization effective May 2017, just prior to the beginning of the state contract period. Once initiated, throughout the duration of the contract, the EDC had an interim CEO from June to December 2017, followed by a second interim head from January to June 30, 2018. The second interim head was hired to be the new vice president of business development, and to transition to the new regional investment attraction entity under development over the course of this ADO's contracting period.

In addition to the transitions at the helm, as of October 2017, the EDC's long-standing vice president operations & strategic initiatives departed, followed by the full complement of the business development team (1 vice president and four business development managers). By January 2018, two full time employees remained -- one being the new vice president business development, and the other a research and communications manager. Two employees have undertaken the bulk of the recruitment, expansion and retention work over this contracting period, successfully executing against targets. These transitions and developments occurred against the context of a wider purpose, which was to transform economic development in King County into a much more regional effort, adding in trade and embracing regional partners to promote King County as part of a greater Puget Sound regional marketing and business recruitment effort.

The business expansion and retention work occurred in partnership with colleagues at the regional level, through partnering with local jurisdictions to deliver business assistance to King County firms. In particular, visits to Kent, Kirkland, Auburn, Maple Valley, Seattle, Bothell and Renton in the second half of the contracting period supported local expansion and retention efforts. In addition, broad programming efforts engaged regional stakeholders in the EDC's annual Economic Forecast Conference, which took place in March 2018. The Mayor of Auburn served as the honorary chair of the conference, and her team worked closely with the EDC to reach out to various parts of the county to develop speaker rosters and trade show elements, offering partners across the region an opportunity to showcase their respective jurisdictions and assets.

Despite a significantly reduced staff team, the EDC convened King County jurisdictions and businesses for the 46th Annual Economic Forecast Conference at The Westin in downtown Seattle, discussing best practices in economic development, business engagement and attraction, and highlighting the diverse facets of King County's creative economy, which has become a driving growth engine in the county. The Economic Forecast Conference

proved to be the most successful event on record, just under 2017 attendance rates, yet yielding record sponsorship and stakeholder engagement.

Amazon HQ2 Submission

In terms of highlighting key activity across the reporting period, the Amazon HQ 2 RFP was announced in Quarter 1 (Sept. 7, 2017), which effectively dictated the activity of Quarter 2 (October – December 2017), involved canvassing. Work considered all King County jurisdictions for potential sites, not only for HQ2 submission, but also for Amazon to consider as the company continues to expand its headquarters in the region and further develop business divisions within King County. Although we knew the prospects for a second headquarters in Puget Sound were slim, the decision to submit a regional proposal accomplished three key objectives: to show our dedication to Amazon and its employee base in the region, to practice mobilizing regional stakeholders to deliver a first-class response to a major multinational RFP, and to propose viable regional sites for viable future Amazon HQ1 expansion.

The EDC worked together with the Economic Alliance Snohomish County to coordinate 10 viable sites for Amazon’s expansion, coordinating and resource sharing with its economic development teams and a host of other partners across the region. Additional collaborators included the region’s universities and community colleges, transportation agencies, workforce development, tourism promoters, and even groups like the Washington Trails Association, which submitted facts and figures to complete the proposal. With the Dept. of Commerce providing state-level incentives and information, the ADOs coordinating site submissions and Boston Consulting Group’s packaging of the regional proposal with local-level input, a comprehensive proposal was developed and submitted ahead of the RFP deadline.

Since the RFP process concluded, Amazon confirmed new leases in Bellevue, such as Centre 425, a 354,000-square-foot office building, as well as Tower 333 and Summit III, according to a May report in the *Puget Sound Business Journal*. Bellevue highlighted all of these sites in the HQ2 submission. Economic development managers in the county have also noted increased interest in other regional sites proposed for HQ2.

46th Annual Economic Forecast Conference

As mentioned above, Quarter 3 saw the execution of the EDC’s annual economic forecast conference, which convened close to 1,000 regional stakeholders across King County, and wider counties and jurisdictions, to engage local elected officials, business executives, educational leaders and non-profit stakeholders around the theme of King County’s creative economy as a fuel for economic growth. Key investors to the region delivered economic forecasts, analyses and business engagement strategies to guide regional leaders and firms in understanding the creative dynamics and place making initiatives underpinning our region’s incredible growth, which has sustained year-on-year since the last reporting period.

Governor's Council for the NMA / Aerospace Promotion

Moreover, the EDC focused heavily on support to the aerospace cluster as reports of a possible new market aircraft emerged from Boeing, causing the EDC to develop its participation in a host of business attraction, expansion and retention events in the aerospace cluster to support the industry's continued development in the county. The importance of aerospace manufacturing to King County and Washington more broadly is difficult to overstate. Employment in King County alone is at 38,300 (May 2018 ESD figures). King County cities affected the most by swings in aerospace manufacturing employment are outside Seattle – Renton, Tukwila, Auburn and others depend heavily on the high-quality jobs and investment inherent in the aerospace industry.

Targeted events to engage new investors and support existing firms with their growth and retention strategies included participation in the Pacific Northwest Aerospace Alliance's annual conference in Lynnwood; the Aerospace Futures Alliance Lobby Day in Olympia; and the Aerospace & Defense Supplier Summit in Seattle. Participation in the Governor's Council for the New Market Aircraft, which the EDC also made a financial contribution to support, enabled the production of two key studies to promote the Washington as the top choice for Boeing for any new market aircraft investment – from design to delivery. The studies were the Teal Group's Competitiveness study and the regional economic impact study by Community Attributes related to King and surrounding counties.

Through these engagements, the EDC has witnessed a set of interesting investment trends in the aerospace cluster in our region, particularly the keen interest by Airbus suppliers to enter the market, whether through acquisition or supplier partnerships. The EDC maintains an active roster of new aerospace suppliers eager to engage with Boeing, which was demonstrated by the claim submitted this reporting period for AKKA Technologies of France, located in the region through acquisition of Tukwila-based PDS Tech. AKKA will look to grow this business in Tukwila and evaluate whether their Dallas-based headquarters might relocate workforce to our region as a result. The EDC has also been working with several Mobile, Alabama-based aerospace suppliers keen to evaluate new opportunity in the greater Seattle region.

Client work – Recruitment, Retention, Expansion

The EDC conducted outreach to 183 firms, providing significant business assistance to 40 firms and currently is working to support six expansions outside the city of Seattle. In terms of new attraction for outside Seattle, the EDC has recruited 59 active projects this contract period considering jurisdictions outside of Seattle, with details surrounding a host of new deals below.

Adhetec - Tukwila

Adhetec is an aerospace supplier based in France that designs, manufactures and distributes adhesives for a variety of industries. The firm came to the EDC looking to locate

a small engineering and design center in Tukwila to be close to Boeing and other aerospace suppliers. The EDC assisted Adhetec through introductions to the economic development team at the City of Tukwila, who helped with permitting and welcoming the company to the city. Although the initial employee count is small, the company's engineering center is poised for future expansion if the new market aircraft launches, as well as from new supplier relationships in the region. The EDC has networked the firm with various important stakeholders to support new business development, such as AFA and PNAA.

In addition to aerospace, the EDC has focused on a host of clients across several industry sectors to promote both expansion and retention, providing services to firms across many King County jurisdictions.

Suji's Korean Cuisine - Seattle

Food manufacturing is a fast-growing sector in King County, with employment at 12,500 and a 5 percent growth rate year-over-year. The EDC's extensive work with Suji's Korean Cuisine, a manufacturer of high-quality packaged meals, sauces and deli items, provided necessary connections and resources for this woman- and minority-owned business to relocate its headquarters from Omaha to Seattle. CEO Suji Park is currently in the final stages of opening a new 5,000 square-foot headquarters and test kitchen on Alaskan Way in Seattle to support 15 employees.

Plenty - Kent

The rising sub-sector of value-added agriculture gained an increased foothold in our region with the establishment of Plenty, which set up a 100,000-square-foot indoor produce farm in Kent, near Amazon's massive distribution center, to grow up to 300 varieties of produce vertically under a spectrum of LED lights using 20-foot-tall tower structures. According to the company, it can achieve crop yields 350 times larger than conventional growing methods while using 1 percent of the water. In addition, this process does not require herbicides, pesticides, synthetic fertilizers or GMOs. The EDC provided site consultation services and tax information to the company as the firm assessed King County for establishing operations. New employment at the plant starts at 50 and expects to double. Working with the EDC, Plenty has made contact about the potential for an R&D expansion.

BMW ReachNow - Seattle

Car-share services are playing key roles in the region's effort to solve mobility issues and reduce pollution by seamlessly offering on-demand personal transportation without the expense of car ownership. ReachNow's car-sharing service launched in Seattle in 2016 and established its headquarters in Seattle. The EDC provided site selection services, as well as demographic and tax information, to ReachNow, facilitating its investment. Local employment has since grown to 50 employees serving more than 85,000 members in Seattle, Portland and New York, offering car sharing for BMW sedans, SUVs, the electric BMW i3, as well as MINI Cooper models.

Other expansion and retention projects include support to DigiPen in Redmond on expansion interests, as well as WHECO Corp. in Auburn, AIM Aerospace in Renton, and PharmaIN in Bothell, among others.

Support to Small Business

The EDC supported the expansion and retention of 50 small businesses in the county during this contract period. In addition to Suji's described above, the EDC supported a wide variety of firms across various industries, from Teatro Zinzani to Ada Developers Academy. The letter of support the EDC offered to WHECO for its small business loan will facilitate the financing it requires to purchase its building in Auburn and hire additional workforce. The Industrial Revenue Bond financing guidance and connections with the state agency responsible for the IRB applications will enable a Redmond-based firm to compete for needed expansion financing. Many of the outcomes from our support remain pending into the new fiscal year, while other actions have facilitated expansions as highlighted above.

Points to Note

Biotech/Life Sciences Industry

The biotech and life sciences industry has raised significant concerns around availability of lab space and availability of real estate for expansion (both lease and sale) through both its trade association Life Science Washington, and through individual unrelated company visits, the EDC has made to clients in the county. In particular, the industry has raised the lack of incentives for biotechnology as a problematic issue due to length of commercialization for products and their need to finance ongoing development costs through clinical trials and FDA approval processes. In addition, the industry appears to need more affordable commercial space for expansion, and indeed has offered ideas around how such needs through shared lab space or shared manufacturing facilities could be used by various firms in the cluster. A real fear appears to be the exodus of life sciences firms from the region due to affordability, land availability and cost of living. If King County, and the wider state, is keen to retain a vibrant biotech cluster, it appears these issues require head-on and timely engagement.

Workforce

As the EDC travels around the county visiting companies and connecting with local economic developers, the workforce needs refrain continues to emerge, regardless of industry. A genuine need for a centrally focused workforce development body for industry to engage appears essential in order to plug companies into the right resources to help them develop their workforce and find skilled workers – whether aerospace tool and machining talent or life sciences researchers and experienced executives. We have heard this from the tech industry, too, how the senior level software talent is difficult to find locally, and in terms of small-to-medium sized firms, how their workers are regularly recruited away with higher salary and total compensation packages to larger regional employers, causing them a significant talent drain. Luckily, in the tech industry the EDC has

seen the recent emergence of new tech boot camps, training academies and increasingly resourced university programs to churn out higher numbers of qualified tech talent. Housing this information and these resources in a more centralized sphere, however, is welcomed by industries across the county.

Incentives

In recruitment conversations with companies interested in King County, the issue of incentives often arises, especially when a project is either internationally or domestically mobile, i.e. considering more than King County for its location. Because the state of Washington does not impose corporation tax or personal income tax, yet levies state sales tax and B&O tax, the [Tax Foundation](#) rates our state 17th out of 50 for business tax climate. Perhaps important to note in this summary report is reference by Apple in its remarks to me this year about our state's tax competitiveness. Nevertheless, Apple expanded its R&D footprint in Seattle. Another tech firm we worked with had keen interest to locate in Seattle and compared incentives in Seattle to those available in Atlanta and New York City, citing multiple tax incentives offered by each jurisdiction for tech. Biotech and life sciences is another industry that remains keen for new incentive support, both for expansions and recruitment of new firms and talent to the region. This issue is highlighted briefly later in the summary of key findings and best practice.

It may be useful to develop a stronger narrative to deploy regarding our incentives and tax position as compared to many of our major competitors, both domestically and internationally. For example, the top 10 states cited in the Tax Foundation's study are not typically our competitor states, save for a few in specific industry areas: *Wyoming, Montana, Florida, Utah, South Dakota, Alaska, Indiana, Nevada, New Hampshire and Oregon*. It may also be useful to engage the Tax Foundation to discuss their metrics and the state's overall ranking to ensure our competitiveness is appropriately represented.

In addition, the *New York Times* produced a State of the Nation 10-year horizon report on economic development incentives called the [United States of Incentives](#) that highlights incentives both for companies directly and broad incentive programs afforded by states. Many of the incentives have expired for Washington state (citing 2008 and 2010 examples).

Highlights of the NYT study:

Washington spends at least \$2.35 billion per year on incentive programs, according to the most recent data available.

That is roughly:

\$349 per capita 15cents per dollar of state budget

Top Incentives by type

\$1.46 billion in sales tax refund, exemptions or other sales tax discounts

\$883 million in corporate income tax credit, rebate or reduction

\$7.65 million in property tax abatement

Top Incentives by industry

\$649 million in manufacturing
 \$632 million in agriculture
 \$197 million in aircraft

[Interactive Map](#) for 10-year time horizon – all 50 States Incentives

Opportunity Zones

The EDC of Seattle and King County coordinated King County’s submission for Federal Opportunity Zone designations as our county held the highest number of eligible tracts at 100, yet our corresponding set-aside designation was disproportionate at five, equivalent to that of counties with less than half our eligible tracts. In recognition of the significant need in King County and the disproportionate number of tracts, we reached out to jurisdictions countywide to encourage competitive applications. We wrote letters of support for all applicants, and in the end, were awarded the highest percentage of eligible tracts -- 23 designated out of 125 eligible for the state of Washington overall. In sum, 18 percent of the total available tracts awarded to King County. EDC worked extremely hard with local jurisdictions on competitive applications, with the county on the set-aside tracts, and on liaising with cities to understand the process and expectations overall. EDC is currently supporting the state of Washington to develop a September workshop event to help awardee jurisdictions understand the upcoming federal regulations and the opportunity zone fund development requirements and guidelines.

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

	FY 18	Total
Commerce Funds Awarded	\$204,267	\$204,267

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

Other Funding Sources:		FY 18	Total
	Private	\$171,500	\$171,500
	Local	387,067	387,067
	State	0	0
	Federal	0	0
Commerce Award		204,267	204,267
Total Budget		\$762,834	\$762,834

Kitsap Economic Development Alliance

Summary of Best Practices Shared and Implementation

Grantee: Kitsap Economic Development Alliance

County: Kitsap

Grant Number: S18-75106-566

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

2018	AVERAGE	JAN	FEB	MAR	APR	MAY
Civilian Labor Force	121,358	122,220	121,470	121,734	120,251	121,116
Total Employment	115,122	115,652	114,789	115,391	114,317	115,460
Total Unemployment	6,236	6,568	6,681	6,343	5,934	5,656
Unemployment Rate	5.1%	5.4%	5.5%	5.2%	4.9%	4.7%

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

Kitsap County (Bremerton-Silverdale MSA)				Change		
Labor Force classification (place of residence)	Preliminary May 2018	April 2017 revised	May 2017 Revised	Apr 2017 – May 2018	May 2017 – May 2018	May 2017 – May 2018 %
<i>Civilian Labor force</i>	121,116	120,251	120,005	865	1,111	0.93%
<i>Employment</i>	115,460	114,317	114,254	1,143	1,206	1.00%
<i>Unemployment</i>	5,656	5,934	5,751	-278	-95	-1.65%
<i>Unemployment rate %</i>	4.7%	4.9%	4.8%	-0.20%	-0.10%	

- Other relevant information on the community or regional area;

Continued as sub center for Washington Procurement Technical Assistance Center (PTAC) program.

Monthly “Contracting Coffee Hour” sessions with real-time reviews of marketing materials, proposals and timely topics as directed by clients

One-on-one counseling of clients regarding proposals, entering government contracting, subcontracting, etc.

Worked with partners for events and workshops such as SAME

Increased staff training in government contracting assistance with attendance at national conferences, representation on national PTAC board of directors

Area “small business deputies” from area Naval installations regularly use the KEDA “meeting nook” to meet with vendors; they are introduced to the Navy, KEDA and PTAC in one location

KEDA Technology committee continues to push forward in three areas:

- Infrastructure (IT)
- Workforce Development
- Entrepreneurship
 - Introduced “Tech on Tap” meetups to find and assist small business owners
 - Became part of the “Olympic Tech Collective” to provide resources on tech firms
 - Worked with like-minded individuals to launch startupkitsap.com
 - Working to promote and establish new startups with 6 Month Startup Kitsap



Increased interest in the Puget Sound region has spread to Kitsap County, with many investors seeking detailed demographic and trend data provided by KEDA staff as they research potential projects such as:

- New multi-family housing investments
- Study for re-use of existing properties in Silverdale
- Purchases of existing multi-family housing

Actively engaged with regional and statewide industry cluster organizations to provide current and accessible opportunities for clients

- Washington Military Alliance
- Washington Maritime Federation
- Pacific NW Aerospace Alliance
- Aerospace Futures Alliance
- NewSpace

Working with public partners regarding code updates

- City of Poulsbo
- Kitsap County

Working with local lifestyle magazine editor, showcased Kitsap companies who talk about Kitsap as a business location – six editions per year. *(See ad to right)*

Top L to R: Scott Smitke, Liane Tacht, Brandon Schmidt, Sales Manager, Cozy Fawcett, Lead Designer, Bottom L to R: Laura Dea, Administrative, Cassandra Hoffstede, Digital Marketing Associate

Headquartered in Kitsap For Nearly 30 Years

“AGS Stainless has built railings for some of the world’s most distinctive homes and commercial properties. With an innovative component-based design and all stainless steel construction, Clearview® railings eliminate the need for any on-site welding or cutting. AGS’s design department generates CAD documents for each railing project insuring precise, project-specific fabrication. Each Clearview® railing system is made to order to the highest quality standards.”

— Kevin Harris, Sales/Marketing Director
AGS Stainless, Bainbridge Island
206-842-9492, agsstainless.com

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CLEARVIEW® RAILING SYSTEM

KITSAP COUNTY | POSITIONED FOR PROSPERITY

KITSAP ECONOMIC DEVELOPMENT ALLIANCE

Cavalon II, 2021 NW Myhre, Suite 100 • Silverdale
360-377-9499 • www.kitsapeda.org

BRE work not reflected in Projects (works in progress)

Project Niche Energy

- Site visit with Port of Bremerton
- Client very interested in location
- Potential: 250 FTE
- Operational timeline: 2020

Skyhawk Press

- Site visit – company seeking larger space
- Currently three separate markets; opportunities for more
 - Online Anfield Shop for US based Liverpool soccer supporters
 - 16 Submarines – online dedicated to all things US Navy submarines
 - Custom promotional items; silk screening
- Connected to financial resource regarding major equipment purpose for expansion

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

	FY 18	Total
Commerce Funds Awarded	\$ 91,685	\$91,685

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

Other Funding Sources:		FY 18	Total
Includes \$11,525 In-Kind	Private	\$181,795	\$ 181,795
	Local	227,000	227,000
	State	0	0
	Federal	37,911	37,911
Includes \$2,750 In-Kind	Events	43,040	43,040
Commerce Award		91,685	91,685
Total Budget		\$581,431	\$581,431

- The ADOs impact on employment through all funding sources.

Clients going through the KEDA PTAC sub center since 2007 have received more than \$500 million in contract awards (prime and sub).

Western Washington University has announced the creation of the state’s only cyber range at the Olympic College (OC) Poulsbo campus; they are offering the cyber degree in both Poulsbo and Bellingham.

OC began offering a four-year degree in digital filmmaking; the state of the art theater and media rooms opened in early 2018.

CHI Franciscan Harrison began work on a \$700 million major expansion opening in January 2020; this addition will increase all health care opportunities in the area; KEDA continues to work closely with them to provide links to local subcontractors.

Central Kitsap School District is a new high school and middle school in Silverdale as part of a \$220 million bond program. KEDA has been actively involved with one of the prime contractors, Korsmo, in providing referrals for small business.

Housing continues to explode throughout the county, as it does in the region.

Port of Bremerton approved the \$4.5 million sale of a two-acre Bremerton waterfront parking lot for a hotel, apartments, shops and three-level parking garage development. The project is known as Marina Square.

Bainbridge Landing is under construction – this multi-family construction project includes apartments, loft homes, townhouses and on-site parking. It will also include a bicycle lounge, pet cleaning station, 24-hour fitness center, rooftop lounge and deck.

Kittitas County Chamber of Commerce

Summary of Best Practices Shared and Implementation

Grantee: Kittitas County Chamber of Commerce

County: Kittitas

Grant Number: S18-75106-567

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

Kittitas County Unemployment Rate:

May 2018: 4.8 percent

Source: Washington State Employment Security Department

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

Kittitas County Unemployment Rate:

May 2016: 5.6 percent

May 2017: 4.6 percent

May 2018: 4.8 percent

Net change May 2017-May 2018: 0.2 percent

Source: Washington State Employment Security Department

- Other relevant information on the community or regional area;

Our region is unique in that we rely heavily on a few industry sectors for the bulk of our employment:

Accommodation and food services (primarily hotels and restaurants) provided 18.1 percent of all jobs countywide but only 8.7 percent of total payroll or wages – indicating that many

of these jobs are part-time. The percent of total covered employment in Kittitas County in accommodation and food services is extremely high. This indicates the importance of tourism and the large number of Central Washington University (CWU) students working part-time work in Kittitas County’s accommodation and food services businesses.

Local government had 15.4 percent of all jobs, but 18.4 percent of wages during 2016. This includes Kittitas Valley Hospital (KVH), local public schools, police and fire departments, etc.

State government provided 10.6 percent of all jobs countywide, but 20.6 percent of total payroll or wages. Hence, over one in every five dollars of earned wage income countywide comes from state government employment (of which CWU is a major employer).

Source: Washington State Employment Security Department

In the lower valley, the largest export is Timothy hay, estimated to generate more than \$50 million annually. In conjunction with local agriculture, CWU plays a significant role in the local economy as one of the area's largest employers. The \$91 million payroll for the CWU workforce helps support retail, restaurants, housing, entertainment and events near Ellensburg. CWU-hosted conferences and events draw more than 50,000 annually to the region and help boost local tourism. Additionally, CWU helps foster a highly educated workforce. Forty-four percent of adults in Ellensburg hold at least a bachelor’s degree. The comprehensive university hosts more than 9,000 undergraduate and graduate students. Since 2008, Washington has invested more than a quarter billion dollars in state-of-the-art infrastructure and facilities, including a computer science facility, which opens in fall 2018.

Nearby almost \$30 million in private investment has transformed Ellensburg’s historic downtown to where eclectic shops, galleries, restaurants, and vibrant historic buildings now line the streets and help create a regional economic and tourism draw.

In the upper county, Suncadia continues to expand its luxury resort and vacation home community, which impacts neighboring communities of Cle Elum and Roslyn with an influx of tourists and expansion of tourism-related businesses.

Our county’s population growth continues to drive demand for education and healthcare services playing a big role in the future prosperity of the region. Development activity continues with ground breaking on the new Windrow Hotel, Trinity mixed-use development and a new affordable housing complex.

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

	FY 18	Total
Commerce Funds Awarded	\$39,233	\$39,233

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

Other Funding Sources:		FY 18	Total
	Private	\$55,788	\$55,788
	Local	72,000	72,000
	State	0	0
	Federal	0	0
Commerce Award		39,233	39,233
Total Budget		\$167,021	\$167,021

- The ADOs impact on employment through all funding sources.

The Kittitas County Chamber of Commerce is the lead countywide resource for business assistance and is extensively involved in efforts to improve the availability and quality of workforce education and training within the region.

We help administer the county’s economic strategy by collaborating with other entities such as the SBDC, WorkSource, People for People, HopeSource, WSU Extension, CWU, Yakima County Development Association, etc. We provide direct business assistance, as well as workshops, webinars and networking opportunities.

The Chamber has had a very productive year undergoing many projects, including:

- a countywide ballot measure in support of a port district in April
- the nomination and acceptance of two Opportunity Zone classifications
- partnership with the Cle Elum Downtown Association to create the 2018 Work Plan and Master Plan.
- assisting the City of Kittitas with grant funding opportunities for infrastructure projects.

The Chamber launched Catalyst co-working office spaces in Ellensburg and Cle Elum in 2017, and both are completely full with wait lists for availability. They offer self-employed, small business or remote workers the use of an office or communal workspace where they can share space, office equipment and ideas. The offices bring workers into the two downtown locations, which benefits area merchants, such as coffee shops, office supply and

restaurants. Through the Catalyst offices, we provide monthly consultations with the regional SBDC representative for those businesses needing help with planning, marketing and awareness.

We continue with our countywide tourism program, which continues to be a huge success and includes expanded collaboration with the City of Cle Elum and the newly formed Cle Elum Downtown Association (CEDA), the City of Ellensburg and Kittitas County.

Our partnerships with many educational and non-profit event organizations continues and includes the Cle Elum Pioneer Day, Easton Memorial Day Parade, City of Kittitas Car Show and Burnout, Winterfest, CWU's Bite of the Burg and Roslyn's Mountain High Brewfest.

Because of our tourism work, the county has seen an increase in overnight stays by 7.8 percent, increased attendance at events that in turn supports the business community throughout Kittitas County. The impact contributes business retention, expansion for tourism and creates new jobs countywide.

Klickitat County Public Economic Development Authority

Summary of Best Practices Shared and Implementation

Grantee: Klickitat County Public Economic Development Authority

County: Klickitat County

Grant Number: S18-75106-568

Time Period Covered: July 1, 2017 – June 30, 2018

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

- Current employment and economic information for the community or regional area produced by the employment security department;
- Klickitat County is in south central Washington. According to the U.S. Census Bureau for Klickitat County, the population estimates include:

Census Bureau Estimates

	Klickitat County	Washington State
Population Estimates, July 1 st , 2017	21,811	7,405,743
Population , Census, April 1 st , 2010	20,318	6,724,540
Percent Change	7.4% increase	10.1% increase
Race and Hispanic Origin		
White Alone	93%	79.5%
Black or African American alone	.6%	4.2%
American Indian and Alaska Native alone	2.6%	1.9%
Native Hawaiian and Other Pacific Islander alone,	.2%	8.9%
Two or more Races	2.8%	.8%
Hispanic or Latino	12.3%	4.7%
White alone, not Hispanic or Latino	82%	68.7%

Population Characteristics		
Veterans, 2012-2016	2,087	552,863
Foreign born persons, percent, 2012-2016	6%	13.5%
Economy		
In civilian labor force, total, percent of population age 16 yrs. +, 2012, 2016	48.3%	63.3%
In civilian labor force, female, percent of population age 16 years+, 2012-2016	42.3%	58.3%
Total accommodation and food services sales, 2012 (\$1,000)	20,837	14,297,278
Total health care and social assistance receipts/revenue, 2012 (\$1,000)	63,708	43,966,889
Total manufacturers' shipments, 2012 (\$1,000)	139,018	131,530,601
Total merchant wholesaler sales, 2012 (\$1,000)		83,313,366
Total retail sales, 2012 (\$1,000)	64,467	118,924,049
Total retail sales per capita, 2012	\$3,114	\$17,243
Income & Poverty		
Median household income (in 2016 dollars), 2012-2016	\$49,633	\$62,848
Per capita income in past 12 months (in 2016 dollars), 2012-2016	\$23,227	\$32,999
Persons in poverty, percent	15.5%	11.3%
Businesses	Klickitat County	WA State
Total employer establishments, 2016	524	186,164
Total employment, 2016	4,036	2,685,355
Total annual payroll, 2016 (\$1,000)	158,914	156,915,349
Total employment, percent change, 2015-2016	7.7%	3.2%
Total nonemployer establishments, 2016	1,502	459,590
All firms, 2012	1,746	541,522
Men-owned firms, 2012	771	252,650

Women-owned firms, 2012	586	187,677
Minority-owned firms, 2012	215	92,807
Nonminority-owned firms, 2012	1,491	426,697
Veteran-owned firms, 2012	185	49,331
Economy		
In civilian labor force, total, percent of population age 16 yrs. +, 2012, 2016	48.3%	63.3%
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Nonminority-owned firms, 2012	1,491	426,697
Veteran-owned firms, 2012	185	49,331
Nonveteran-owned firms, 2012	1,433	461,401

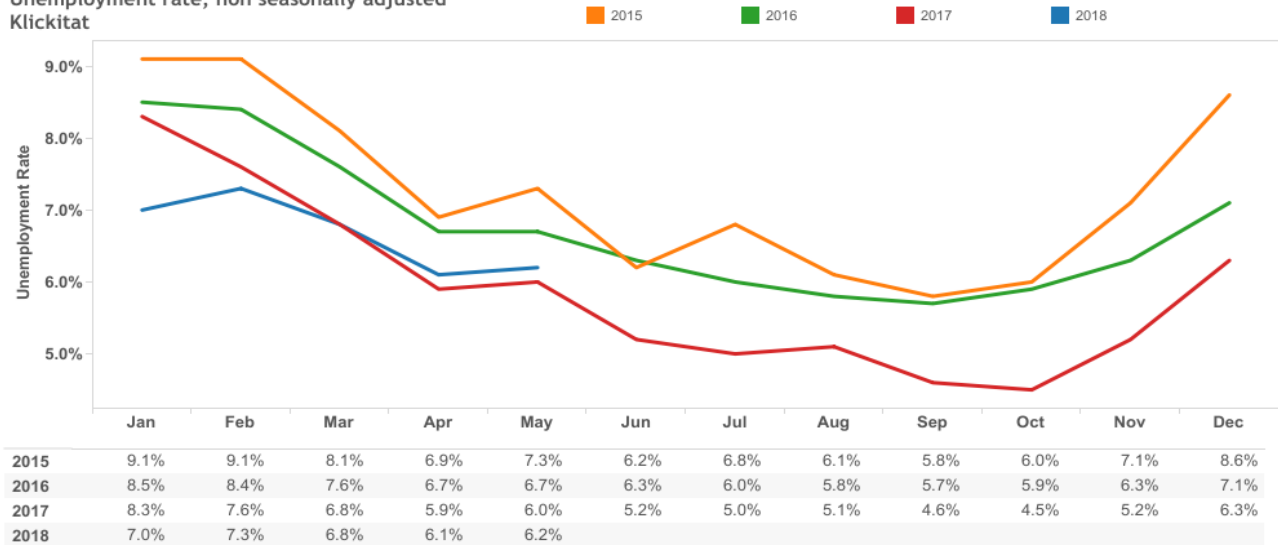
Although not part of the Employment Security data, what is important within the census bureau and its estimates is that this gives an overall view of some of the economic and demographic traits that make up Klickitat County. When comparing with the state of Washington, Klickitat County has 15.5 percent of its population in poverty, compared to Washington at 11.3 percent. We can also see other interesting traits, such as the fact that veterans make up approximately 10 percent of Klickitat County’s population, compared to approximately 7.4 percent for the rest of the state. As we move into more localized employment and economic data with Klickitat County, the above tables will help us realize where we compare to the rest of the state.

From the Employment Security department, the below table shows Klickitat County’s economic data for non-seasonally adjusted unemployment rates for the last four years, plus, in raw numbers, for the last three years.

Unemployment rate, employment and unemployment	Nonfarm industry employment	Labor force participation rate - Annual. 1976-2017	Labor force participation rate, annual, by county - 2009-2016	Labor force participation rate by county - Map 2009-2016
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Select area:
Klickitat

Unemployment rate, non seasonally adjusted
Klickitat



Employment and unemployment, not seasonally adjusted
Klickitat

	2018		2017		2016
	April	May	April	May	May
Civilian Labor Force	9,686	9,879	9,713	9,859	9,733
Employment	9,099	9,270	9,136	9,269	9,077
Unemployment	587	609	577	590	656
Unemployment Rate	6.1%	6.2%	5.9%	6.0%	6.7%

As we can see, the raw number for the civilian labor force has stayed relatively the same from May 2016 (9,733), through May 2018 (9,879), which is only a 1.4 percent increase. During this time period, however, employment increased from 9,077 (2016) to 9,270 (2018)

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

County	Civilian Labor Force	Employment	Unemployment	Unemployment Rate
Klickitat (May 2018)	9,879	9,270	609	6.2%
Klickitat May (2017)	9,859	9,269	590	6.0%

When comparing both May 2018 with May 2017, there has not been significant changes in overall economic numbers. Although higher than the state average of 4.4 percent, Klickitat County is seeing an overall downward trend in the unemployment rate over the course of the last 10 years.

- Other relevant information on the community or regional area;

Klickitat County Public Development Authority is involved in a number of projects and efforts. One large issue, and emergency for the west end of the county, included a large fruit packaging building that burned down, likely due to electrical reasons. Underwood Fruit, a subsidiary of Mt. Adams Orchards, owned this building. This fire put at risk 96 jobs in relation to their pear packing line. Our department was essential in setting up partnerships with various governmental departments. Klickitat County itself helped by providing funding for financial literacy classes. South Central Workforce Council and WorkSource helped with a workshare program, and then Underwood was able to do a short-term agreement with one of its competitors in Hood River so it could continue operations (it began only doing night shifts). In all, only five jobs were lost, and it was due to a change in work shifts by the employees. Currently, Underwood Fruit is looking at replacing the building right in the same lot as before. As an organization that has many locations within Washington, and with the original 96 jobs that were at risk in Bingen, Wash., the fact that only approximately five positions were lost, and they are building again in the same area, we consider this a success.

Business retention including Sagetech Corp. that was trying to relocate within the White Salmon/Bingen area. Unfortunately, that area is very constricted for manufacturing space. They began to do a search for suitable locations, and we were able to keep them. They are now locating to the now-vacant Dallesport Elementary School.

For business expansion purposes, we are proud to be an important partner with South Central Workforce Council, in regards to the Upskill/Backfill program. We have upskilled over 50 employees with training from Clark College (also a partner). Of those employees who have been upskilled and promoted, we have trained 84 new hires, and trained them to take these new positions, and other vacant positions. This program includes four manufacturers in White Salmon/Bingen. This includes Zepher Inc., Custom Interface Inc., Sagetech Corp., and Innovative Composite Engineering.

For start-up assistance, we have helped with our local Goldendale microbrewery called Dwinell Country Ales owned by Justin Leigh. We originally helped the company look at Goldendale as a potential place to locate. We then helped it locate funding, and it used some funds from Mid-Columbia Economic Development District in Oregon (MCEDD). The grand opening was this last October. Since then, the owner has done an excellent job of incorporating the company into our small community by serving on the city council.

New Jobs	87
Jobs Retained	145
Total Private Investment	250,000
Total Public Investment	256,400

Lastly, as part of Klickitat County, we helped with funding needs for Fire Districts 3, 6, and 10 regarding to their equipment and vehicles during fire season, as well as local cemetery

districts, hospital districts, and school districts. These projects have ranged from funding needs related to water systems, to facility expansions and renovations. For these projects, we have used county funding for emergency funding projects.

Within the community, the Klickitat County Public Economic Development Authority continues engage with local non-profits. Including Community Enrichment for Klickitat and Skamania County (CEKC), Greater Goldendale Chamber of Commerce and Mt. Adams Chamber of Commerce, all three incorporated cities and local jurisdictions, as well as our local businesses ranging from advanced aerospace manufacturing to our agricultural producers.

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

	FY 18	Total
Commerce Funds Awarded	\$35,000	\$35,000

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

Other Funding Sources:		FY 18	Total
	Private	\$0	\$0
	Local	0	0
	State	0	0
	Federal	0	0
Commerce Award		35,000	35,000
Total Budget		\$35,000	\$35,000

- The ADOs impact on employment through all funding sources.

Lewis County Economic Development Council

Summary of Best Practices Shared and Implementation

Grantee: Lewis County Economic Development Council

County: Lewis

Grant Number: S18-75106-569

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

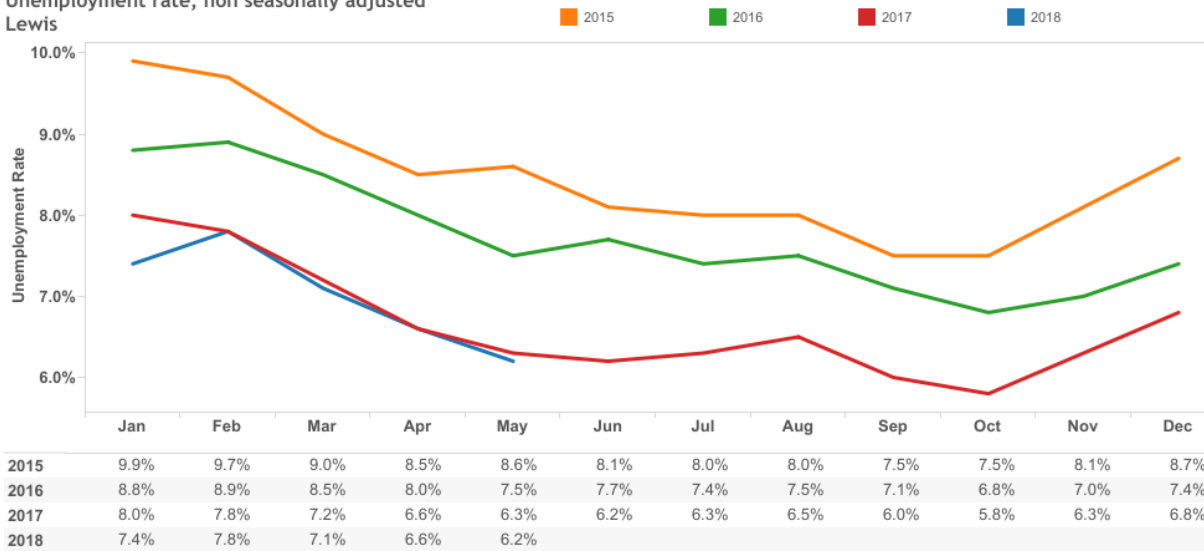
Select area:
Lewis

Nonfarm employment, not seasonally adjusted

Industry Title	2018		2017		2016
	May	April	May	April	May
Total Nonfarm	26,280	26,060	25,390	25,150	24,670
Total Private	20,850	20,640	19,970	19,750	19,270
Goods Producing	4,680	4,660	4,560	4,530	4,630
Mining, Logging, and Construction	1,710	1,670	1,600	1,590	1,610
Manufacturing	2,970	2,990	2,960	2,940	3,020
Service Providing	21,600	21,400	20,830	20,620	20,040
Trade, Transportation, and Utilities	6,090	6,000	5,830	5,780	5,410
Transportation, Warehousing, and Utilities	1,480	1,470	1,380	1,390	1,050
Wholesale Trade	700	690	610	610	570
Retail Trade	3,910	3,840	3,840	3,780	3,790
Professional and Business Services	1,330	1,310	1,360	1,350	1,280
Education and Health Services	4,150	4,140	4,010	3,920	3,860
Information and Financial Activities	880	880	870	860	860
Leisure and Hospitality	3,130	3,050	2,750	2,710	2,650
Government	5,430	5,420	5,420	5,400	5,400
Federal Government	210	190	220	200	220
State and Local Government	5,220	5,230	5,200	5,200	5,180
State and Local Government Education	2,920	2,970	2,950	2,960	2,910
Construction	1,150	1,120	1,020	1,020	1,040
Mining and Logging	560	550	580	570	570
Workers in Labor/Management Disputes	0	0	0	0	0

Select area:
Lewis

Unemployment rate, non seasonally adjusted
Lewis



Employment and unemployment, not seasonally adjusted
Lewis

	2018		2017		2016
	April	May	April	May	May
Civilian Labor Force	33,333	33,552	32,780	32,842	31,797
Employment	31,126	31,463	30,621	30,763	29,400
Unemployment	2,207	2,089	2,159	2,079	2,397
Unemployment Rate	6.6%	6.2%	6.6%	6.3%	7.5%

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

	FY 18	Total
Commerce Funds Awarded	\$54,390	\$54,390

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

Other Funding Sources:		FY 18	Total
	Private	\$88,000	\$88,000
	Local	188,000	188,000
	State	0	0
	Federal	30,000	30,000
Commerce Award		54,390	54,390
Total Budget		\$360,390	\$360,390

- The ADOs impact on employment through all funding sources.

The EDC has contributed to the addition of 83 jobs in our community over the last year. Recent expansions include SA Tech with 37 jobs, Alaskan Campers with six jobs, Pioneer Truckweld with nine jobs, and Allied Mineral Products with 20 jobs added, five retained. Some of the work we have done is still ongoing. For example, we are working closely with Stihl, which is currently in a 40,000-square-foot facility they have outgrown and are looking to expand into over 100,000-square-foot facility. We helped this company through its site selection process and provided options for a future expansion. The company will be constructing a facility at the Port of Centralia.

We played a larger part in the recruitment of three businesses. Price Containers moved to our community and brought two jobs, and TransCold Distribution moved to our community and brought four jobs. The final recruitment project is unnamed and ongoing. It is a 1 million-square-foot cold storage distribution facility in Centralia. Construction of the facility began in July and when completed is estimated to employ 300 people.

- Other relevant information on the community or regional area;

Wages and income

(Source: Employment Security Department; Bureau of Labor Statistics; Bureau of Economic Analysis; U.S. Census Bureau; U.S. Census Bureau, American Community Survey)

In 2016, there were 24,680 jobs covered by unemployment insurance in Lewis County, with a total payroll of over \$962.8 million.

Lewis County's private sector average annual wage in 2016 was \$39,000, below the state's average.

The median hourly wage in 2016 was \$19.32 below the state's median hourly wage of \$23.91 and the state, excluding King County median hourly wage of \$20.68.

Personal income

Personal income includes earned income, investment income, and government payments such as Social Security and Veterans Benefits. Investment income includes income imputed from pension funds and from owning a home. Per capita personal income equals total personal income divided by the resident population.

Personal income in 2015 lagged both the state and nation as Lewis County's per capita personal income was \$37,486. The U.S. average was \$48,112 and the state average was \$51,898. Lewis County ranked 30th in the state in per capita personal income in 2014.

The median household income in Lewis County was \$47,955 in 2015 dollars according to U.S. Census Bureau QuickFacts. The county's median was less than the state's (\$61,817) and the nation's (\$56,709).

Over the period of 2015, 14.3 percent of Lewis County's population was living below the poverty level, compared to 12.2 percent in the state and 14.7 percent in the nation. The state and national rates are not directly comparable to the county rate because each uses different data sources.

Overview

Regional context

Lewis County, in southwestern Washington, is the sixth largest county in the state. The Chehalis and Cowlitz rivers are the two major rivers in the county. Lewis, named for Meriwether Lewis, created as a county in 1845. Its original borders encompassed half of Washington state and British Columbia. The Chehalis and Meshall tribal people inhabited this area prior to white explorers and settlers, but their numbers were decimated by disease. Many of these settlers worked in the trading posts, as well as the Hudson Bay commercial farm that provided the trading posts.

Local economy

Once the railroad was established, logging and milling attracted immigrants and in-migrants. Labor organizers were outraged by the unsafe working conditions and low wages in this industry. In 1919, a gun battle erupted between members of the Industrial Workers of the World (IWW) and some World War I veterans and became known as the "Centralia Massacre."

The 1920s brought hard times to Lewis before the Great Depression took hold. World War II increased the demand for wood and farm products, lifting the Lewis County economy again. Its economy has continued boom and bust cycles over its history.

Geographic Facts

(Source: U.S. Census Bureau QuickFacts)

	Lewis County	Rank in state
Land area, 2010 (square miles)	2,402.8	6
Persons per square mile, 2010	31.4	22

Outlook

The recession was difficult on the Lewis County economy as nonfarm payrolls dropped and double-digit unemployment rates were the rule rather than the exception. Now, nearly 10 years removed from the downturn, nonfarm payrolls are expanding and the unemployment rate in the county is lower than ever before. Newfound optimism has spurred development and job creation in construction, trade and leisure and hospitality.

Labor force and unemployment

(Source: Employment Security Department)

Current labor force and unemployment statistics are available on the [Labor area summaries page](#).

Annual average unemployment in Lewis County has been declining since the 13.3 percent rate posted in 2009. The 2016 average rate came in at 8.1 percent. The first nine months of 2017 show a 6.7 percent average. As we close out the year, unemployment will show a seasonally increase as winter's hold grips the economy. However, that increase in unemployment will be far less steep than years previous.

After several years of a declining labor force, that trend seems to be ending as the labor force in the county has grown over the last couple of years. The gain in labor force may be an indicator of renewed faith in the local economy and a more positive job market.

Industry employment

(Source: Employment Security Department)

Current industry employment statistics are available on the [Labor area summaries page](#).

In Lewis County, job numbers are improving but the magnitude of this improvement has been weak. Specifically, there were on average 25,610 nonfarm jobs in the county in the first eleven months of 2017, compared to 23,620 in 2010.

The goods-producing sector employed 4,720 thru November 2017. Manufacturing and construction are both up slightly from their 2016 totals.

The service-providing sector gained over 1,000 jobs from 2016 to 2017. Government employment was up by 130 jobs.

Trade, transportation, warehousing and utilities combined gained over 400 jobs, with retail trade gaining nearly 100. Private education and health services gained 100 jobs. The leisure and hospitality segment gained 140.

Professional and business services added 300 new positions.

The first eleven months of 2017 showed the trade and government sectors as the two largest employers in the county, with educational and health services a close third.

For historical industry employment data, [contact an economist](#).

Industry Employment by Age and Gender

(Source: The Local Employment Dynamics)

The Local Employment Dynamics (LED) database, a joint project of state employment departments and the U.S. Census Bureau, matches state employment data with federal

administrative data. Among the products is industry employment by age and gender. All workers covered by state unemployment insurance data are included; federal workers and non-covered workers, such as the self-employed, are not. Data presented by place of work, not place of residence. Some highlights:

In 2016, the largest jobholder age group in Lewis County was the 55 and older age category, making up 25.9 percent of employment across all industries. The next largest share was among persons aged 45 to 54 with 20.9 percent of employment.

In 2016, the county's workers mirrored state patterns with workers ages 14 to 24 dominating the accommodation and food services jobs in the county with over 31.4 percent of the positions. This age group represented in arts, entertainment, recreation, and retail trade.

Workers in the 55 year and older age category were prevalent in mining, educational services, transportation and warehousing, real estate and rental and leasing, public administration and utilities.

Females made up 49.8 percent of the labor force in Lewis County with males making up the difference at 50.2 percent in 2016. Men represented in higher paying industries.

Male-dominated industries included mining, construction, manufacturing and utilities.

Female-dominated industries included finance and insurance, health care and social assistance and educational service.

Wages and income

(Source: Employment Security Department; Bureau of Labor Statistics; Bureau of Economic Analysis; U.S. Census Bureau; U.S. Census Bureau, American Community Survey)

In 2016, there were 24,680 jobs covered by unemployment insurance in Lewis County, with a total payroll of over \$962.8 million.

Lewis County's private sector average annual wage in 2016 was \$39,000, below the state's average.

The median hourly wage in 2016 was \$19.32 below the state's median hourly wage of \$23.91 and the state, excluding King County median hourly wage of \$20.68.

Personal income

Personal income includes earned income, investment income, and government payments such as Social Security and Veterans Benefits. Investment income includes income imputed from pension funds and from owning a home. Per capita personal income equals total personal income divided by the resident population.

Personal income in 2015 lagged both the state and nation as Lewis County's per capita personal income was \$37,486. The U.S. average was \$48,112 and the state average was \$51,898. Lewis County ranked 30th in the state in per capita personal income in 2014.

The median household income in Lewis County was \$47,955 in 2015 dollars according to U.S. Census Bureau QuickFacts. The county's median was less than the state's (\$61,817) and the nation's (\$56,709).

Over the period of 2015, 14.3 percent of the Lewis County's population was living below the poverty level, compared to 12.2 percent in the state and 14.7 percent in the nation. The state and national rates are not directly comparable to the county rate because they each use different data sources.

Population

(Source: U.S. Census Bureau)

The Lewis County population has grown 2.1 percent since 2010. The largest city is Centralia, with a 2016 population of 16,982.

Population Facts

(Source: U.S. Census Bureau QuickFacts)

	Lewis County	Washington state
Population 2016	77,066	7,288,000
Population 2010	75,457	6,724,545
Percent change, 2010 to 2016	2.1%	8.4%

Age, gender and ethnicity

(Source: U.S. Census Bureau QuickFacts)

When compared with the state, the Lewis County population is somewhat older, although it has a similar gender ratio. Far more residents identify themselves as white when compared to the state, and most other groups represent a lower proportion of the county population compared to the state as well.

Demographics

(Source: U.S. Census Bureau QuickFacts)

	Lewis County	Washington state
Population by age, 2016		
Under 5 years old	5.7%	6.2%
Under 18 years old	21.6%	22.4%
65 years and older	20.8%	14.8%
Females, 2016	49.9%	50.0%
Race/ethnicity, 2016		
White	92.6%	80.0%
Black	0.8%	4.1%
American Indian, Alaskan Native	1.9%	1.9%
Asian, Native Hawaiian, other Pacific Islander	1.4%	9.4%
Hispanic or Latino, any race	10.1%	12.4%

Educational attainment

(Source: U.S. Census Bureau QuickFacts)

Most Lewis County residents age 25 and older (87.1 percent) were high school graduates, which compares with 90.6 percent of Washington's residents and 87.0 percent of U.S. residents in the period 2012-2016.

Those with a bachelor's degree or higher made up 15.5 percent of Lewis County residents age 25 and older, compared to 33.6 percent of state residents and 30.3 percent of U.S. residents during the same period.

Lincoln County Economic Development Council

Summary of Best Practices Shared and Implementation

Grantee: Lincoln County Economic Development Council

County: Lincoln

Grant Number: S18-75106-570

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

May 2018 is the most current Lincoln County employment data available from ESD:

5,054	Total Workforce
4,815	Total Employed
239	Total Unemployed
4.7%	Unemployment Rate May 2018

The May unemployment rate of 4.7 percent is -0.4 percent lower than the previous month unemployment rate of 5.1 percent and is in line with the state's 4.7 percent seasonally adjusted rate for May.

The portion of the workforce that lives in Lincoln County and works in another county is significant – approximately 60 percent according to our regional ESD economist – and the majority of those commuters work in neighboring Spokane County. A comparison of ESD wage and income data for Lincoln and Spokane counties reveals one reason why:

Average Annual Wage (2016)

Lincoln County	\$35,076
Spokane County	\$44,785

Median Family Income (2012-2016)

Lincoln County	\$50,352
Spokane County	\$63,941 (\$68,373 for 2016)

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

Lincoln County's unemployment rate has steadily dropped since 2009 when the county saw its highest unemployment rate since 1990 – 8.5 percent. The net change from the previous year to current summarized below:

May 2016	4,885-workforce	5.7 percent unemployment rate
May 2017	5,036-workforce	4.3 percent unemployment rate
May 2018	5,054-workforce	4.7 percent unemployment rate

The 2016 Average Annual Wage of \$35,076 and 2016 Median Family Income of \$50,352 remain the most recent figures available.

- Other relevant information on the community or regional area;

Lincoln County is a large county (2,310 square miles) with a small population (10,700, OFM most recent). Half of the population lives in the unincorporated areas, and half lives in eight cities and towns whose populations range from 225 to 1,700. Much of the county's land used for agriculture, primarily for crops and livestock grazing, and the county is regularly one of the top five wheat-producing counties in the U.S. There is opportunity to expand production of wheat and to produce value-added agriculture products.

The Lake Roosevelt National Recreation Area (NPS) forms the northern border of the county providing outstanding boating and fishing opportunities, as well as providing the only houseboat vacations north of Lake Shasta. While agriculture dominates the economy, the lake brings in significant tourism dollars. Lincoln County includes a section of the Columbia Valley AVA, Washington's largest viticulture region, where Whitestone Winery and Event Center attracts wine tourism.

Lincoln County was designated one Opportunity Zone and it is adjacent to Spokane County and is home to businesses that provide Spokane County and North Idaho with composting of municipal green and solid waste and mining of basalt for use in construction. Other growth industries that Lincoln County is poised to take advantage of include health care, transportation and warehousing, education and manufacturing. A recently completed feasibility study shows there is potential to provide industrial infrastructure lease opportunities at the county fairgrounds, and the county is currently seeing construction of new homes.

At the same time that Lincoln County's economy is strengthening, the local water supply is weakening. Addressing our long-term water supply is a priority, and we will be working

closely with the Small Cities Initiative (Dept. of Commerce and the Office of Drinking Water (Dept. of Health) as they administer their four-county water coalition. Other threats include the county’s aging population and insufficient support for local businesses.

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

	FY 18	Total
Commerce Funds Awarded	\$35,000	\$35,000

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

Other Funding Sources:		FY 18	Total
	Private	\$6,900	\$6,900
	Local	69,711	69,711
	State	0	0
	Federal	0	0
Commerce Award		35,000	35,000
Total Budget		\$111,611	\$111,611

- The ADOs impact on employment through all funding sources.

The average unemployment rate provided by ESD for the year 2017 was 4.8 percent. This is 0.9 percent lower than ESD’s average unemployment rate for the year 2016 of 5.7 percent. The county’s workforce increased slightly (0.99 percent) over the same period.

The EDC strives to 1) retain, expand and recruit business; 2) build our workforce; 3) secure the infrastructure necessary for resource delivery and economic growth; and 4) unite stakeholders for increased economic development. We believe this focus combines to positively impact employment.

Economic Development Council of Mason County

Summary of Best Practices Shared and Implementation

Grantee: Economic Development Council of Mason County

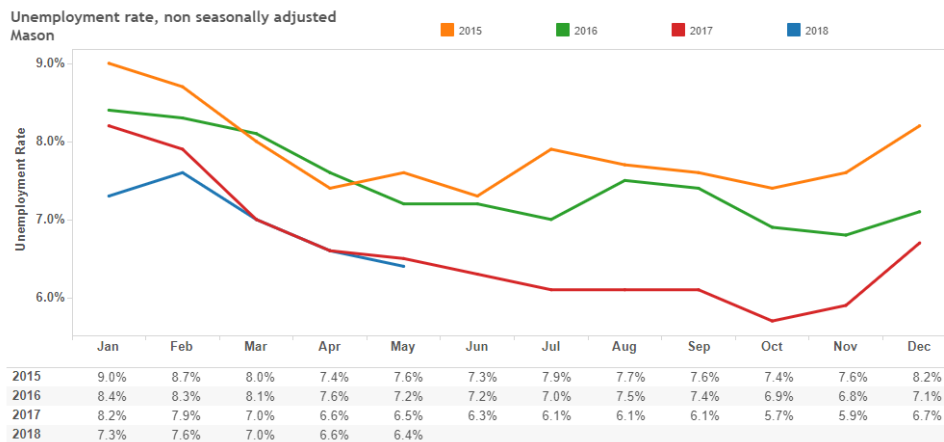
County: Mason

Grant Number: S18-75106-571

Time Period Covered: July 1, 2017 – June 30, 2018

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

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



Employment and unemployment, not seasonally adjusted
Mason

	2018		2017		2016
	April	May	April	May	May
Civilian Labor Force	23,501	23,697	23,389	23,442	23,191
Employment	21,951	22,191	21,850	21,913	21,515
Unemployment	1,550	1,506	1,539	1,529	1,676
Unemployment Rate	6.6%	6.4%	6.6%	6.5%	7.2%

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

See chart in previous question

- Other relevant information on the community or regional area;

The EDC of Mason County had three full-time employees. The director resigned, and an internal candidate has filled the position, leaving an open position. The EDC has been able to achieve many goals during this transition time by using board members to address things such as business recruitment, retention and expansion, entrepreneurship development and addressing the regulatory environment in Mason County.

Workforce:

The EDC works closely with Olympic College. The director of the Shelton Campus serves on the EDC Board, and the executive director of the EDC serves on two workforce committees of Olympic College.

The executive director of the EDC continues to serve on the Pacific Mountain Workforce Development Board (Pac Mountain).

Infrastructure:

The EDC helped the Port of Shelton identify and procure financial resources to build its infrastructure on port properties. It received two grants and two loans from CERB.

The EDC has continued to work on an expansion to bring more land that is industrial into the UGA.

Due to unplanned growth in Mason County, the PUD3 substations were hitting capacity. The effect of that was businesses wanting to locate or expand here were in jeopardy of paying more than \$5 million to pay for a new substation. The EDC worked with the PUD 3 to help find a strategy for building substations that would not be a huge financial ask and would help distribute the expense.

Partnerships:

The EDC facilitates a monthly lunch of administrators. These meetings are by invitation only and do not include elected officials. The administrators of the city, county, public works, utility districts, ports, tribes and others are invited to an informal lunch gathering. Partnerships formed and in a casual setting, we have been able to save time and money by exploring ways to work together. For example, the city was working on extending a water line out to the Washington State Patrol, and the Port had a water tower they were not using that was closer to the site. They were able to come to an agreement and saved a considerable amount of money and time.

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

	FY 18	Total
Commerce Funds Awarded	\$47,058	\$47,058

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

Other Funding Sources:		FY 18	Total
	Private	\$67,000	\$ 67,000
	Local	167,115	167,115
	State	0	0
	Federal	0	0
Commerce Award		47,058	47,058
Total Budget		\$281,173	\$281,173

- The ADOs impact on employment through all funding sources.

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

The Economic Alliance – Okanogan County

Summary of Best Practices Shared and Implementation

Grantee: The Economic Alliance

County: Okanogan

Grant Number: S18-75106-558

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

Wages and income

(Source: Employment Security Department; Bureau of Labor Statistics; Bureau of Economic Analysis; U.S. Census Bureau; U.S. Census Bureau, American Community Survey)

In 2016, approximately \$571.3 million in wages, covered by unemployment insurance, was paid countywide. The county's average annual covered wage in 2016 was \$30,839, approximately 52.2 percent of Washington's annual average wage of \$59,090.

The top five Okanogan County industries in 2016 in terms of payrolls were:

Sector	Payroll	Share of payrolls
1. Local government	\$177,453,561	31.1%
2. Agriculture, forestry and fishing	\$124,811,022	21.8%
3. Health Services	\$53,052,200	9.3%
4. Retail trade	\$45,844,338	8.0%
5. Federal government	\$27,371,083	4.8%
All other industries	\$142,730,457	25.0%
Total covered payrolls	\$571,262,661	100%

Local government (which includes tribal wages) provided \$177.5 million, or 31.1 percent of total covered wages in Okanogan County in 2016. Agricultural employers paid out another \$124.8 million, or 21.8 percent of total wage income. Hence, local government and

agriculture accounted for 52.9 percent of total covered wages. When one considers that all business and government organizations are categorized into 22 two-digit NAICS sectors (19 private enterprise sectors and three government sectors (either at the federal, the state, or the local level) but only two NAICS sectors (local government and agriculture) provide over half of all earned wage income countywide, it stresses the monetary importance of these two sectors to the local economy.

Between 2004 and 2016, the industry/sector registering the greatest payroll increase (on a dollar basis) was agriculture. In calendar year 2004 agricultural employers paid \$62.7 million in wages, but by 2016 this sector was pumping \$124.8 million in wages into the Okanogan County economy, a 99 percent and \$62.1 million upturn. Local government (which includes tribal employment) also saw payrolls rise from \$136.7 million to \$177.5 million, a 29.8 percent and \$40.8 million advance during this same 12-year period.

Okanogan County's median hourly wage (unadjusted for inflation) was \$15.27 per hour in 2016, lower than Washington's \$23.91 median hourly wage.

Personal income

Personal income includes earned income, investment income, and government payments such as Social Security and Veterans Benefits. Investment income includes income imputed from pension funds and from owning a home. Per capita personal income equals total personal income divided by the resident population.

Per capita personal income in Okanogan County was \$37,934 in 2015. This figure is considerably below the state figure of \$51,898 and the nation's per capita income of \$48,112. Okanogan County ranked 29th out of 39 counties statewide in 2015 in terms of per capita income. A steady trend in Okanogan County over the last 40 years is that a growing percentage of residents' personal income is coming from transfer payments whereas the percent of personal income coming from earnings is decreasing. For example:

In 1975, 70 percent of earnings in Okanogan County came from earnings, 15 percent from investments and 15 percent from transfer payments.

In 1985, 56 percent of earnings in Okanogan County came from earnings, 24 percent from investments and 21 percent from transfer payments.

In 1995, 58 percent of earnings in Okanogan County came from earnings, 19 percent from investments and 23 percent from transfer payments.

In 2005, 57 percent of earnings in Okanogan County came from earnings, 17 percent from investments and 26 percent from transfer payments.

In 2015, 51 percent of earnings in Okanogan County came from earnings, 20 percent from investments and 29 percent from transfer payments.

According to U.S. Census Bureau QuickFacts, the median household income in Okanogan County from 2011-2015 was \$40,730, approximately two-thirds (or 66.7 percent) of the state's at \$61,062.

In the period 2011 to 2015, approximately 19.7 percent of the county's population was living below poverty level, much higher than 11.3 percent in Washington and 12.7 percent for the nation, according to U.S. Census Bureau QuickFacts. The state and national rates are not directly comparable to the county rate because they each use different data sources.

Industry Employment

Unemployment rate, employment and unemployment	Nonfarm industry employment	Labor force participation rate - Annual. 1976-2017	Labor force participation rate, annual, by county - 2009-2016	Labor force participation rate by county - Map 2009-2016
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Select area:
Okanogan

Nonfarm employment, not seasonally adjusted

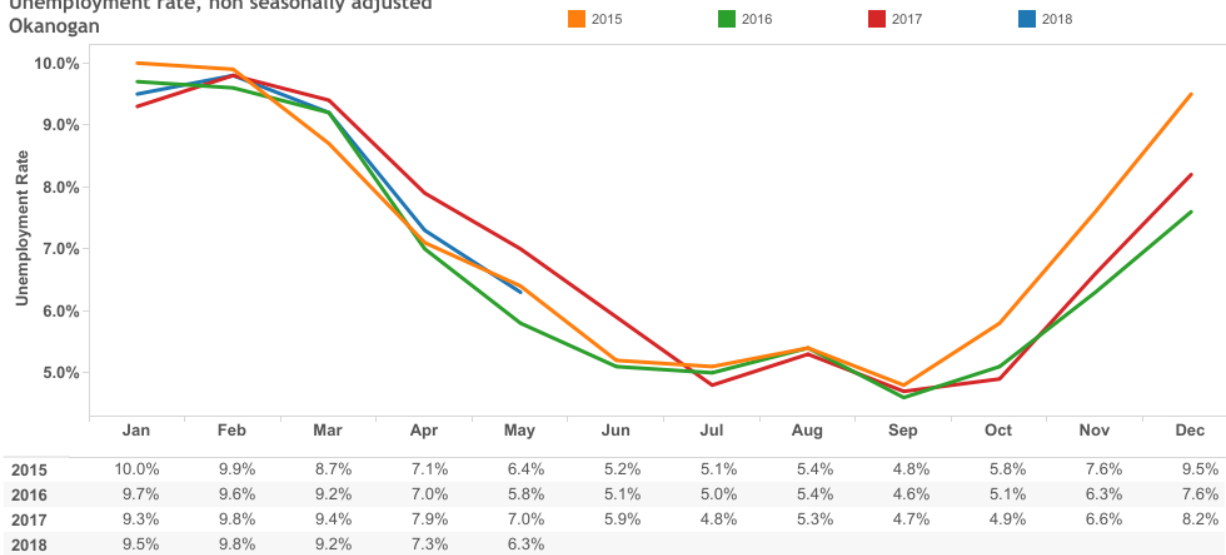
Industry Title	2018		2017		2016
	May	April	May	April	May
Total Nonfarm	12,830	12,440	12,690	12,280	13,030
Total Private	7,630	7,300	7,490	7,180	7,870
Goods Producing	1,010	970	1,050	1,000	1,310
Mining, Logging, and Construction	640	600	680	640	750
Manufacturing	370	370	370	360	560
Service Providing	11,820	11,470	11,640	11,280	11,720
Trade, Transportation, and Utilities	2,360	2,310	2,300	2,260	2,360
Wholesale Trade	170	160	190	190	220
Retail Trade	1,920	1,860	1,850	1,800	1,840
Professional and Business Services	440	420	410	390	430
Education and Health Services	1,650	1,650	1,560	1,560	1,620
Information and Financial Activities	440	430	450	420	470
Leisure and Hospitality	1,420	1,230	1,420	1,280	1,410
Government	5,200	5,140	5,200	5,100	5,160
Federal Government	410	370	420	400	410
State and Local Government	4,790	4,770	4,780	4,700	4,750
State and Local Government Education	1,810	1,820	1,790	1,790	1,760
Workers in Labor/Management Disputes	0	0	0	0	0

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

Unemployment rate, employment and unemployment	Nonfarm industry employment	Labor force participation rate - Annual. 1976-2017	Labor force participation rate, annual, by county - 2009-2016	Labor force participation rate by county - Map 2009-2016
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Select area:
Okanogan

Unemployment rate, non seasonally adjusted
Okanogan



Employment and unemployment, not seasonally adjusted
Okanogan

	2018		2017		2016
	April	May	April	May	May
Civilian Labor Force	19,271	19,665	19,920	20,258	21,264
Employment	17,865	18,433	18,354	18,847	20,023
Unemployment	1,406	1,232	1,566	1,411	1,241
Unemployment Rate	7.3%	6.3%	7.9%	7.0%	5.8%

- Other relevant information on the community or regional area;

The Economic Alliance continues to work with small businesses and our local partners to identify community and economic development needs. We are working with local chambers and cities to identify key trainings and opportunities in each of the communities. We recently surveyed local businesses on their top training needs and the results were:

- Retail in the digital age: How to diversify to stay competitive
- Social media and marketing
- Succession planning

We were asked to gather information on the economic impact that the cannabis industry has on Okanogan County. We reached out to survey the business owners and growers in the industry, and we ran into some challenges in gathering the data to tell the story. What we learned was that many of the businesses have prioritized purchasing supplies from local businesses, hiring local people to work at the facilities and local contractors to build their facilities. We will continue to work with this industry to gather information on its impact to our county.

We continue to work with the county and municipalities in identifying key public infrastructure projects that are needed for the communities to maximize their growth and development both at a community and economic development level. In 2018 the Economic Alliance conducted our County Wide Prioritization Process for projects. Our top projects were then sent on to the NCW Economic Development District for ranking at the regional level.

We have identified two projects for potential CERB Funding and two projects for potential EDA funding and will work with the communities and private businesses through this process.

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

The Economic Alliance worked with WorkSource Okanogan and other partners to plan the 2018 Job Fair. This job fair was held March 20 at the Omak Elks and is a great opportunity for potential employees to meet with employers. This year we had 188 job seekers and 43 employers. Several of the individual job seekers left with a scheduled interview. We also participated at the Omak High School Career Fair and spoke to students about being a small business owner and entrepreneurship.

This year Okanogan County had another Natural Disaster Declaration by Governor Inslee due to the flooding caused by the spring runoff. The Okanogan County River reached almost record-setting heights and impacted the communities of Oroville, Tonasket, Riverside, Omak and Okanogan. The Economic Alliance helped Okanogan County Emergency Management gather data on the economic impact that the flooding had on our local businesses, many of whom had severe damages to their buildings, orchards, pastures, and inventory. A major impact to our local economy was that our short line rail was out of commission for two weeks due to the flooding around the tracks. This impacted six businesses that depend on them to transfer their products out of the area. The EA assisted the rail in locating another transload site, and the businesses were able to continue their operations. After historical wildfires in the last few years, our businesses have shown their

resiliency and have remained dedicated to the communities that they serve. Unfortunately, when everything submitted to the state we were not eligible for SBA Disaster Services, but we will work with the businesses impacted by the flood to find alternative funding opportunities to help them through this.

The Economic Alliance has continued to work to promote Okanogan County as a great place to live, work, or locate a business. The Economic Alliance has responded to inquiries about relocation of businesses to Okanogan County, as well as inquiries from existing county businesses regarding information about the area. We were able to provide information about the area, including demographic, labor force, possible facilities, major employers, utilities, and transportation. A simple fact sheet was developed and is very condensed and easy to read and access. This will continue to be updated annually.

We continue to provide a “home base” for the Okanogan County Tourism Council. Their toll-free phone number is answered by the Economic Alliance and the EA administrative assistant continues to serve on its Board. The group discussed research and beginning an in-depth effort to learn more about primary, secondary, and emerging tourism markets. Specifically, they are interested in learning more about where high-dollar, high-opportunity visitors to North Central Washington might live, and what types of experiences they are looking for.

The Economic Alliance also contracts with the SBA to provide business counseling through the Small Business Development Center. Lew Blakeney, our business development specialist, works directly one-on-one with businesses or prospective businesses to provide confidential, no-charge businesses counseling services. In 2018, the Okanogan County SBDC program helped several local small businesses.

The Economic Alliance has been coordinating with Worksource Okanogan and local communities to attend meetings throughout the county as economic and workforce development go hand in hand. The Economic Alliance is excited about being present in the local communities. At the local Chamber meetings, we stressed the role that commerce has for their organizations. Many chambers have shifted their focus more around “event planning,” rather than actual commerce and business services. We shared that we are here to provide business recruitment, expansion, start up and retention services and ask that they refer potential businesses that could benefit from our services our way.

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

	FY 18	Total
Commerce Funds Awarded	\$42,168	\$42,168

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

Other Funding Sources:		FY 18	Total
Colville Fuels/Ok Co. PUD/Ok Co. Tourism	Private	\$ 39,000	\$ 39,000
Okanogan County	Local	100,000	100,000
	State	0	0
Small Bus. Dev. Ct.	Federal	30,000	30,000
Commerce Award		42,168	42,168
Total Budget		\$211,168	\$211,168

Pacific County Economic Development Council

Summary of Best Practices Shared and Implementation

Grantee: Pacific County Economic Development Council

County: Pacific

Grant Number: S18-75106-572

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

Pacific County has a current civilian labor force of 8,245, of which 7,688 are employed and 557 are unemployed with a current (May 2018) unemployment rate of 6.8percent. The seasonal nature of the economy influences both natural resource and tourism employment.

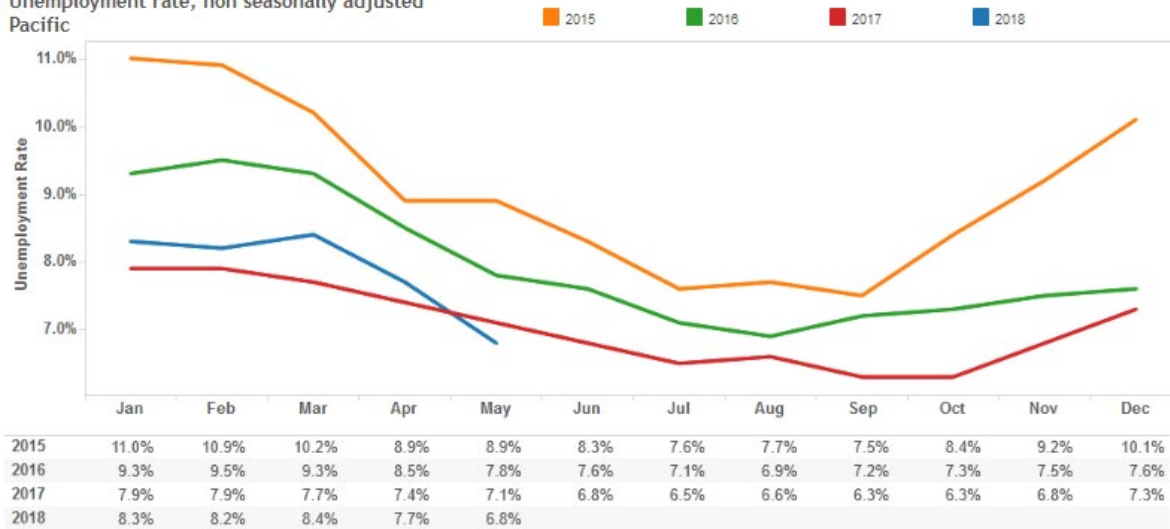
2018, May	Civilian labor force	Employment	Unemployment	Unemployment rate
Pacific	8,245	7,688	557	6.8%

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

Since 2015, the seasonal rate of unemployed in May has dropped 2.1 percentage points with the wintertime rate dropping nearly 2.8 percent (December 2015 to December 2018). The current March 2018 to May 2018 decline is equal to the declines in '15, '16, and '17 with the current unemployed rate at its lowest in May in 4 years. With the anticipation of dry weather and warmer weather inland, summer vacationing will be good and the unemployment rate this summer is likely to be the lowest in four years.

Median household income was \$38,387 in 2016, and this expected to rise slightly in 2018 due to a slight effect from the tightening labor market, countered by the rapid rise of housing values. This is stressing the workforce's ability to either rent or buy homes.

Unemployment rate, non seasonally adjusted
Pacific



Employment and unemployment, not seasonally adjusted
Pacific

	2018		2017		2016
	April	May	April	May	May
Civilian Labor Force	8,187	8,245	8,253	8,306	8,177
Employment	7,560	7,688	7,645	7,716	7,537
Unemployment	627	557	608	590	640
Unemployment Rate	7.7%	6.8%	7.4%	7.1%	7.8%

- Other relevant information on the community or regional area;

PCEDC began an Overall Economic Development Plan in January 2018. Initial public outreach and research forecasts the following:

- An aging population with extremely slow growth in total population, reflected by a combination of low birth rate, high death rate and modest in-migration rate. In-migration tends to be driven by a retirement age demographic. That is compounded by another trend of high-school graduates seeking work outside Pacific County and not returning to Pacific County.
- An older housing stock not quickly replaced in what is called affordable housing/workforce housing and traditional multifamily housing. There is initial evidence that the housing that being constructed is primarily driven by the vacation home construction with a net decline in affordable housing. This trend will likely be more evident at the close of 2018.

- The ramifications to affordable housing stock is already showing up as reduced availability of rentals and affordable housing. This is likely to have impact on local employment and in particular, seasonal workers. Rental rates are expected to climb, as is the median price of house sales. The summer of 2018 might well be an unfortunate year in which the low availability of housing stock (rentals or purchases) manifests in longer employee commutes or employers struggling to fill positions.
- The amount of funds received by the ADO through its contract with the department;

	FY 18	Total
Commerce Funds Awarded	\$35,000	\$35,000

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

Other Funding Sources:		FY 18	Total
Dues	Private	\$15,000	\$15,000
Lodging Tax .09 Funding Impact Wa Public Dues STP Local Wonders of Willapa Tour Rent	Local	93,800	93,800
CERB	State	49,200	49,200
	Federal	0	0
Commerce Award		35,000	35,000
Total Budget		\$193,000	\$193,000

- The ADOs impact in 2018 on employment through all funding sources.

The Pacific County Economic Development Council is leveraging the ADO state funding at over 4:1 to provide economic development planning and services in Pacific County that addresses:

- Overall economic development planning
- Targeted marketing for all industries

- Job retention in port industries, including canneries and port industrial development
- Transportation planning and in particular, Bike-Ped planning to serve residents and visitors
- Recreational development planning countywide and in particular to serve the hospitality industry off peak season
- Business support for closed and new businesses
- Attraction of outside capital investment.

Pend Oreille County Economic Development Council

Summary of Best Practices Shared and Implementation

Grantee: Pend Oreille County Economic Development Council

County: Pend Oreille

Grant Number: S18-75106-573

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

Pend Oreille County Unemployment Rate:
May 2018 – 6.6%

Source: Washington State Employment Security Department

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

Pend Oreille County Unemployment Rate:
May 2017 – 6.9%
Net decrease of .3% from previous year

Source: Washington State Employment Security Department

- Other relevant information on the community or regional area;

Pend Oreille County is unique in terms of population density, transportation, industries and infrastructure. It is very rural with only 9.3 persons per square mile compared to 101.2 in the state. There is limited transportation and dependence on resource extraction, specifically, lead and zinc mining, followed by timber harvest. Only 36 percent of land in the county is privately owned, and the federal government owns about 58 percent.

Two major employment sectors in Pend Oreille County are manufacturing and government. Government employment accounts for more than 50 percent of all jobs and continues to face budget reductions in 2017/2018. Manufacturing employment remains weak due to improved technology and efficiencies allowing manufacturers to increase production without an increase in employment.

Pend Oreille County continues to be listed as a Historically Underutilized Business (HUB) zone in which we work with Procurement of Technical Assistance Center (PTAC) to certify local businesses. Furthermore, with new Washington state labor laws, the EDC struggles with businesses choosing to locate across the state line in Idaho. This has been a challenge for a border community such as Pend Oreille County. As a result, the EDC has focused recruitment and talent attraction efforts on assets such as high-speed fiber internet, low-cost power and quality of life.

Strides were made recently with the robust fiber optic internet system that is in place to recruit small business and encourage telecommuters to move to and invest in Pend Oreille County. Multiyear-targeted marketing campaign was deployed to attract this type of investment.

While small businesses are critical to Pend Oreille County, there was a growing concern that the local paper mill (PNC) may not be able to withstand the decreased industry demand for newsprint paper. As a result, the EDC deployed a team to look at possible industries that could either co-locate with PNC or be an additional company. The town of Usk, where PNC is located, is ideal for development due to the available infrastructure as well as the inexpensive power provided by the PUD. While these efforts were underway, it became public that a silicon smelter named HiTest Sands was interested in this location and was awarded \$300,000 in Strategic Reserve Funds, as well as being named a project of statewide significance. At that time, it became apparent that the town of Usk would greatly benefit from an adopted sub area plan that would outline zoning, wetlands and areas suitable for development. In its application for grant funds, the county is working toward finalizing a sub area plan that would work for that community.

The EDC continues to work with our partners and HiTest Sands. The company ultimately decided that a site in Newport was better suited for their needs, and the EDC executed a contract and processed the \$300,000 in SRF from the Governor's Office. This project could drastically improve the economic landscape for Pend Oreille County with the promise of 200+ jobs and an initial investment of \$200 million. However, this project has drawn a lot of attention and criticism from a cross section of the community who believe there will be negative effects on both health and the environment. The Department of Ecology is currently the lead while the company prepares for the EIS process and will engage the local community further. The EDC was named the repository for information and will continue to post that information as it becomes available while trying to answer and provide information the community requests.

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

	FY 18	Total
Commerce Funds Awarded	\$35,000	\$35,000

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

Other Funding Sources:		FY 18	Total
	Private	\$0	\$0
	Local	125,000	125,000
	State	0	0
	Federal	0	0
Commerce Award		35,000	35,000
Total Budget		\$160,000	\$160,000

- The ADOs impact on employment through all funding sources.

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

The EDC has helped business entrepreneurs in the start of their businesses, existing businesses with expansion needs, provided on-site business counseling and access to capital through the rural development loan fund. While business retention and start-ups are vital to our area, talent attraction has also become a strategy to help with all of the efforts currently underway.

EDC Projects

Strategic Planning

The EDC is the lead on long-term strategic planning in the community. An economic impact study completed to determine the effects of two of the county's larger employers that are both natural resource industries and vulnerable to closure. This study helped determine a baseline along with a research firm conducting a study to determine what the people of Pend Oreille would like to see replace or complement those industries. This study is in

partnership with the Kalispel Tribe. Once the data is collected, the EDC is planning to host strategic planning workshops to determine who is a good fit for the community long term.

Business Counseling

Business retention and expansion continue to be an integral part of the EDC's work plan. The EDC provides business counseling to local businesses and entrepreneurs in the area who would like to start or expand a business. Services such as help with writing a business plan, accessing capital or acquiring a business license are often provided. Dedicated EDC work groups focused on site infrastructure within the county to recruit businesses and retain current jobs.

In partnership with PTAC, the EDC has helped in getting government contracts through becoming certified HUB zone, women-owned, minority-owned and/or veteran-owned businesses.

Promoting the Area/Marketing

A website is in place with strategic marketing and place-making efforts underway. Talent attraction to the area was recognized as a need for both businesses and the community. With high-speed 100 megabit redundant fiber in place, Pend Oreille County has excelled in wiring the entire southern portion of the county with this important infrastructure to allow faster internet speeds (up to 10 gig) than most places in the country. This asset, coupled with outdoor recreation and quality of life, lifts Pend Oreille County above the rest with interest to bring in new business. The EDC has already seen some success with startup home businesses, as well as entrepreneurs, moving to the area. An extensive marketing campaign is in place to recruit business and talent alike.

Workforce Development

The EDC in partnership with the Kalispel Tribe, local school districts and local industry have expanded the role that the Kalispel Career Training Center (KCTC) plays in the growth of workforce development. The program has had a lot of growth, including a satellite school in Newport, which continues to explore different sectors and applications. This program is evolving to meet the needs of both students and industry standards.

The Spokane Community College has teamed up with the EDC to plan and host a hiring/career fair in the fall. Partners are from the Kalispel Tribe, hospital, and Newport School District.

Grants

The EDC has identified the need for a hotel in the area and has helped write applications to CERB on behalf of the Kalispel Tribe, as well as the City of Newport. The Kalispel Tribe has put to use the recommendations from the grant awarded and has begun to build a fresh market, tiny homes, RV space, and fuel station. In addition, the Kalispel Tribe is also building a small casino that will employ additional people. Between the construction jobs and

anticipated employment, this will help promote tourism in the area and diversify the local economy. The City of Newport has not heard back on the grant but is hopeful.

Other

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

The EDC has collaborated with organizations such as TEDD and local business groups to work towards building community capacity and asset building to address needs such as housing and medical care. The EDC participated in health care roundtables, workforce development forums, tourism forums, SWOT analysis, and regional planning meetings.

We are working with the Newport Health and Hospital District, one of our anchor institutions, on the upcoming changes to health care in the county. As a result, the Pend Oreille Healthcare Coalition formed to address these needs.

NEWSTART (Northeast Washington Sustainable Tourism and Recreation Team) continues to meet to discuss regional tourism strategies. Through this team in partnership with the Tri County Economic Development District (TEDD), an interactive website with downloadable maps of various trail activities available in the Colville National Forest launched. The maps are available in electronic and printable formats and are searchable by activity type. This website supports our marketing tagline "*High Tech, High Rec,*" by creating easy access to such trails for hiking, mountain biking, horseback riding, motorcycle/ATV rides, cross-country skiing and more. In addition, the Northeast Washington Insider mobile app launched this spring to encourage tourists to visit the tri-county area businesses and boost tourism dollars.

The EDC continues to conduct outreach to small businesses and attends community meetings and local events such as the local chambers of commerce, port board, county and city meetings.

Economic Development Board for Tacoma-Pierce County

Summary of Best Practices Shared and Implementation

Grantee: Economic Development Board for Tacoma-Pierce County

County: Pierce

Grant Number: S18-75106-578

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

Pierce County Unemployment Rate:

April 2017: 5.3 percent

May 2018: 5.2 percent

Source: Washington State Employment Security Department (most recent data available is May 2018)

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

Pierce County Unemployment Rate:

April 2017: 5.3 percent

May 2018: 5.2 percent

Net Change: May 2018 – April 2017 = 0.1 percent decrease in unemployment.

Source: Washington State Employment Security Department (most recent data available is May 2018)

- Other relevant information on the community or regional area;

Why we do what we do

The EDB is in the business of creating jobs and wealth. The more high-wage jobs and wealth-creating companies in Tacoma-Pierce County, the better the quality of life and the greater the job and career opportunities for our citizens.

Retaining and recruiting primary businesses is how we compete every day.

Primary businesses export a product or service out of Tacoma and import new dollars into the local economy, thereby “growing the wealth pie.” That wealth energizes the local community through employee wages, and purchases from suppliers employ additional people.

Primary businesses typically pay higher wages than other businesses because of higher value goods and services produced. In short, primary businesses are the fundamental building blocks of high-wage job creation.

BUSINESS RECRUITMENT

TRENDS IN 2017 – 2018

Global Interest: The EDB continues to work with international inquiries. Companies based in Canada, China, Japan, and Western and Eastern Europe are considering expanding here.

Logistics: A driving factor in choosing the right location often comes with looking at the logistics associated with a company’s overall operation. Whether it is access to a deep-water port, proximity to an international airport, or linkage to a rail line, connectivity is a key factor to a final location.

Workforce Certainty: Companies focused on the availability of a skilled workforce within a strategic geographical location. Companies want assurance they can attract and hire workers within a reasonable commute time to maximize productivity and employee retention.

At the end of June 2018, the EDB had 25 active recruitment cases in the pipeline, representing over 2,000 potential new jobs in advanced manufacturing, high-tech storage and distribution, clean tech manufacturing, aerospace, precision components, and distribution. The EDB continues to work directly with companies, consultants, and partners to provide the insight and information businesses want to make their expansion or location

decisions. Companies sometimes evaluate expansion options for many months – or even years – before committing to a project.

Twenty-two other recruitment cases closed during the year. These projects did not get traction for a variety of reasons: they located elsewhere or delayed or cancelled their plans. Location decisions are based on a variety of factors: transportation, workforce, taxes, business climate, and incentives.

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

The EDB teams with property developers and real estate brokers, the Port of Tacoma, Tacoma Public Utilities, Puget Sound Energy, education and training resources, elected officials and staff from cities and unincorporated Pierce County, Washington State Department of Commerce and others on recruitment efforts. Our professional partners’ responsiveness and proven ability to deliver are critical components of successful recruitment.

Key recruitment projects

Associated Materials - Project Goldfinch, 100 jobs, \$8 million investment

Associated Materials, a leader in the exterior building products industry, explored new locations for its operations after forced to vacate its plant in Bothell. Key decision factors included supply chain costs, available qualified workers and operating costs. Associated Materials selected a site in Fife, Wash. The EDB worked with the City of Fife and the company to get the project permitted and underway. An open house for current employees was successfully planned with community partners. The Puyallup Chamber, Tacoma Chamber of Commerce, Fife Milton Edgewood Chamber, Pierce Transit and Travel Tacoma all welcomed the workers to Pierce County. The facility opening in late 2017 and employs about 100 employees.

NewCold– Project Heartland, 50 job, \$90 million investment

NewCold, based in the Netherlands, operates a European network of large-scale automated cold stores and refrigerated transport services for the food industry. The company selected a site in Tacoma for its first U.S. operations and broke ground late fall. NewCold uses state-of-the-art technology including automated systems to move and store products in its high-bay, energy-efficient warehouse. The use of advanced software systems makes it a good fit

for workers with high-tech skills. Key clients, including Trident Seafoods, will optimize their operations with this new project.

Many partners including Tacoma Power, Mayor Strickland, the Community and Economic Development Department and Planning and Development Services, have been instrumental in moving this project move forward. The state-of-the-art freezer is a joint design effort and construction by NewCold and Fisher Construction Group of Burlington, Wash. The facility will be one of the largest in the USA with a storage capacity of over 25 million cubic feet.

EDB began working with the company and its consultant in 2015 by identifying sites, providing area and workforce information, arranging meetings with Commerce and the Department of Revenue and responding to the project's needs and requests.

Class A Office Development

A Long-range Strategy

2017 marked the launch of the EDB's long-range Class A office strategy. An expanding Class A office market will provide growing employment opportunities in technology, health services and administration, finance, and other careers. This recruitment effort, working in conjunction with our public and private partners, seeks to expand the office market in Tacoma and Pierce County through new office developments and key tenant recruitments.

The strategy has five goals in four key areas:

Goal 1: Pursue structural changes through the initiation of state and local legislative actions designed to incentivize, reform, or remove disincentives to investment and development activity.

Goal 2: Work with property owners and developers to build new Class A office buildings or significantly expand or renovate existing buildings.

Goal 3: Continuously recruit investors to the Pierce County market.

Goal 4: Continuously recruit Class A office tenants to the Pierce County market.

Goal 5: Use existing and creative approaches that seek to improve the perception of the Pierce County office marketing and reinforce the positive aspects of the Pierce County brand.

Leveraging our collective efforts to improve the quality of life for Pierce County residents through job creation is an important mission not just for the EDB, but also for all our partners. Improving the Pierce County economy in general and improving the Class A office market specifically will help add employment opportunities and further diversify our regional economy.

Supporting HB 1495

HB 1495 is a statewide local incentive option for office development outside King County. It provides cities of a certain size with local options to incentivize the development of commercial office space in urban centers with access to transit, high capacity transportation systems, and other amenities. The goal of the bill is to encourage office development and job creation. It does not require any state funding.

The legislation passed both chambers in 2017 but did not make it through reconciliation in time for adoption. Rep. Fey has reintroduced it for the 2018 session.

Adding tools in 2018

Significant work was done in 2017 to prepare for anticipated improvements to our proactive recruitment efforts in 2018. We invested in business intelligence and data systems, improved recruitment-related content on our web site and targeted industry recruitment collateral, and used other lead generation techniques to enhance our recruitment efforts.

University of Washington Tacoma Law School

The EDB continued its partnership with the University of Washington to launch a J.D. program at the University of Washington Tacoma. The feasibility study required by the America Bar Association was completed in December 2016, and the initial focus on creating a pre-law program has been successful. Ongoing funding for the pre-law curriculum is expected in 2018, and the UWT Law team is working with the Legislature on next steps.

BUSINESS RETENTION AND EXPANSION (BRE)

The EDB's Business Retention and Expansion (BRE) program directly engages local primary businesses – those that export goods and services outside Pierce County – that are most involved in growing, strengthening and diversifying the Pierce County economy. Because approximately 80 percent of new jobs are generated by existing businesses, the BRE program is a significant priority in the EDB's Compete Every Day Forever work plan.

A wide array of products and services produced by the businesses the EDB met with include financial and professional services, advanced materials manufacturing (including aerospace and maritime manufacturing), environmental consulting, metal fabrication, construction, information technology, logistics and trade, health care services and many more.

In 2017, the EDB's BRE program met with 168 Pierce County companies, which represented some 39,680 jobs. Participating companies received 377 unique referrals to meet challenges related to workforce, financing, permitting, tax credits, lean manufacturing, energy assistance, exporting, and more. In addition, the EDB conducts dozens of additional meetings to provide follow-up service and to discuss specific business and community development proposals.

In most cases, the companies the EDB contacted needed some sort of help that will affect their bottom line. Consistently, the BRE visits exposed firms to opportunities to save money and be more competitive. The visits establish or invigorate a long-term relationship that will provide an early warning if a company needs extra help.

The EDB continued to strategically partner with several municipalities, including the cities of Tacoma, Gig Harbor, Lakewood, Fife, Sumner, Puyallup, and DuPont, as well as the Port of Tacoma, Pierce County, Tacoma Public Utilities and Puget Sound Energy on targeted outreach to business retention and expansion clients all over Pierce County, focusing on the largest primary employers.

The BRE program is successful in reaching primary firms for two reasons: access to the CEOs, presidents and general managers of client firms; and great partnerships with local jurisdictions and referring agencies.

Industrial Development Revenue Bond Financing

The EDB staffs the public Economic Development Corporation of Pierce County (EDCPC) authorized to issue tax-exempt industrial development revenue bonds in the county. This below-market rate financing is an incentive tool available to manufacturers and processors. The EDCPC has issued more than \$307 million in financing for more than 40 Pierce County projects during the last 30 years, helping businesses create or retain nearly 7,300 jobs.

In 2017, the EDB responded to four new inquiries from businesses seeking information about bond financing requirements with one open project in process. We anticipate the number of inquiries to increase as interest rates rise in 2018.

INFOBLOX – 75 new jobs in addition to 45 initial employees

When Silicon Valley-based Infoblox leaders were seeking to establish a new Center of Excellence and Hub, the company considered 12 communities across the nation. The site selection criteria focused on areas with higher education institutions that produce qualified computer engineering graduates, were close to established tech companies, and offered an affordable cost-of-living for its employees. In early 2017, the City of Tacoma's mayor, the EDB and community partners warmly welcomed 15 of Infoblox's employees during a relocation event showcasing the community. The EDB and Department of Commerce worked with Infoblox on a successful grant application for the Governor's Strategic Reserve Fund. The company nearly doubled its employee count from its initial hiring phase of 45 people to 80 FTEs by the end of 2017, and plans to expand its headcount to as many as 200 by the end of 2018. This project was highlighted during recruitment trips to land future technology companies and investments.

JAMES HARDIE – Growing from 100 to 235 Employees

James Hardie, a national leader in building products materials, selected Frederickson in Pierce County, Wash. as the site of its first U.S. expansion in over 10 years. The company is

in the midst of a complete modernization and retrofitting of its existing 305,000-square-foot manufacturing plant and a build-out of new 220,000 square feet of space on land purchased in 2013, bringing the total square footage to 525,000. The EDB and Pierce County Economic Development helped with site and permitting requirements, along with connecting the company to local workforce development partners Bates Technical College, Impact Washington, Invista Performance Solutions, ResCare Workforce Services, Tacoma Community House, United Way of Pierce County, and WorkForce Central. The company accessed training programs, candidate pipeline sources, recruiting and hiring events and is in the process of doubling its existing workforce from 100 to 235 employees by the end of 2018.

WILCOX FAMILY FARMS

The EDB, in partnership with the Washington State Department of Commerce and non-profit small business manufacturer Impact Washington, helped Wilcox Family Farms win a \$75,000 Work Start Grant from the Governor's Strategic Reserve Fund to train new and current workers in lean enterprise principles and food safety. Wilcox Family Farms is a fourth-generation, family-run business that has enjoyed recent growth through internal growth of existing products, acquisition, the addition of new value-added products, and export opportunities, resulting in considerable expansion of its operations in Roy, Wash. The business has grown more than 10 percent annually in recent years, adding new lines and new employees. The grant will help the company keep pace with modern and sustainable farming practices while remaining competitive.

EDB Partners – essential to business recruitment and retention success across the South Sound.

City of Auburn, City of DuPont, City of Fife, City of Gig Harbor, City of Lakewood, City of Milton, City of Puyallup, City of Sumner, City of Tacoma, City of University Place, Impact Washington, Invista Performance Solutions, Town of Steilacoom, Pierce County, Port of Tacoma, Tacoma Public Utilities, Puget Sound Energy, Workforce Central – ResCare Workforce Services, Pierce Transit, Sound Transit, community and technical colleges, public and private universities, State of Washington, Tacoma-Pierce County Chamber, other chambers, World Trade Center Tacoma, Small Business Development Center, Small Business Administration, the Offices of Congressmen Derek Kilmer, Adam Smith and Denny Heck, and the offices of Senators Patty Murray and Maria Cantwell.

Protecting jobs and the environment

Puget Sound Energy's Liquefied Natural Gas facility

PSE began construction of a \$310 million Liquefied Natural Gas (LNG) facility at the Port of Tacoma. Maritime vessels that switch from diesel to LNG reduce their greenhouse gases more than 30 percent and dramatically reduce particulate emissions. In addition to helping local employers like TOTE remain competitive and maintain hundreds of family-wage jobs, the Tacoma LNG facility will create an estimated 250 construction jobs, 18 permanent jobs,

and 425 indirect jobs. The EDB worked to support PSE's LNG facility, advocating for regulations that protect jobs and the environment alike.

Place for Jobs Becomes Manufacturing Industrial Council

The Place for Jobs coalition that launched in May 2017 worked throughout 2017-18 to represent a broad set of community interests and promote engaging in conversations with business and civic about the importance of preserving a variety of family-wage jobs in Pierce County. The coalition mobilized its members throughout the year to engage in discussions around proposed interim regulations affecting Tacoma's industrial zones.

In spring 2018, coalition co-chairs Tom Pierson, CEO of the Tacoma-Pierce County Chamber, and Bruce Kendall, president and CEO of the EDB, began the work to establish the South Sound Manufacturing Industrial Council (MIC). The South Sound MIC will pick up where the Place for Jobs coalition left off, providing advocacy for and policy support to industrial businesses in Pierce County. The Tacoma-Pierce County Chamber interviewed and hired a full-time MIC director scheduled to start in July 2018.

Trade Shows

Industry trade shows and conferences provide the opportunity to network with a targeted audience of companies and to discuss the benefits of doing business in this area. In 2017, the EDB attended the Paris Airshow and met with more than 30 firms over four days. EDB President Bruce Kendall, County Executive Bruce Dammeier, and CHI Franciscan Foundation President Greg Unruh led the South Sound effort and returned with six hot leads. They travelled as part of the official Washington state delegation.

Members of the EDB attended the Aerospace Futures Alliance annual meeting, the Pacific Northwest Aerospace Alliance annual conference, and the Agriculture Transportation Coalition annual meeting to provide attendees with key economic data and insight into cultural and recreational amenities and available land and sites for potential operation here.

COMMUNICATIONS and MARKETING

Major Employers List

The EDB published its 2017 Major Employers List, featuring companies that have 100 or more full-time-equivalent employees in Pierce County. The 248 employers on the list represent over 166,000 jobs, up roughly 5,000 over 2016. Additionally, the 2017 list included a sampling of 60 mid-sized primary businesses, a sector that employs thousands more people across our region.

Teamwork

The EDB's *Teamwork* newsletter distributed by U.S. mail to 2,770 and electronically to 2,590 local, national, and international leaders each month. Averaging 27.4 percent, the open rate of the electronic version was more than twice the industry standard.

Media Attention

The largest generators of media attention was related to Amazon: first to the HQ2 response, which garnered high-earned media value across North America; second to Seattle’s “Amazon Tax” and Pierce County’s counter offer to commit to the creation of \$275/job tax credits. The Japan Times, the largest English-language newspaper in Japan and the Japanese partner to The New York Times, featured Pierce County prominently in its October special edition showcasing economic development opportunities in the American Northwest.

The EDB partnered with organizations across the state to generate and promote positive news stories about Wilcox Family Farms, Revalerio, RAIN Incubator, NewCold, Infoblox, the Northwest Seaport Alliance, the companies on its major employers list, and the Excellent 10 award recipients.

Three Investor Briefings were hosted by EDB Investors. Brown & Brown showed off its new offices at the Horizon Pacific Center, Newland Communities gave a tour of Tehaleh, and the Port of Tacoma provided an overview of the Northwest Seaport Alliance’s activities at its Fabulich Center.

The EDB is a principal funder of South Sound Together and Place for Jobs, both regional initiatives focused on elevating the awareness of the quality of life and jobs, respectively, in the South Sound. South Sound Together launched its hugely successful “South Sound Proud: Live Like the Mountain Is Out” campaign in March, engaging tens of thousands of people through guerilla and conventional marketing. Alaska Airlines used the open-source slogan for its “Fly Like the Mountain Is Out” campaign.

The EDB’s spring 2017 launch of new print and online materials, along with strategic broadcasting of partners’ news significantly increased our visibility. Social media impressions were above 213,000, and website visits exceeded 11,000. In spring 2018, the EDB contracted with DCI to perform a website audit and to create collateral materials focused on Pierce County’s four industry clusters: aerospace, technology, logistics, and health care services.

Members of the EDB staff gave presentations across Pierce County, speaking about issues that affect our region’s economy with multiple Rotary chapters and chamber functions, South Sound Military-Community Partnerships, Commercial Real Estate Women, Tacoma planning commission and city council meetings, among others.

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

	FY 18	Total
Commerce Funds Awarded	\$204,267	\$204,267

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

Other Funding Sources:		FY 18	Total
	Private	\$660,500	\$660,500
	Local	388,500	688,500
	State	0	0
	Federal	0	0
Commerce Award		204,267	204,267
Total Budget		\$1,253,267	\$1,253,267

- The ADOs impact on employment through all funding sources.

Website link to 2017 EDB Annual Report:

<https://www.edbtacomapierce.org/wp-content/uploads/2018/03/Tacoma-Economic-Development-Board-Annual-Reports-157.pdf>

San Juan County Economic Development Council

Summary of Best Practices Shared and Implementation

Grantee: San Juan County Economic Development Council

County: San Juan

Grant Number: S18-75106-574

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

San Juan County has historically had a labor market with large seasonal variations in unemployment due to the cyclical nature of our major industries – construction and tourism. The San Juan County Economic Development Council is working to normalize the tremendous troughs that occur each year by encouraging year-round, higher-wage industries to expand and relocate.

The EDC collaborated with Skagit Valley College and the local school districts to present several trades training programs, including marine tech, construction and electrical training.

Our current unemployment rate in San Juan County is 3.8 percent, 0.4 percent less than the U.S. average, 0.6 percent lower than the Washington state average, and 0.2 percent lower than the previous year.

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

Unemployment rate (not seasonally adjusted)

Area	(Prelim.) May-18	Apr-18	May-17	Year-to- Year Change
USA	3.6%	3.7%	4.1%	-0.5%
Washington state	4.4%	4.4%	4.5%	-0.1%
Northwest Workforce Development Area	4.8%	5.0%	4.9%	0.1%
Whatcom County	4.5%	4.8%	4.7%	-0.2%
Skagit County	5.0%	5.4%	5.2%	-0.2%
Island County	5.3%	5.5%	5.0%	0.3%
San Juan County	3.8%	4.2%	3.6%	0.2%

Report available at <http://nwboard.org/impact/laborareasummaries.html>

- Other relevant information on the community or regional area;

Local Area Unemployment Statistics

The unemployment rate in San Juan County was 4.2 percent in April (revised) to 3.8 percent (preliminary) in May 2018. The unemployment rate in May 2017 was 3.6 percent.

Compared to May 2017, the number of people counted as "employed" increased by 28, and the number counted as "unemployed" or actively seeking work increased by 18, pushing the unemployment rate up over the year. Altogether, the San Juan County labor force consisted of an estimated 8,214 people and increased by 0.6 percent over the year. Initial claims for unemployment benefits in San Juan County increased from nine in April to 13. Altogether, 52 San Juan County residents received unemployment insurance benefits in May. This is down from 62 in April.

San Juan County local area payroll jobs
 Nonfarm Employment Estimates, Not Seasonally Adjusted
 Data benchmarked through December 2017

NAICS Industry Title	Prelim May-18	Revised Apr-18	Revised May-17	Change		
				Apr-18 May-18	May-17 May-18	May-17 May-18
Total Nonfarm	5,860	5,480	5,790	380	70	1.2%
Total Private	5,070	4,680	4,920	390	150	3.0%
Goods Producing	950	930	870	20	80	9.2%
Mining, Logging, and Construction	730	720	700	10	30	4.3%
Manufacturing	220	210	170	10	50	29.4%
Service Providing	4,910	4,550	4,920	360	-10	-0.2%
Trade, Transportation, and Utilities	1,100	1,030	990	70	110	11.1%
Information and Financial Activities	340	330	330	10	10	3.0%
Professional and Business Services	350	330	380	20	-30	-7.9%
Education and Health Services	580	580	590	0	-10	-1.7%
Leisure and Hospitality	1,580	1,300	1,580	280	0	0.0%
Government	790	800	870	-10	-80	-9.2%
Workers in Labor/Management Disputes	0	0	0	0	0	

Net nonfarm payroll in San Juan County increased by 380 from April to May 2018. Year-over-year, total nonfarm employment was up 70 jobs or 1.2 percent.

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

	FY 18	Total
Commerce Funds Awarded	\$35,000	\$35,000

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

Other Funding Sources:		FY 18	Total
	Private	\$14,050	\$14,050
	Local	128,427	128,427
	State	0	0
	Federal	0	0
	Commerce Award	35,000	35,000
	Total Budget	\$177,477	\$177,477

- The ADOs impact on employment through all funding sources.

As noted above, total nonfarm employment is up 1.2% percent, and total private, +3.0 percent.

Due in part to our efforts to help manufacturing businesses through initiatives like San Juan Islands Made, and through individual business counseling, manufacturing is up a vigorous 29.4 percent. Goods-producing employment in general is up 9.2 percent. Manufacturing jobs saw a net increase of 50 jobs in construction, a net increase of 30 jobs.

Trade, transportation and utilities employment is up 11.1 percent, due in part to our community broadband improvement initiative, started in 2010 and now bearing fruit through the work of our local power cooperative, OPALCO.

Also partly impacted by the San Juan County EDC's efforts are the industries of construction (through our trades training initiative) up 4.3 percent and information (through our information worker initiative), 3.0 percent.

Gross business income in San Juan County is also doing well, and we have pulled out of the Great Recession:

Major Projects FY2018

Major projects in job creation for FY 2018 include business development and recruiting. The continuation of a county manufacturers' consortium (San Juan Islands Made), an information worker recruitment initiative (started in Q4) and a trades training program.

2018 Initiatives

- Business support
- Workshops & events
- Community building + policy
- Launch San Juan Islands
- San Juan Islands Made
- Recruiting
- Trades training



Trades Training Program

The San Juan County Economic Development Council (EDC) Marine Trades Training program initiated in 2016 to address the gap between trained tradespeople and a desperate need for skilled workers in the maritime industry in the San Juan Islands. This gap has caused a loss of market share to Canadian shipyards and marinas.



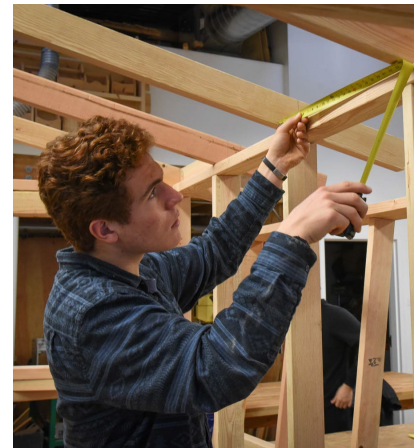
With the financial commitment of local government agencies (San Juan County, the Town of Friday Harbor and the Port of Friday Harbor), the San Juan County EDC began to work in 2016 on creating a trades program to address the gap, and secured funding from the Washington State Governor’s Strategic Reserve Fund, facilitated by the Washington State Department of Commerce. Other funding partners offered their support as well: Islanders Bank, Heritage Bank and committee members.

In the first quarter of 2018-19, the EDC collaborated with Skagit Valley College, our local community college, to build a marine training program that would most benefit local maritime businesses, and “upskill” under-trained workers here, for up to 20 participants. The program offered to local workers at no cost, thanks to the funding from the Governor’s WorkStart Reserve Funds and technical assistance from the Washington State Department of Commerce and Skagit Valley College.

After successful participation in the program, participants were helped in finding available jobs. Before the start of the program, county maritime businesses were interviewed to assure participation in hiring workers after their training.



In fall of 2017, the San Juan County Economic Development Council was proud to work with partners and funders. Including Orcas Island High School, the Orcas Island Community Foundation, Islanders Bank, Heritage Bank, San Juan County, the Town of Friday Harbor, Orcas Island Kiwanis, the San Juan Islands Builder's Association, Orcas Excavators and Island Excavating, to create a Construction Basics course, with a focus on high school students and young adults.



The course was offered for eight weeks, on Tuesdays and Thursdays after school at the Orcas Island High School.

After the success of the Construction Basics course in the winter of 2017-18, the San Juan County Economic Development Council was proud to work with partners and funders such as Orcas Island High School, the Orcas Island Community Foundation, private donors, Orcas Island Kiwanis, and local banks to create an after-school electrical basics course.



This year, the San Juan County Economic Development Council also created the first-ever Career Fair on San Juan Island. We brought over 20 small businesses to Friday Harbor High School to introduce the students to trades and other high-wage businesses – several students were hired on the spot, and employers and students made extremely valuable connections.



Through business retention, expansion and startup activities, The San Juan County EDC was actively involved in:

170 - Business Retention and Expansion activities (133 percent increase over 2017)

57 - Business Assistance and Startup interactions (68 percent increase over 2017)

145 - Readiness and Capacity/Asset Building engagements (19 percent increase)

46 - Capacity Building community activities (35 percent increase over 2017)

Economic Development Alliance of Skagit County

Summary of Best Practices Shared and Implementation

Grantee: Economic Development Alliance of Skagit County

County: Skagit

Grant Number: S18-75106-576

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

Background on Skagit County Economy and Employment

According to the Washington State Employment Security Department (ESD), Skagit County's labor force estimated at 59,359, increasing by 0.7 percent over the year (most recent information available). The unemployment rate in Skagit County was 5.0 percent in May 2018 (preliminary), down from 5.4 reported in April (revised). The unemployment rate in May 2017 was 5.2 percent. Skagit County's unemployment rate remains higher than the state unemployment rate of 4.7 percent (not seasonally adjusted), and national unemployment rate of 3.8 percent (seasonally adjusted).

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

Compared to May 2017, the number of people counted as "employed" increased by 517, and the number of people counted as "unemployed" decreased by 97. Initial claims for unemployment benefits in Skagit County increased from 418 in April to 438. Altogether, 787 Skagit County residents received unemployment insurance benefits in May. This is down from 994 in April.

In May 2018, Skagit County nonfarm payrolls increased by 1,000. Year-over-year, the tally of nonfarm jobs expanded by 1,500 or 3.0 percent. Over the month, most major industry

sectors detailed in this report added jobs. The largest increase was attributable to hiring in construction (+300). No industries reported one-month losses. Over the year, most industries added jobs, with the largest gains attributable to hiring by construction and government (+500 and +300 respectively). Trade transportation warehousing and utilities shed 200 jobs, specifically losing 300 jobs from retail trade.

Skagit County local area payroll jobs

Nonfarm Employment Estimates, Not Seasonally Adjusted
Mount Vernon-Anacortes Metropolitan Statistical Area (Skagit County)

Data benchmarked through December 2017

NAICS Industry Title	Prelim May-18	Revised Apr-18	Revised May-17	Change		
				Apr-18 May-18	May-17 May-18	May-17 May-18
Total Nonfarm	51,800	50,800	50,300	1,000	1,500	3.0%
Total Private	39,800	38,900	38,600	900	1,200	3.1%
Goods Producing	10,700	10,400	10,000	300	700	7.0%
Mining, Logging, and Construction	4,800	4,500	4,300	300	500	11.6%
Manufacturing	5,900	5,900	5,700	0	200	3.5%
Service Providing	41,100	40,400	40,300	700	800	2.0%
Private Services Providing	29,100	28,500	28,600	600	500	1.7%
Trade, Transportation, Warehousing, and Utilities	9,800	9,700	10,000	100	-200	-2.0%
Retail Trade	7,000	6,900	7,300	100	-300	-4.1%
Leisure and Hospitality	5,200	5,100	5,300	100	-100	-1.9%
Government	12,000	11,900	11,700	100	300	2.6%
Federal Government	400	400	400	0	0	0.0%
State Government	1,600	1,500	1,600	100	0	0.0%
Local Government	10,000	10,000	9,700	0	300	3.1%
Workers in Labor/Management Disputes	0	0	0	0	0	

- Other relevant information on the community or regional area;

Skagit County was home to an average of 49,100 nonfarm jobs in 2016, up 1,100 or 2.2 percent from the level observed in 2015. Washington as a whole saw the addition of 96,400 jobs from 2015 to 2016, an increase of 3.1 percent.

Goods-producers supplied an average of 9,500 jobs in 2016, up 1.7 percent from 2015. Manufacturing employment in Skagit County fell by 900 or 15.5 percent from peak employment in 2007 to the lowest observed levels in 2010. From 2010 to 2014, 1,000 manufacturing jobs created. From there, 100 jobs shed in 2015. Manufacturing as a whole reached pre-recession employment levels in 2014.

Skagit County’s manufacturing base is diverse. The three largest manufacturing industries in terms of employment are food manufacturing, machinery manufacturing and wood product manufacturing. Petroleum and coal products manufacturing has historically been one of the largest employers in the region. Manufacturing is one industry that has played an instrumental role in Skagit County’s recovery.

Construction employment tumbled from 2007 to 2011, shedding 1,600 or about 36 percent of all jobs over that time. From 2011 to 2016, construction industry employers have collectively created about 1,000 new jobs. Construction industry employment expanded by more than 5 percent from 2015 to 2016. Recovery is evident, but this industry has yet to recover the number of jobs lost to the recession.

Private service-providing employment averaged 28,200 in 2016. From 2015 to 2016, private-sector service-providers added 600 jobs, growing by 2.2 percent. Over the course of the employment recession, private sector service providers collectively lost 1,500 jobs or 5.5 percent. By 2016, the tally of private service jobs exceeded the pre-recession peak by 900. Employment gains were observed in all of Skagit County’s other major private service-providing industries over the past year.

Government employment in Skagit County is concentrated in local government and includes public K-12 education in addition to county, local and tribal government functions. Government employment expanded by 300 jobs or nearly 3 percent from 2015 to 2016.

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

	FY 18	Total
Commerce Funds Awarded	\$70,224	\$70,224

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

Other Funding Sources:		FY 18	Total
	Private	\$353,417	\$353,417
	Local	346,333	346,333
	State	1,050	1,050
	Federal	3,122	3,122
Commerce Award		70,224	70,224
Total Budget		\$774,146	\$774,146

- The ADOs impact on employment through all funding sources.

EDASC Activities

Best practices implemented by EDASC include the following:

Business Retention and Expansion (BRE). EDASC actively worked with 60 Skagit-based companies to develop growth plans including strategic planning, marketing, exporting, site expansion, and trouble-shooting.

Extended success of Skagit Economic Sectors program to include identifying 3-5 specific goals and action plans for each of the 13 clusters. Collaborated with key influencers and stakeholders in over 75 group and action team meetings throughout the year.

Championed inaugural business forum on Early Learning, Skagit STEM screening of “Most Likely to Succeed” featuring panel discussion with all seven superintendents, and a Community Conversation on workforce housing.

Engaged 1,500+ participants in four annual signature EDASC events.

Launched new events e-newsletter and “Skagit Insight” publication featuring current events and useful information for Investors and community members.

Business Attraction Activities

Continued building a business attraction pipeline for Skagit County, with focus on manufacturing and value-added agriculture, including through proactive submission of project proposals and introduction of Skagit County’s economy, businesses, and investment opportunities to international audiences.

Managed 12 active site selection and project proposals with companies considering locating aerospace, agriculture processing, and advanced manufacturing facilities in Washington.

Coordinated visits by governor, lieutenant governor, and Washington State Department of Commerce officials to increase their awareness of Skagit County’s economy and businesses, investment opportunities, and competitive advantages in the advanced manufacturing, value-added agriculture, and marine industries.

Extensively promoted Skagit County’s economy, businesses, and investment opportunities to domestic and international audiences, including through participation in the world’s largest composites industry trade show; hosting visiting business delegations from Europe and Asia; and forging connections with business and regional government counterparts in Canada, France, Japan, Korea, and China.

EDASC serves as a convener for Skagit County stakeholders in advancing progress on leading economic infrastructure priorities. Facilitated overwhelming local hotelier support for Skagit County Tourism Promotion Area petition.

Collaborated with the Port of Skagit and Skagit County, as well as all Skagit localities and the Skagit PUD, to develop the Countywide Fiber Plan, which is in the first stages of implementation.

Skagit County is home to one of western Washington's most important agricultural regions, and EDASC during the past year significantly expanded its engagement and activity to identify and advance opportunities that will promote the sector and job creation opportunities. EDASC is working closely with the Port of Skagit to advance some business attraction projects in the value-added agriculture sector that, when finalized, will create dozens of new jobs in Skagit County. EDASC worked with the Skagit Valley Value-Added Agriculture Innovation Partnership Zone to develop new avenues of sustainable profitability in agriculture through new ventures and expanded markets, focusing on value-added agriculture. EDASC and the Port of Skagit have worked with new value-added agriculture enterprises to grow that cluster and provide more opportunities to profit from agriculture.

Small Business Retention and Expansion

EDASC hosts the SBDC representative covering Skagit, Island, and San Juan Counties, supporting small business creation. The Small Business Advisor served 76 clients through the Small Business Development and Latino Business Advising programs, providing 572 hours of meetings for confidential small business planning, financial counseling, development services, research, and support.

In order to foster new enterprises and create new employment, EDASC's SBDC Advisor and Latino business specialist helped small businesses plan over \$3 million in capital infusion, and helped more than 14 start-ups in 2017.

EDASC is collaborating with Skagit Valley College to offer workshops aimed at supporting entrepreneurs enhance their business and management skills. EDASC is also collaborating with the NW Innovation Resource Center to offer support specifically for inventors.

EDASC continues its Latino business retention and expansion program. This program, conducted in partnership with Skagit Valley College, provides one-on-one business counseling and broad-based support for Latino entrepreneurs and business owners looking to start or expand their business. Since its establishment in 2004, this program has assisted Latino business owners in securing over \$2 million in loans, and has been replicated across Washington as a model program.

Skamania County Economic Development Council

Summary of Best Practices Shared and Implementation

Grantee: Skamania County Economic Development Council

County: Skamania

Grant Number: S18-75106-577

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

The county's unemployment rate was estimated at 5.3 percent (preliminary estimate as of May 2018), approximately three tenths of a point below the 5.6 percent from a year earlier. About 273 county residents were jobless and seeking work, down from 289 last May. Both initial and continued unemployment claims were little changed and remained at low levels.

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

The total 2,240 jobs was 10 above last May, due chiefly to a slight increase in service sector and manufacturing jobs. These slight increases are mainly due to the Carson Hot Springs Resort that is now fully operational, as well as slight increases in the manufacturing sector as businesses are slowly expanding their operations. These job increases offset by decreases in government jobs with an overall net gain in jobs of 10.

- Other relevant information on the community or regional area;

Median household income in Skamania County is 15 percent below state average as of 2016. The county continues to struggle with locally employing residents. More than half of employed Skamania residents work outside the county.

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

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

Current cluster industries that the region is focusing on are high tech, renewable energy, art/culture/tourism/recreation, manufacturing, health care, and forest/wood products. Emerging industry clusters include innovative manufacturing, such as cross-laminated timber, outdoor sports and recreation and construction. Since the ADO's focus is on key strategic private investments within these cluster industries that result in high-wage job creation in sectors with strong multipliers, major changes in unemployment figures may not happen particularly because unemployment numbers include all wage levels, not just high-wage jobs. Changes in unemployment rates require broad shifts in hiring, job creation or elimination. Skamania County does not see those large changes to the small to medium businesses attracted to our area, as well as our limited population base.

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

	FY 18	Total
Commerce Funds Awarded	\$35,000	\$35,000

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

Other Funding Sources:		FY 18	Total
	Private	\$5,107	\$ 5,107
	Local	83,331	83,331
	State		
	Federal		
	Other	88,130	88,130
Commerce Award		35,000	35,000
Total Budget		\$211,568	\$211,568

- The ADOs impact on employment through all funding sources.

The Skamania EDC has a small staff of two full-time and two part-time, a large loan program, two micro-loan programs and contracts with four public agencies (in addition to the state contract) to help them with their economic development efforts. The most successful program managed by our staff is our loan programs, which have provided grants and loans of over \$7.8 million since 1994, creating more than 500 jobs (this does not include jobs that were created with infrastructure grants and loans made to public agencies within the county). Since July 2017, we have provided four loans and one grant totaling \$393,000, creating or retaining 65 jobs.

Existing loans or business assistance provided to the following businesses since July 2017:

Skamania Physical Therapy – provided loan funds for recouping business loss during the winter storm of 2016. Additional funds provided by the SBA. This company was able to retain five jobs.

Backwoods Brewing Company – provided loan funds for capital due to depleted reserves from paying off miscellaneous high-interest debt on equipment. This company was able to retain 40 jobs.

Port of Skamania – provided loan funds for two capital improvement projects, one at the Stevenson Waterfront to help with completion of infrastructure (including parks and access points, and the second to the Cascades Business Park to help with improvements for development infrastructure including streetlights, power, access, etc.)

North Bank Books – provided a loan for capital to increase inventory and make interior store improvements

Play Frontier – provided continuous business support for a first time business owner trying to start a childcare facility in Skamania County

Martin’s Mobile Welding, LLC – reworked an existing loan to help pay for additional equipment to expand business opportunities

Insitu – worked with company over the course of 6-9 months to negotiate lease for vacant school district building.

Tenzen Hot Springs – provided business support services to this start-up company and provided opportunities for them to engage with utility providers to ensure they can move forward with development in a timely manner.

Roots Farmacy – Assisted business owners with identifying partners for creating a market place on the waterfront that includes development of a commercial kitchen, partnership with Worksource and educational opportunities for staffing at local service industry businesses.

Economic Alliance Snohomish County

Summary of Best Practices Shared and Implementation

Grantee: Economic Alliance Snohomish County

County: Snohomish

Grant Number: S18-75106-559

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

Snohomish County

Labor force classification (place of residence)	May-18	May-17	May-18 May-17	May-18 May-17 %Δ
Civilian Labor Force	427,589	418,466	9,123	2.18%
Employment	412,086	403,920	8,166	2.02%
Unemployment	15,503	14,546	957	6.5%
Unemployment Rate %	3.6%	3.8%	-0.2%	

Unemployment Rate

YEAR	2017	2016	2015	2014	2013	2012	2011	2010
RATE (avg. %)	3.8	4.1	4.4	4.9	5.2	7.5	9.4	10.3

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

Employment (By Place of Work)	Preliminary May-18	Revised May-17	May-17 May-18	May-17 May-18 %
Total Nonfarm	292,300	288,100	4,200	1.5%
Total Private	251,100	246,900	4,200	1.7%
Goods Producing	82,000	81,500	500	0.6%
Manufacturing	58,000	59,200	-1,200	-2.0%
Aerospace products/parts	38,400	39,600	-1,200	-3.0%
Service-Providing	210,300	206,900	3,700	1.8%
Government	41,200	40,500	0	0.0%

- Other relevant information on the community or regional area;

Manufacturing continues to represent +/- 20 percent of all jobs in Snohomish County, compared with 9 percent statewide. However, year-to-year comparisons for the past two years show a contraction in manufacturing employment. Further, reductions in manufacturing employment directly correlate with aerospace employment. While aerospace/manufacturing employment declines, unemployment rates in the county have been favorable at below 5 percent since 2014. This inconsistency explained by retirements within the aerospace cluster that are not being replaced (due to automation and new manufacturing processes), increased jobs in the construction sector and an increase in service sector jobs.

The latter two factors are in part by increases in the residential population in the county. Over the past 10 years, our population has increased by 108,000-- a 15 percent increase. This is visually confirmed by the increase in residential housing, both single and multi-family, in the urban and suburban areas. Rising home values in the Seattle/Bellevue core are causing buyers to look north to Snohomish County. There is also a minor amount of displacement underway as increasing property values and up zoning of commercial/industrial properties cause employers to relocate from traditional manufacturing centers in Seattle. The Puget Sound Regional Council expects an additional 200,000 residents in Snohomish County over the next 20 years.

The concept of "Greater Seattle" is becoming more noticeable in Snohomish County. Sound Transit, the regional light rail system, will have positive economic impacts on Snohomish County in at least two ways. ST2 will arrive in Lynnwood by 2023; ST3 will arrive in Everett by 2036. Predictable travel times may bring more Seattle commuters north to residences in Snohomish County. Additionally, businesses may choose to locate near the transit centers knowing they can be at client or colleagues' offices in Seattle without traffic delays.

Lynnwood, Mountlake Terrace and Everett are all developing transit-oriented concepts near the lightrail stations, and EASC has been actively messaging this to the real estate development community. In 2036, it will be possible to take lightrail from Everett to SeaTac International Airport.

South Snohomish County, specifically the Bothell area, is seeing increased interest from the tech sector and life science companies (biotechnology and medical device). This is driven by lower costs for real estate/buildings and proximity to South Lake Union in Seattle.

Life Science Activity in Bothell

Seattle Genetics, which leased two additional buildings of 100,000 square feet in 2016, added 200 employees in 2017 and announced in April 2018 its need for a tenth building.

AGC Glass (Japan) acquired CMC Biologics in 2016 and ramped up hiring in response to strong customer demand for its contract manufacturing services. In March 2018, the re-named AGC Biologics announced an expansion of 100,000 square feet through leasing biotech facilities vacated by Amgen in 2015.

In March 2018, Juno Therapeutics was acquired by Celgene, a NASDAQ-listed biotech company. A plan to increase capacity at its Bothell production facility will potentially expand even further in response to increased capital resources available through Celgene.

To compete with the work/live environment of South Lake Union in Seattle, an update to the comprehensive plan for the Canyon Park area, where many of these employers are located, is considering incorporation of multi-family developments. Digital/print media and local TV stations have produced stories on the success and potential of Bothell for the tech community.

Scheduled commercial air service will begin at Snohomish County Airport Paine Field (PAE) late 2018 or early 2019. Alaska Airlines has announced service to eight west coast locations: Portland, Phoenix, Las Vegas, San Francisco, San Jose, Los Angeles Intl., Orange County and San Diego. United Airlines has announced service to Denver and San Francisco. Southwest has yet to announce its destinations. EASC has been advocating for air service at PAE for many years. We expect the primary clients of this service will be business travelers who will save travel time and security delays when compared to traveling through SeaTac International. In addition to supporting existing employers in North King and Snohomish counties, a commercial airport will allow us to compete for recruitment projects where proximity (within a 60-minute drive) to a commercial airport is a requirement.

In order to encourage manufacturing growth in Snohomish County, efforts are underway to establish the Arlington Marysville Manufacturing Industrial Center (AMMIC), an area of +/- 4,000 acres already zoned for commercial/industrial uses. A designation of manufacturing industrial center is granted by the Puget Sound Regional Council. It allows such an area to pursue public funding (especially federal) to pay for infrastructure that supports industrial development. EASC supported both cities in securing a grant from the Community Economic Revitalization Board/Washington Dept. of Commerce for a joint planning effort underway during calendar year 2018. The study will generate a vision for AMMIC, define land uses, summarize market opportunities, identify public service and infrastructure impacts/needs and address environmental issues. The study will also support a game plan for marketing the AMMIC to companies and investors.

Education and training resources continue to grow. Washington State University began offering classes in FY18 at its new academic building in Everett; engineering and business degrees are granted (EASC serves on the WSU Everett Advisory Council.) The Advanced Manufacturing Training and Education Center (AMTEC) at Everett Community College is offering classes at a branch location in Arlington to serve north-county manufacturers. Edmonds Community College has secured funding for a new STEM building. The University of Washington Bothell secured funding from the 2018 Legislature for design of a second STEM building for its campus. EASC is engaged in an effort to increase technical/certificate programs through community colleges in King and Snohomish County to support the manufacturing needs of the life science community.

EASC assumed control of the Snohomish STEM network in FY18. Our network engages with community, education, government, and industry to foster a STEM-skills learning pipeline for the 21st-century workforce. Many of the companies engaged with the network are also members of EASC's Board of Trustees.

EASC's diversification strategy is in its fourth year of retaining a European consultant to identify foreign direct investment (FDI) prospects in composites/advanced materials, automation, unmanned aerial vehicles, medical device, processed foods and climate mitigation. During this fiscal year, the consultant attended trade shows for metal fabrication, composites, medical device and aerospace. We are presently tracking 65 FDI leads.

On the domestic side, EASC's trade show program for calendar 2018 includes 19 shows, domestic and international, in advanced materials/composites, ICT, life science, advanced manufacturing, clean tech, agriculture/food processing and aerospace.

EASC has been an active partner in developing a regional economic development concept through a new entity with a focus on marketing and business recruitment. The concept is a private/public partnership called Greater Seattle Partners; private sector executives are leading the effort to engage with Snohomish, King and Pierce counties. At the end of FY18,

interviews were underway to hire a new CEO. GSP will begin operating during Q1 FY19. EASC will execute a formal partnership agreement with GSP; Snohomish County and the City of Everett have committed start-up funding.

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

	FY 18	Total
Commerce Funds Awarded	\$204,267	\$204,267

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

Other Funding Sources:		FY 18	Total
	Private	\$772,601	\$772,601
	Local	430,608	430,608
	State	132,155	132,155
	Federal	253,848	253,848
	Higher Ed	91,500	91,500
Commerce Award		204,267	204,267
Total Budget		\$1,884,979	\$1,884,979

- The ADOs impact on employment through all funding sources. Annual reports may include the impact of the ADO on wages, exports, tax revenue, small business creation, foreign direct investment, business relocations, expansions, terminations, and capital investment.

MTorres America Innovation Center

MTorres (Spain) acquired Pacific Engineering in 2012. The latter firm’s focus was tooling design for the aerospace industry. MTorres’ focus was manufacturing. The merged entity now offers complete design and fabrication. In 2017, MTorres opened its U.S. factory: a new 60,000-square-foot engineering and assembly building in Everett. The facility consolidates operations previously located in Bothell and Everett. The building will support internal company, customer and university-focused R&D, product development and prototyping capabilities of MTorres’ automated production equipment. The Innovation Center will also be home to a state-of-art facility for advanced engineering, manufacturing, assembly, test and integration of its production tooling and assembly systems and life-cycle services for the aerospace and defense markets. The plant has 100 employees from the consolidation. There has been minimal employment growth at this point, as the facility is ramping up. EASC was actively involved in expediting permits and presenting applicable incentive programs. The president of MTorres America joined the EASC board for 2018.

Tamadic Co. Ltd.

Tamadic is a Japanese engineering firm serving the aerospace, automotive and factory automation markets. The company opened Tama Technical Core during this fiscal year. It is a modest operation with two jobs at start-up. They intend to build a business based on engineering services offered in Snohomish County and Japan. They have a strong connection with Mitsubishi Aircraft and the Mitsubishi Regional Jet. Recruiting this company, EASC has been helping them establish its local network.

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

Procurement Technical Assistance Center (PTAC)

PTAC is a statewide program funded by the U.S. Department of Defense. EASC has a full-time PTAC business counselor serving Snohomish, Skagit and Whatcom counties. The counselor's primary function is to guide small businesses in their efforts to win contracts with public sector entities at the federal, state and local level. The primary metric for PTAC is client interaction. During this fiscal year, PTAC helped 93 small firms. PTAC also offered 19 classes on government procurement procedures during the year.

Small Business Transportation Resource Center (SBTRC)

SBTRC is similar to PTAC in concept but the objective is to help firm's secure transportation-related projects. The U.S. Department of Transportation funds the program. EASC is responsible for the northwest region, including Washington, Oregon, Idaho and Alaska. The metrics are similar to PTAC. During the fiscal year, SBTRC assisted 26 firms in Snohomish County and offered seven training sessions.

Small Business Development Center (SBDC)

The SBDC is a program of the U.S. Small Business Administration. EASC houses the SBDC for Snohomish County and provides administrative support at no charge. SBDC counseled 47 firms during the fiscal year.

In addition to these on-going programs, EASC led the effort to present the 2017 North Puget Sound Small Business Summit this past November; this program started in 2014 in collaboration with Community Transit. The goal of the event was to connect representatives in the government-contracting sector with large corporations and small businesses in a way that would promote relationship building and enable participants to win government contracts and bids. The summit had 721 attendees. Planning is under way for the 2018 Summit in November.

EASC actively promotes networking within the Snohomish County Business Community. During FY18, EASC organized or collaborated on 48 events with 4,510 attendees.

Greater Spokane Incorporated

Summary of Best Practices Shared and Implementation

Grantee: Greater Spokane Incorporated

County: Spokane

Grant Number: S18-75106-563

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

Spokane County, May 2018
Civilian labor force: 238,128
Employment: 226,119
Unemployment: 12,009
Unemployment rate: 5.0%

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

Spokane County, May 2018	Spokane County, May 2017	Net Change
Civilian labor force: 238,128	Civilian labor force: 238,910	-782
Employment: 226,119	Employment: 226,894	-775
Unemployment: 12,009	Unemployment: 12,016	-7
Unemployment rate: 5.0%	Unemployment rate: 5.0%	0%

- Other relevant information on the community or regional area;

The Spokane region continues to see a renaissance and revitalization, spurred by both private and public investment. The resurgence as evidenced by the unemployment rate hovering at full employment (5 percent). The housing market has continued to strengthen with a median closing home price increasing by 13.9% from \$216,150 in June of 2017 to

\$246,250 in June of 2018. County retail sales saw a 7.7 percent increase in 2017 to \$9.8 billion.

As the lead business development organization in the region, GSI's work spans across multiple areas to help provide the climate necessary for businesses to grow and create jobs.

Recruitment and BRE Project Wins

During Fiscal Year 17-18 GSI actively worked on 79 retention, expansion, and recruitment projects; 68 of the projects were recruitments, 17 of which were Department of Commerce leads.

The most notable recruitment project of the year was **Katerra**, a leading edge construction technology company. Katerra is currently building a 250,000-square-foot manufacturing facility in Spokane Valley for production of mass timber products, including cross-laminated timber and Glulam. Mass timber is the future of high performance materials considered the three "Es": efficient, economical and environmentally friendly. The project will create 150 construction-related jobs, and upon completion, Katerra will hire staff in research and development, engineering, planning and production. The economic impact of Katerra is estimated at roughly \$50 million annually. GSI was able to use \$150,000 in Strategic Reserve Funds to help in this project win.

A major retention win was **Triumph Group**. In November 2017, Triumph had announced that it was looking for buyers for its aircraft interiors segment, which includes its aircraft parts factory on the West Plains of Spokane. The factory produces floor panels and ducting for airplanes. GSI worked with Triumph, pledging support for more favorable tax policies and additional workforce training. Triumph has since invested heavily in automation to keep the Spokane plant competitive. The location employs more than 400.

Psychiatric Solutions, a sister company to Therapeutic Solutions based in Chico, Calif., recently selected the City of Spokane Valley for its new behavioral health facility. The company practices an integrated multi-disciplinary team approach to providing tailored care for patients, and uses effective, technologically based, scientifically proven treatment options to enhance results. The management team approached GSI in late 2016 to introduce them to local partners that would be critical to their decision-making for the expansion. With the rapid expansion of health care and health education in the region, the company made the decision to open up the Valley location. At the time of this report, Psychiatric Solutions has hired 10 employees.

Headquartered in London, retailer **Claybrook Interiors** opened a Western U.S. location in the historic Cracker Building in downtown Spokane. Claybrook is using the space for both offices and as showroom space for high-end stone features, tiles, and fixtures. The location currently has three employees. GSI helped in the real estate search process.

Lead Development

GSI develops relationships with both site selectors and businesses, and markets Spokane County to them via various channels. Additionally, leads developed through attendance at targeted trade shows. In FY 2017-2018, staff attended:

Site Selectors Guild

CoreNet

National Business Aviation Association – Business Aviation Convention and Exhibition

Pacific Northwest Aerospace Alliance

Aerospace and Defense Supplier Summit

Joint Center for Aerospace Technology Innovation

I90 Aerospace

BIO International Convention

Pack Expo

Medical Design and Manufacturing

Business Retention and Expansion

In addition to responding to RFIs via Commerce, GSI administers a robust Business Retention and Expansion (BRE) program aimed at alleviating pain points for businesses.

Startup Spokane is the Inland Northwest’s first stop for entrepreneurship assistance and resources. Startup Spokane connects entrepreneurs with mentors, hosts workshops, and provides startup business information. The program also includes a physical co-working location: Startup Spokane Central. Startup Spokane Central offers a comfortable shared work environment that gives entrepreneurs, startups and freelancers the opportunity to meet, network, share and learn through collaboration. The co-working location also holds “office hours” by various service providers. These no-cost consultations help entrepreneurs receive professional advice without diverting funds away from bringing their product to market. Another component of Startup Spokane is Mind to Market, an early stage accelerator focused on commercializing viable, scalable ideas. This program is a collaboration between Startup Spokane, Mind to Market, LLC (a pre-seed investment fund), and a myriad of community stakeholders.

The Spokane office of **Washington PTAC** (Procurement Technical Assistant Center) is housed at GSI. Our PTAC office helps small businesses with finding, bidding on, and winning government contracts. In addition, PTAC offers free one-on-one counseling services, workshops and other support to area businesses.

From processing Certificates of Origin to advocating for advantageous trade policy, the **international trade** work of GSI seeks to help local companies grow through expansion in foreign markets. As retaliatory tariffs and “trade wars” always seem around the corner, GSI voices the importance of a stable global market through sound trade policy. As local companies seek foreign market opportunities, stability and predictability have proven to be the most important factors, especially for the many crop producers in eastern Washington.

To provide international trade counseling, GSI leverages the help of our partners, including the U.S. Commercial Service, WA SBDC, Ex-Im Bank, and the NW Trade Adjustment Assistance Center.

Our **BizStreet** program is a monthly hands-on seminar that provides owners and operators of small businesses the opportunity to gain valuable insights on how to improve their operations. Topics range from recruiting and retaining talent to addressing changes in employment law to digital marketing, and taught by business leaders. Many small businesses know their product or service inside and out, but never had the opportunity for business classes or an MBA; BizStreet has proven to be a great resource to pick up such knowledge and skills.

One of the key elements to a successful business and a thriving regional economy is talent—a workforce with the skill and background that businesses need to be successful. Building the talent pipeline is about more than putting youth through our early learning, K-12 and higher education institutions. It is about creating partnerships between business and education. GSI's **education and workforce** program works to bring educators and employers together for the benefit of students and businesses, stimulating our economy and quality of life. Educators get a better understanding of the skills our businesses and industries need to be competitive, and businesses provide experiences that show our educators and students real-life business applications. Two noteworthy programs are:

Teaching the Teachers workshops, which give educators the chance to experience what future opportunities for work and education await their students in the business world. Businesses get the chance to meet educators, and educators get the chance to share what they learn with their students.

Business After School is a series of industry skill workshops providing on-site awareness of Spokane's high-demand industry sectors by highlighting new technology, research, development and innovation. Students, parents, educators and local businesses gather in the workplace for a real-time visit to see these industries in action.

GSI's **AgriBusiness Council** brings together producers, suppliers, financial institutions, food manufacturers and others to stay abreast of agriculture policies, industry trends, innovations and much more. Council members attend a reception with industry representatives and elected officials during the annual Ag Expo, where they interact with decision makers and others whose influence can benefit the sector. Ag Week, which coincides with Spokane Ag Expo/Pacific Northwest Farm Forum, includes other events and activities that engage leaders in this sector.

The annual Spokane Ag Expo and Pacific Northwest Farm Forum attracts 6,000 attendees who represent all aspects of the ag industry. They connect with peers, vendors, customers,

and industry friends during the three-day expo while learning about new products and services that help their business.

Community Engagement

Beyond direct recruitment, retention, and expansion activities, GSI serves in many roles to help cultivate the economic development climate needed for growth. This includes serving on local organization boards and government committees, as well as regional and statewide committees. A *sampling* includes:

- Washington Economic Development Association
- Spokane Area Workforce Development Board
- University District Marketing & Engagement Committee
- Governor's Choose Washington NMA Council
- Choose Washington NMA Task Force
- Aerospace Futures Alliance
- Choose Washington Strategic Reserve Fund
- Inland NW Economic Alliance
- I90 Aerospace Corridor
- Central City Line Steering Committee (Spokane Transit Authority)
- Spokane Sister Cities
- Spokane County Farm Bureau
- College Success Foundation Advisory
- Washington State Board of Education Advisory Board
- Forward Fairchild
- Spokane Angel Alliance

Being involved in these discussions and many others helps ensure that the region is maintaining its competitiveness as it seeks to grow existing businesses and recruit new ones.

Initiatives

GSI, along with community stakeholders, leads community initiatives, projects and efforts that improve the economic viability, health of our region, health of our business community and the employees they support. Initiatives take time but are transformative for the region.

Vision 2030 – Grow a Healthy Life Sciences Industry

GSI is working to create robust life sciences industry growth in the region. The potential economic impact of creating such a cluster is estimated at more than \$1.7 billion annually and more than 9,000 jobs for our region by 2030. This initiative, led by GSI in partnership with business, health care, and education sectors, includes the expansion of excellent health

and medical sciences education, the creation of a health care and life sciences industry hub, and has the ability to transform our local economy by building on our community’s largest economic driver – health care.

Grow Regional Education Attainment

Our region and the nation are facing a shortage of qualified and skilled workers. GSI is dedicated to improving the education attainment of our region by increasing the proportion of residents in Spokane County with high-quality, high-demand degrees, certificates or credentials from 40 percent to 60 percent by 2025. With a focus on career awareness, STEM, and the working adult student, we mobilize business, education, and community partners to strengthen the talent pipeline, from cradle to career.

AIR Spokane – Expand Aerospace & Advanced Manufacturing Industries

There are more than 120 aerospace-related companies in the region employing more than 12,000 people. GSI is dedicated to growing the region’s capacity to serve as a supply chain for the aerospace industry, retaining our region’s manufacturing base and leveraging the aerospace supply chain study to further these efforts.

Protect and Grow Military Jobs, Operations, and Infrastructure

In the 1940s, Spokane business leaders donated the land for what ultimately has become Fairchild Air Force Base. GSI is working to support our military, military personnel and civilian contractors by advocating for the current and future mission priorities of Fairchild Air Force Base and other military operations in the region. With a roster of close to 6,000 employees, Fairchild Air Force Base is the largest single-site employer in Eastern Washington.

Opportunity Zones

GSI worked closely with Spokane County and local municipalities to determine the ADO set-aside zones. Additionally, GSI supported the municipalities in their submission of census tracts in the competitive process. GSI now continues to work closely with municipal partners and other various stakeholders in preparation to market our qualified Opportunity Zones. In total, Spokane awarded 11 Qualified Opportunity Zones.

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

	FY 18	Total
Commerce Funds Awarded	\$168,438	\$168,438

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

Other Funding Sources:		FY 18	Total
	Private	\$2,518,600	\$2,518,600

	Local	295,845	295,845
	State	0	0
	Federal	0	0
	Other/grants	1,417,523	1,417,523
Commerce Award		168,438	168,438
Total Budget		\$4,400,406	\$4,400,406

- The ADOs impact on employment through all funding sources.

For the Spokane-Spokane Valley MSA, total private non-farm employment rose from 199,700 in May of 2016, to 206,700 in May of 2018. From May of 2015 to May of 2018, the unemployment rate has dropped from 6.4 percent to 5 percent.

The County's average annual wage rose to \$44,785 in 2016 from \$44,529 in 2015. The average wage has been steadily rising; in 2011, it was \$42,452.

Tri County Economic Development District Ferry & Stevens Counties

Summary of Best Practices Shared and Implementation

Grantee: Tri County Economic Development District

County: Ferry and Stevens

Grant Number: S18-75106-580

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

May 2018 Unemployment Rates:

Stevens County – 7.0 percent

Ferry County – 12.0 percent

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

May 2017 to May 2018 Unemployment Rate Change:

Stevens County – 0.1 percent

Ferry County – 0.3 percent

- Other relevant information on the community or regional area;

Ferry County is adapting to the closure of its largest private employer, Kinross Gold Corp., in Q2 of 2017. Ferry County reached its highest unemployment rate of 16.8 percent in February 2018. A range of social and economic changes has begun and the trickledown effect of Kinross closing is beginning to be felt. Projection for Ferry County, 68 employees and their families will be leaving the county. This will have a significant impact on school enrollment and funding, property tax revenue, and the housing market. Efforts by Kinross to address the real and potential socioeconomic impact of mine closure have played an important role in mitigating adverse effects on employee households and the economy in general. Most of the miners were able to find jobs in other mines, and 35 individuals

enrolled in a form of training program ranging from truck driving, manufacturing, or health care.

Stevens County has adapted with the closure of Hearth and Home Technologies (HHT) one of its largest manufacturing facilities in Q3 2017. The closure eliminated 98 jobs in the immediate area. Of those 98 individuals, some relocated to Pennsylvania with the company, while others have looked for alternative employment locally.

Ferry County and Stevens County now have designated census tracts as Opportunity Zones. Within Ferry County, three out of the three available census tracts were designated as Opportunity Zones. This gives the entire county an Opportunity Zone Designation. Stevens County had two census tracts designated as Opportunity Zones. One of these tracts aligns with the Spokane Tribe of Indians Promise Zone Designation, and the other services the area surrounding Chewelah but not including Chewelah.

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

	FY 18	Total
Ferry County Award	\$35,000	\$35,000
Stevens County Award	41,912	41,912
Commerce Funds Awarded	\$76,912	\$76,912

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

Other Funding Sources:		FY 18	Total
	Private	\$0	\$0
	Local	96,475	96,475
	State	197,116	197,116
	Federal	60,000	60,000
	Other	306,169	306,169
Commerce Award		76,912	76,912
Total Budget		\$813,584	\$813,584

The funding that TEDD receives tied to specific funding sources' scopes of work. For example, the funds from WSDOT and the EDA are for district planning purposes in transportation and regional economic development only. Member dues are used as the required match for the EDA grant and are limited to planning purposes only. The Loan Fund revenue is from interest and fees collected from outstanding loans and can be used only for expenses incurred by the Loan fund. Any funds received during a calendar year not spent on approved expenses become lendable funds at the end of the year and are no longer

available for expenses purposes. We try to leverage any funding we receive to improve the economic environment in Northeast Washington.

- The ADOs impact on employment through all funding sources.

This was the first year since 2015 that Tri County Economic Development District (TEDD) did not experienced multiple personnel turnover. The only position to experience turnover was the office assistant. There was a promotion within the organization: the loan assistant was promoted to loan officer; this position assists the executive director / loan officer in administering the Loan Fund, and provides direct technical assistance to loan clients. This includes but is not limited to business plans, bookkeeping, marketing, cash flow analysis, and financing.

The Economic Development Specialist for Ferry County primarily provides coordination of activities pertaining to small business creation, retention, and recruitment activities; managing the Ferry County Business Center; and helping with inquiries for economic development purposes. This position had been vacant for five months and is vital to TEDD's work in Ferry County.

The Business Resource Center & Library continues to be used in the back of the district's office. It provides business publications for marketing, sales, and business plan development. The district continues to acquire additional resource material, as funding allows, for expansion of the library. The center completed with a USDA Rural Development RBEG grant in the fall of 2013 and opened in spring 2014. Access to high-speed internet is a pressing need for the two counties. Residents living in unincorporated areas are limited to line-of-sight or satellite internet services. The \$25,542 grant helped finance a center to which small business owners from the district can get access to high-speed internet via the fiber recently installed by NoaNet. The center offers free use of the computers or access with their own device with limited printing and scanning. The center also offers virtual video conferencing services. The center is used for training by TEDD, the Stevens County WSU extension, and provides conferencing for local businesses and groups. The services offered at this center have assisted 266 individuals during FFY 2017. Unfortunately, as technology has advanced, many of the computers are becoming obsolete and most users bring their own personal device instead. The district is in the processes of analyzing potential improvements and better uses for this space.

For those who do not qualify to use the free resources provided in the Business Resource Center & Library, the district has a large conference room available for rent. This conference room is equipped with the GoTo Meeting system for virtual connections. During FY2017, this conference room was used regularly by many local agencies and businesses to host meetings, trainings, and celebrations.

The district also maintains a remote office in Ferry County. This office has the much-needed GoTo Meeting web conference capabilities, Wi-Fi, and computers for small businesses. During FY2017, over 400 individuals used the Ferry County conference room.

TEDD continues to conduct outreach to small businesses in the two counties by attending benefitted Chambers of Commerce meetings, participating in town hall meetings, county fairs, and other local events.

TEDD helps local governments and non-profits by providing data and planning services in Transportation and Economic Development as per the scopes of work required by the EDA and WSDOT.

TEDD's Rural Development Loan Fund works with local businesses unable to secure financing from conventional sources. Between July 1, 2017 and June 30 2018, three loans completed for \$250,000. The three loans were anticipated to retain three jobs. TEDD continues to counsel the businesses that have obtained financing, as well as those applying for a loan.

The small business incubator currently leases warehouse and office space to six businesses/organizations (in two buildings) that were unable to acquire suitable facilities elsewhere. The space leased at a scaled rate, which increases to market rates over the first five to eight years. Business assistance and counseling are available to the tenants with the intent to help them gain stability, enabling them to either purchase a facility or lease space from a private landlord. The TEDD Board of Directors decided to sell one of the incubator buildings, currently used as warehouse space, to pursue other "incubator like activities." TEDD is considering and researching co-working or community kitchen activities with anticipation of implementation in FY2019.

The Northeast Washington Trails website (www.newashingtontrails.com), launched in mid-2015, continues to be a popular asset, providing information and maps for 13 different trail user types in the tri-county area. Since June 2016, we have added more than 20 additional pages to the website with maps and information on ATV trails, local municipal trails and road cycling loops. TEDD collaborated with the local Rotary club and the City of Colville for the production of the many maps of road cycling loops, located primarily in Stevens County. Thousands of rack cards promoting the trails site were distributed throughout the tri-county area and beyond. Our Facebook page associated with the website (www.facebook.com/NEWashingtonTrails) continues to grow and provides a platform for us to share information about the outdoor recreation opportunities in the area. Currently the Northeast Washington Trails Facebook page has 1,132 followers.

In 2016, TEDD began the process of developing a brand for the tri-county area that would communicate one of our greatest assets, the quality of life in Northeast Washington. The challenge was to create material that was simplistic enough that it could apply to anywhere

in the three counties, but would have strong enough messaging to convey some of what Northeast Washington has to offer. Our chosen tag line, “It’s Real Life”, is the starting point that allows us to develop a more cohesive marketing campaign.

Associated material recently developed includes:

A new tourism website: www.itsreal.life. This site provides information and links to various tourism resources in each county.

Three tourism videos: TEDD produced three 1.5-minute long videos, each showcasing the quality of life in Northeast Washington: outdoor adventure, lifestyle and trails. The videos were released in October 2016 and are available for viewing across social media platforms and on the www.itsreal.life website. We have also made the videos available to groups or businesses that would like to use them for their own promotional purposes.

The Visit Northeast Washington YouTube Channel: Created at the end of 2016, TEDD curates videos about Northeast Washington from many groups, including the tourism videos mentioned above. The YouTube videos were viewed over 1,300 times.

The Visit Northeast Washington Facebook page: Followers of the page have reached over 3,000. Our most popular post was shared 3,031 times and reached over 250,000 people.

Visit Northeast Washington - It’s Real Life Trade Show Booth: A beautiful, quality booth produced specifically for trade shows and other events where we would like to market Northeast Washington. The booth is versatile enough that local jurisdictions can borrow it and add their marketing material to what is already available for special events.

Northeast Washington Insider App: TEDD worked with 468 Communications to launch a new app in July 2017 aimed at promoting local commerce and attractions in the tri-county area. The Northeast Washington Insider app has 302 active locations; of those 40 are historic buildings, and 70 are historic locations/points of interest. These locations allow users to visit, learn, and earn points. The points earned at each location can be redeemed at local businesses for rewards. Rewards include discounts, freebies on hotel rooms, wine tasting, fossil digs, golf balls, food, and more. The app was downloaded over 882 times, currently has 362 user profiles that have collected/redeemed points, and over 192 locations were visited by app users. The district was able to hire a marketing intern to help promote a wide array of economic development throughout the region including the newly released Northeast Washington Insider App. This intern worked directly with local businesses help

them understand how the Northeast Washington Insider App drives local commerce and promotes the regional tourist attractions.

TEDD sponsored a Global Entrepreneurial Week (GEW) event at the Colville Community College Campus for the fifth consecutive year. Spearheaded by the district's small business outreach specialist, high school students across the region were invited to participate in a competition to pitch their business idea to district staff and local business owners. Over 150 students presented 57 business ideas. There is competition among students in a variety of categories, and they learn valuable public speaking and professional skills. Awards are given to the top five business ideas. The GEW event is supported by generous donations from local individuals and businesses.

Thurston County Economic Development Council

Summary of Best Practices Shared and Implementation

Grantee: Thurston County Economic Development Council

County: Thurston

Grant Number: S18-75106-579

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

As per Employment Security of Washington State Regional context

Thurston County is on the southern end of Puget Sound in Western Washington, referred to as the South Sound. It is the seventh smallest county in the state, but the sixth most populous with 349.4 persons per square mile.

In 2017, Forbes Magazine ranked the Olympia-Tumwater MSA (Thurston County) #32 for the best places in the nation for business and careers. The ranking acknowledges the county's favorable performance in the areas of cost of living, job growth, recreational and cultural opportunities and educational attainment.

Local Economy

Thurston County carved out of Lewis County in 1852, named after Samuel R. Thurston, the first delegate to Congress from the Oregon Territory, which later became Washington. The county seat is Olympia, the state capital and the largest city in the county. In 1851, Olympia became the port of entry for Puget Sound. A year later, it became the county seat.

Native Americans date back to roughly 3,000 years ago. Nisqually and Squaxon tribes established themselves in this area. In 1833, the first Europeans settled in the area, and in 1845, the first white American settlers arrived.

Lumber, coal, and sandstone mining were the dominant sources of industry in 19th-century Thurston County, and remained so into the 1920s. In 1896, Leopold Schmidt established a brewery that was a significant industry in Tumwater. It operated until Miller closed it in 2003.

State government began to increase its employment share when the state capitol was completed in 1927. By the 1950s, state government surpassed lumber employment. Logging mills closed in the 1960s. Thurston County then grew rapidly over the decades, fueled by employment in state government and trade. Tribal casinos also took off during this time.

The local economy continues to depend on government employment, as 33.5 percent of all nonfarm employment is attributed to federal, state and local government jobs. Looking back to 2010, federal government employment has declined by 10.7 percent, with overall state government employment up only 5.8 percent.

Moving forward, many of the government-related budget questions remain unresolved as the state, local municipalities and school districts continue to look for ways to fully fund education while maintaining other government services.

Geographic Facts

(Source: U.S. Census Bureau QuickFacts)

	Thurston County	Rank in state
Land area, 2010 (square miles)	721.96	32
Persons per square mile, 2010	349.4	6

Outlook

The year 2017 has continued the run of positive news for the Thurston County economy. The unemployment rate has remained low, and nonfarm payrolls have expanded consistently over the year.

Government employment in the county has remained steady and strong with no reason to see this trend not continuing into 2018. Ground has been broken on many new projects, including a craft brewing and retail sector in Tumwater, which will include craft brewing space, distillery space and South Puget Sound Community College classrooms, as it launches new craft brewing and distillery classes. New hotels were built or renovated, and rooms are filled on a regular basis. The general tone of this data supports a belief in continued prosperity.

Labor Force and Unemployment

(Source: Employment Security Department, WITS)

Current labor force and unemployment statistics are available on the Labor area summaries page.

The average annual unemployment rate in the county has dropped every year since 2011, when the rate was 9.0 percent. In 2016 the rate averaged 5.8 percent. This year, through the September preliminary data, the county is averaging 5.0 percent unemployment.

In 2017 there have been on average 6,658 county residents unemployed as 127,099 received paychecks. That compares to 7,604 unemployed in 2016 with 123,049 at work. Since 2014, the labor force has grown, demonstrating confidence in the local labor market.

Industry Employment

(Source: Employment Security Department, WITS)

Current industry employment statistics are available on the Labor area summaries page.

Thurston County average annual nonfarm employment totaled above 100,000 jobs from 2007 through 2009 before dropping below that level in 2010 and 2011. In 2016, employment in nonfarm categories averaged 112,900 jobs. Through the first nine months of 2017, average employment exceeded every corresponding month of 2016, and now has surpassed the 2016 annual average.

From September 2016 to September 2017, state nonfarm jobs expanded by 2.3 percent. In Thurston County over that same time, nonfarm employment is up 2.1 percent.

Looking at the September 2017 numbers, nonfarm payrolls in Thurston County are up 2,400 over September 2016, including government (+700), retail trade (+100) and construction (+1,500). Also adding steam to the economy were professional and business services, up 100.

For historical industry employment data, contact an economist.

Industry Employment by Age and Gender

(Source: The Local Employment Dynamics)

The Local Employment Dynamics (LED) database, a joint project of state employment departments and the U.S. Census Bureau, matches state employment data with federal administrative data. Among the products is industry employment by age and gender. All workers covered by state unemployment insurance data are included; federal workers and non-covered workers, such as the self-employed, are not. Data presented by place of work, not place of residence. Some highlights:

In 2016, the two largest employed age categories were those 45 to 54 years old with 21.9 percent of the jobs and those 55 and older with 24.5 percent of the jobs.

Men held 46.5 percent of the jobs in the county, and women held 53.5 percent of jobs in 2016.

Male-dominated industries included mining (87.4 percent), construction (84.0 percent), transportation, and warehousing (75.1 percent).

Female-dominated industries included health care and social assistance (78.5 percent), education (67.6 percent), finance, and insurance (67.6 percent).

Wages and income

(Source: Employment Security Department, WITS; U.S. Bureau of Labor Statistics; Bureau of Economic Analysis; U.S. Census Bureau, American Community Survey)

In 2016, there were 110,188 covered employment jobs in Thurston County. The total payroll for 2016 was over \$5.2 billion.

In 2016, the average annual wage was \$47,800, compared to the state average of \$59,073.

Personal Income

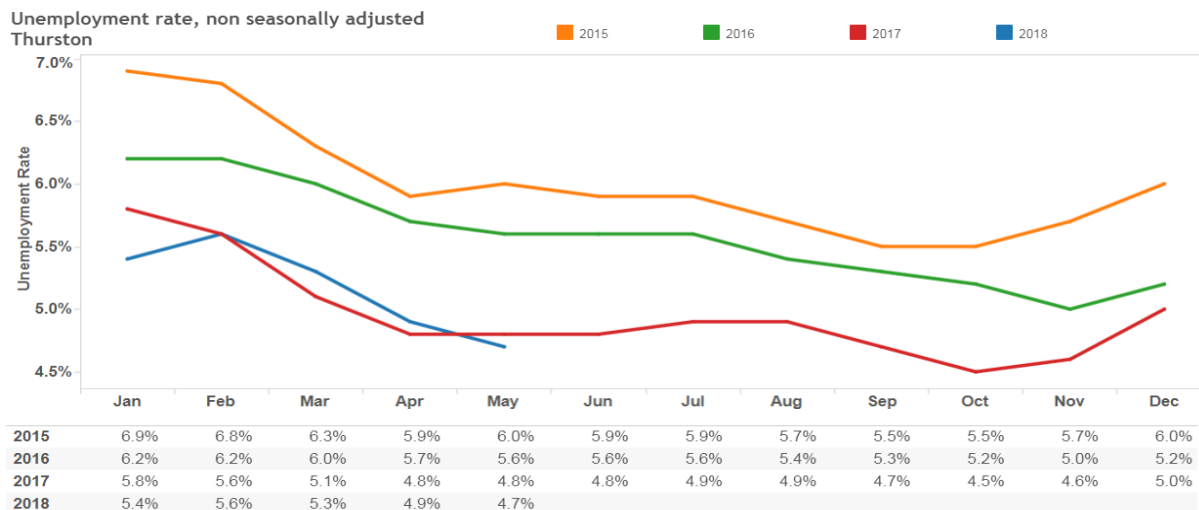
Personal income includes earned income, investment income and government payments such as Social Security and Veterans Benefits. Investment income includes income imputed from pension funds and from owning a home. Per capita personal income equals total personal income divided by the resident population.

Per capita income in Thurston County in 2015 was \$44,155, compared to the state at \$51,898 and the nation at \$48,112. It ranks 14th for per capita income in Washington.

Median household income over the period 2015 was \$61,677, higher than that of the state (\$61,062) and the nation (\$53,889), according to the U.S. Census Bureau QuickFacts.

The percent of the county's population below the official poverty rate in 2015 was 12.2 percent compared to the state's rate of 11.3 percent and the nation's at 12.7 percent, according to the U.S. Census Bureau QuickFacts. The state and national rates are not directly comparable to the county rate because each uses different data sources.

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



Employment and unemployment, not seasonally adjusted
Thurston

	2018		2017		2016	
	May	June	May	June	May	June
Civilian Labor Force	136,061	133,227	133,135	127,673		
Employment	129,645	126,822	126,749	120,479		
Unemployment	6,416	6,405	6,386	7,194		
Unemployment Rate	4.7%	4.8%	4.8%	5.6%		

As per Employment Security of Washington State, the chart inserted below provides statistics and trends for Thurston County for the years 2016, 2017 and YTD 2018. The change in employment from May 2017 to May 2018 is decrease in the countywide unemployment rate from 4.8 percent to 4.7 percent -- with an overall employment increasing by 2,896.

- Other relevant information on the community or regional area;

Thurston County's median household income was \$66,725 in 2017, according to estimates by the Washington State Office of Financial Management. Thurston County estimated to have the fifth-highest median household income of all counties in Washington in 2017, behind King, Snohomish, Clark, and Kitsap counties.

The median household income for the county remained down from the peak seen in 2008 (\$70,956 in inflation-adjusted 2017 dollars).

According to 2012-2016 American Community Survey data, the community with the highest median household income (in inflation-adjusted 2017 dollars) was Rainier (\$67,772), followed by Tumwater (\$63,123). Bucoda had the lowest median household income among Thurston County communities (\$35,000).

Median Household Income

Median household income is the income at which half of all households earn more than that income, and half earn less than that income. The measure assesses money income only and does not include additional benefits such as employer contributions to pension plans and medical benefits.

Real per capita personal income in Thurston County started recovering from the recession in 2013, and surpassed its 2008 peak (\$45,404 in 2016 dollars) for the first time in 2016 (\$45,932).

Per Capita Income

Per capita personal income is determined by dividing Thurston County's total personal income (or the income received from most major sources, including earned income, dividends, interest, rent, and transfer payments) by its population. This measure gives an average income for all residents, including children, retirees, and people who are unemployed.

Per capita personal income expressed in "nominal" or "real" dollars. Nominal dollars represent the actual dollar value at the point in time for which the income was measured and do not include the effects of inflation. Real, or constant, dollars account for inflation and used to compare the buying power of money at two different points in time.

2017 marks the fifth consecutive year of growth for inflation-adjusted taxable retail sales in Thurston County, and the first time taxable retail sales in the county have exceeded the \$5 billion mark.

The majority of taxable retail sales spending is in the northern portion of the county:
79 percent of sales occurred in Lacey, Olympia, and Tumwater
5 percent of sales occurred in Bucoda, Rainier, Tenino, and Yelm
16 percent of sales occurred in unincorporated Thurston County
Olympia had the highest amount of taxable retail sales per capita (\$41,770 per person), followed by Tumwater, Lacey, and Yelm. Bucoda had the lowest amount of taxable retail sales per capita (\$2,579 per person).

Taxable Retail Sales

Residential and nonresidential purchases in Thurston County are measured by taxable retail sales. The measure shows changes in the overall amount of money spent within the county and depicts where purchases occurred. The amount of taxable retail sales is particularly important to local government finance, as taxable retail sales contribute to the sales tax collected by communities. Sales taxes help fund government services, such as public transportation and law enforcement.

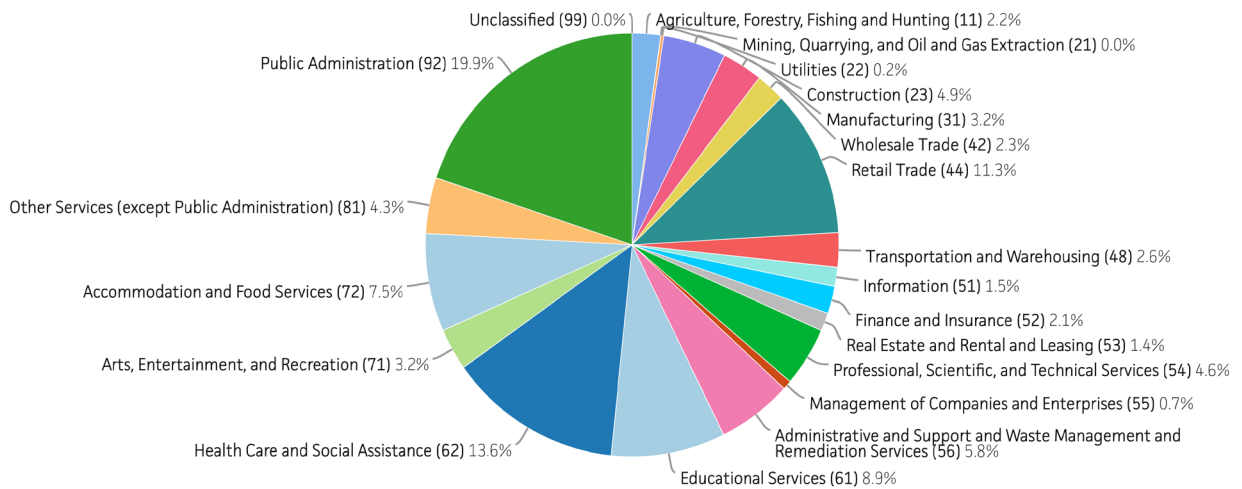
In communities where sales tax revenue is low, residents are required to fund a greater proportion of the services cities provide through property taxes or other fees. State law

limits property tax increases to 1 percent per year. In many years this increase does not provide enough extra revenue to keep pace with inflation. As a result, expanding businesses and sales is essential to provide stable funding for local governmental services and programs.

Industry Snapshot

The largest sector in the Olympia-Tumwater, WA MSA is Public Administration, employing 23,958 workers. The next-largest sectors in the region are Health Care and Social Assistance (16,376 workers) and Retail Trade (13,595). High location quotients (LQs) indicate sectors in which a region has high concentrations of employment compared to the national average. The sectors with the largest LQs in the region are Public Administration (LQ = 4.21), Arts, Entertainment, and Recreation (1.62), and Agriculture, Forestry, Fishing and Hunting (1.58).

Total Workers for Olympia-Tumwater, WA MSA by Industry



Source: JobsEQ*, Data as of 2018Q1

Employment data derived from the Quarterly Census of Employment and Wages provided by the Bureau of Labor Statistics and imputed where necessary. Data updated through 2017Q3 with preliminary estimates updated to 2018Q1.

Sectors in the Olympia-Tumwater, WA MSA with the highest average wages per worker are Utilities (\$103,135), Management of Companies and Enterprises (\$79,347), and Professional, Scientific, and Technical Services (\$71,274). Regional sectors with the best job growth (or most moderate job losses) over the last 5 years are Public Administration (+2,867 jobs), Health Care and Social Assistance (+2,392), and Construction (+2,078).

Over the next 5 years, employment in the Olympia-Tumwater, WA MSA projected to expand by 6,974 jobs. The fastest growing sector in the region is expected to be Health Care and Social Assistance with a 2.4% year-over-year rate of growth. The strongest forecast by number of jobs over this period is expected for Health Care and Social Assistance (+2,030

jobs), Educational Services (+723), and Administrative and Support and Waste Management and Remediation Services (+592).

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

	FY 18	Total
Commerce Funds Awarded	\$89,992	\$89,992

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

Other Funding Sources:		FY 18	Total
	Private	\$225,000	\$225,000
	Local	208,500	208,500
	State	0	0
	Federal	670,408	670,408
	See below *	677,530	677,530
Commerce Award		89,992	89,992
Total Budget		\$1,871,430	\$1,871,430

*this item is inclusive of the following:

- International trade development program
- Events and trade shows
- Workforce development
- Internship pipeline
- Foundation work elements

- The ADOs impact on employment through all funding sources.

In 2017, we served over 650 unique businesses, helping them connect to our business counselors and their various services. Collectively those businesses received more than 5,000 hours of help creating business strategies that implemented across our region.

We run two statewide economic development programs

1. Washington Center for Women in Business (WCWB) – which helped launch 105 new business
2. Washington State Procurement Technical Assistance Center (PTAC). Facilitated and helped deliver over \$1 billion in contracts to small/medium-sized business statewide in the past two years. We are one of the top performing PTAC’s in the nation.

Center for Business & Innovation: 2017 was the second year we operated the Center for Business & Innovation in partnership with the South Puget Sound Community College. That

base of operation has allowed the EDC to meet and well exceed our expectations for delivering economic development results to the Thurston County region.

Thurston Community Economic Alliance (TCEA). Last year we launched the Thurston Community Economic Alliance – our region’s first countywide economic development strategy, which is built on partnerships and already is delivering.

SW Washington Regional Agricultural Business & Innovation Park. Secured over \$650,000 to launch the region’s first and only agriculture innovation and business park, which will be located in Tenino.

Regional Direct Foreign Investment. We have coalesced a regional force for pursuing foreign direct investment into the Southwest Washington Region. Our most recent example of this was our trade delegation that went to China last month, which was very fruitful.

Research Washington is poised to launch. It is a unique collaboration among The Evergreen State College, Saint Martin’s University, South Puget Sound Community College and the Center For Business & Innovation that will provide research services on economic and community development initiatives.

Tumwater Craft Brewing and Distilling Center. The TCEA was supportive and instrumental in the securing of state resources that will help launch the Tumwater Craft Brewing and Distilling Center.

Shop Local South campaign. The South Thurston Economic Development Initiative (STEDI) created and launched the Shop Local South campaign in support of the string of communities stretching along highway 507 between Yelm and Grand Mound.

ThINk (Thurston Investment Network) completed the first funding of one of our region’s emerging entrepreneurial companies, Trxstle (pronounced as “trestle”), through our new Thurston Investment Network (ThINk).

All totaled, the Thurston EDC has delivered strategies and actions that resulted in nearly \$30 million in economic activities for Thurston County’s citizens.

In the era of counting and memorializing a return on your investment, your EDC provides our economy nearly \$12 for every \$1 invested into the EDC.

The following is the annual “Spring Report” of activities and impacts as reported to the community and investors of the Thurston Economic Development Council:

TCEA

Thurston Community Economic Alliance

Spring 2018 Report of Strategic Actions



Thurston County Economic Development Strategic Plan

The TCEA is a voluntary partnership of local governments, businesses, non-profits, educational institutions and economic development practitioners that collaborate on the development, implementation and review of efforts to build and maintain a dynamic economy.

VISION

The Alliance will help our community compete and prosper in an evolving and increasingly competitive global marketplace. It will strive to extend economic opportunity to all population segments, facilitate strategic initiatives that produce regional benefits and create a structure and mechanism for aligning individual member and practitioner roles and responsibilities.

PLAN CONSTRUCTION ELEMENTS



AREA 1

Career Pathways & Workforce Readiness

Healthcare Upskill Backfill Program partnership with SPSCC increases health care talent pool for Thurston County Providence Hospital

Camo2Commerce \$11M investment puts over 1200 former military into local jobs



2017 conference that facilitated business strategies for recruiting and retaining talent.

6 MAIN AGENDA ITEMS

1. Pipeline of internships – focus of college student impactful employment experiences
2. Thurston Chamber of Commerce Partnership for Business Services and Business2Youth connection with local employers
3. Enhanced Support for South Sound Advisory, Regional CTE Directors and New Market Skills Center provides labor market information & youth employment options
4. Increased emphasis on apprenticeship programming broadens employment options
5. Formal development of STEM Network connects community organizations and schools
6. New Career Pathway materials highlight options and employment opportunities in the region

AREA 2 Target Industry Growth & Innovation

Main agenda items thus far:

- Identified other TCEA focus areas for alignment in efforts
- Identified our physical and non-physical assets
- Identified what makes Thurston County unique/what sets us apart from our region and state
- Next steps: Create a recruitment plan for targeted recruitment efforts. Gather stakeholders to attend targeted tradeshow

BREAKING GROUND

SPSCC's Craft Brewing & Distilling Center
Tumwater's Craft District

PAC 5 Economic development organizations – regional collaboration for business recruitment and market expansion

Trade missions – The EDC led a regional delegation to China in March of 2018. the mission resulted in a signed economic development agreement with the City of Dantu that will create a direct link with export opportunities and business development and investment opportunities for the South Puget Sound region.

4 MAIN INITIATIVES

1. Identify supply chain gaps
2. Identify opportunities within target industry clusters
3. Develop marketing and outreach strategies
4. Take coordinated private-public sector action to attract new investment

Homegrown hard cider company, Tart Cider, was outgrowing their garage and ready to scale up to a new production facility. They were signing a contract for a location in Tacoma when then EDC staff stepped in. With help from partners like the City of Tumwater and Kaufman Construction's willingness to innovate, Tart Cider will now be located in Tumwater's warehouse district, amongst a growing number of craft-minded businesses.



Current Recruitment –

Actively recruiting two manufacturing facilities to Thurston County which combined will create 100 new jobs.

Tenino Agriculture Business & Innovation Park – Scaling regional food production industry. Recruiting food manufacturers.

AREA 3

Small Business & Entrepreneurial Resources

Task Force Areas of Emphasis

- What community partners should be added to ensure a comprehensive view and an effective effort toward strengthening the region's entrepreneurial support system
- Map the region's existing resources and activities that contribute to the vision
- Identify gaps in the system and pursue opportunities to fill them



Think local. Invest local.

ThiNK—Thurston Investment Network has facilitated its first match & deal! Congratulations Trxstle!

RESOURCE DATABASE

The task force has created an extensive small business and entrepreneurship resource database that will become widely linked throughout the region.

5 MAIN INITIATIVES

1. Foster a culture of "Innovation"
2. Broaden awareness of CB&I and partner resources
3. Identify emerging business sectors and support networks to grow them
4. catalog business financing options and facilitate access
5. Ensure a multi-cultural business assistance environment



ScaleUp Training Series is being implemented and having impact — City of

Olympia and City of Lacey have invested and provide scholarships for businesses.



Olympia Downtown Association—DO BIS has established a business assistance

program in partnership with the CB&I & City of Olympia



Lacey MakerSpace is organized with an active steering committee group and is seeking funding toward opening in 2018

Avalon Co-working Space is being formed via a partnership between The Evergreen State College, Center for Business & Innovation, City of Olympia and private developer Big Rock Capital.

AREA 4 Infrastructure Policy & Funding Coordination

3 Thurston Area Development Projects


Thurston Regional Shared Legislative Agenda – Coordinated by the Thurston Chamber of Commerce



The region received \$550K to start I-5 planning through Thurston County. The Shared Legislative Partnership will seek \$5 million in 2019 to move the planning effort forward.

Capitol Lake EIS - DES received \$4 million to conduct an EIS for the Capitol Lake/Lower Deschutes Watershed. The EIS is expected to be complete in three years.

Public Transportation - Intercity Transit's local funding authority was increased. A capital needs study received \$315K from the state.



Creative Districts legislation passed in 2017. Cities of Olympia and Tenino pursuing pilot projects in 2018.

1. The Tenino Agricultural Business & Innovation Park received \$618K in infrastructure funding through State Capital Budget & \$75K for master planning from the Port of Olympia. Master planning is slated to begin next month.

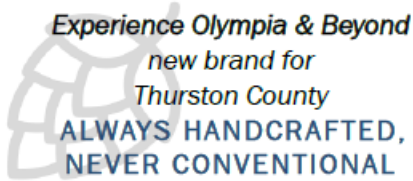
2. The TransAlta Tono Solar project is moving forward at the old Tono mining site just east of Bucoda. The \$200+ million private investment project will establish the largest solar farm in Washington (up to 180 MW) and is slated for completion by Q4 2020.

3. Downtown Olympia's Views on Fifth project has cleared the hearing examiner process and has commenced the multi-family and commercial complex redevelopment project, which is a \$30 million private investment into the Thurston Economy.

\$500K for SPSCC Brewing & Distilling Equipment & \$500K for Tumwater Brewery Restoration received in State Capital Budget



AREA 5 Brand Development, Partnerships & Communication



Experience Olympia & Beyond is creating an economic development "landing page" that facilitates the use of visual assets and consistent messaging for Thurston County.

South Thurston Economic Development Initiative (STEDI)



3 INITIATIVE AGENDA ITEMS

1. Brand alignment and external marketing

- Leveraged destination brand for economic development
- Worked with recruitment taskforce to create key messaging and story-brand for target markets

2. Communications plan

- Create strategy to engage & update community on TCEA progress

3. Signature projects and place-making

- Lacey Hub & Woodland Square District
- Tumwater Craft Brewing & Distilling Center
- Olympia Downtown Development & Project Avalon Co-Working Space
- South County Agriculture Business & Innovation Park and STEDI

Legislation passed in March of 2018 establishes and provides matching funding for a **Washington Tourism Marketing Authority**

KEY MESSAGES

WEALTH REDEFINED

Here, business is mindfully crafted

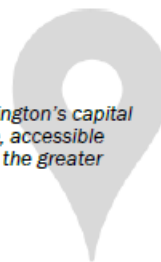
Innovation without the pretense. Business growth and entrepreneurs are thoughtfully supported.

A beautiful & iconic place to live with purpose

This is a place people want to be. Employees and families are rejuvenated by abundant connections, education and nature.

Near it all

Location matters. Washington's capital community is affordable, accessible and positioned to serve the greater Puget Sound region.





T C E A

Thurston Community Economic Alliance
LEADERSHIP

These community leaders have dedicated their time and experience to ensure the success of each of the strategic areas.

AREA 1: Cheryl Fambles, PacMtn Workforce Development

AREA 2: Kyle Wiese, Thurston EDC

AREA 3: Celia Nightingale, Thurston EDC
Center of Business & Innovation

AREA 4: David Schaffert, Thurston County
Chamber of Commerce

AREA 5: Shauna Stewart, Experience Olympia
& Beyond

Wahkiakum Chamber of Commerce

Summary of Best Practices Shared and Implementation

Grantee: Wahkiakum Chamber of Commerce

County: Wahkiakum

Grant Number: S18-75106-582

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

Wahkiakum County Unemployment Rate is 6 percent as of May 2018

<https://esd.wa.gov/labormarketinfo/labor-area-summaries>

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

Wahkiakum County Unemployment Rate is 6.8 percent as of May 2017

Wahkiakum County Unemployment Rate is 6 percent as of May 2018

Net Change from May 2017 to May 2018 is -0.8 percent

<https://esd.wa.gov/labormarketinfo/labor-area-summaries>

- Other relevant information on the community or regional area;

Wahkiakum County is a small, rural community densely forested, winding around the Columbia River and including an island. It is only about 15 miles from the ocean and its beauty and tranquility attract retirees. We believe the county has a lot of potential in becoming a desired tourist destination. We are working to grow in this direction so that we may attract more families and younger generations in order to stimulate the economy.

The Wahkiakum Chamber of Commerce maintains a relationship with the Cowlitz-Wahkiakum Council of Governments, whose mission is “efficiently utilize resources so as to

yield long-term benefits that enhance the quality of life for our communities and region.”
<http://www.cwcog.org/administration.htm>

The Wahkiakum Chamber of Commerce maintains a relationship with Workforce Southwest Washington, which “contributes to regional economic growth by providing investments and resources to improve the skills and education of the workforce.”
<https://workforcesw.org/>

According to the Washington State Employment Security Department (updated May 2018), “Wahkiakum County had the largest percentage drop in employment of any county in the state during the 2008-2009 recession.” <https://esd.wa.gov/labormarketinfo/county-profiles/wahkiakum>

Despite this statistic above, the county’s unemployment rate is lower than it has been in years at 6 percent, and lower than surrounding counties such as Lewis, Pacific and Grays Harbor.
<https://esd.wa.gov/labormarketinfo/labor-area-summaries>

Lastly, Wahkiakum county residents “are less likely to have dropped out of high school”. Only 8 percent of adults in the county failed to finish high school (vs. 13 percent nationally).
<https://esd.wa.gov/labormarketinfo/county-profiles/wahkiakum>

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

	FY 18	Total
Commerce Funds Awarded	\$35,000	\$35,000

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

Other Funding Sources:		FY 18	Total
	Private	\$0	\$0
	Local	25,250	25,250
	State	0	0
	Federal	0	0
Commerce Award		35,000	35,000
Total Budget		\$60,250	\$60,250

- The ADOs impact on employment through all funding sources.

New Business Start Up

Patty Cakes Café & Roasting Company
Coffee & Espresso Shop
Job Creation: Four

Our former coffee shop was just put on the market when a woman bought it and moved into the town, bringing her son and daughter-in-law with her. She has 17 years' experience in the industry, and opened Patty Cakes Café & Roasting Company, currently selling coffee, espresso and some pastries. The Chamber had been in close contact with the owner for several months before having a grand opening. We helped her in networking and obtaining her license, as well as put her in contact with contractors to remodel the shop space. A large amount of people came to show their support. In the months leading up to the opening, we advertised and marketed frequently on social media as the whole county awaited opening day. Over the next couple of months, the owner will introduce more items on the menu, mainly crepes and Paninis. She also plans to start keeping the shop open soon on Friday and Saturday nights so that they can deliver food to customers at our local brewery. She is a member of the Chamber.

New Business Start Up

D's Art, Antiques & Collectibles
Antique Shop
Job Creation: One

A woman who was renting a shop space but has been out of town for about a year helping her family has returned and is planning to open her shop. The Chamber has been in contact with her for the past month and a half and is planning to have a grand opening for her store soon once a date is set. We helped point her in the right direction for obtaining her license and putting her in contact with the right people. People in our area love to shop for antiques, so we think Main Street is a perfect location for such a store. She is a member of the Chamber.

New Business Start Up

Rosburg Store
General Store
Job Creation: Two

Two brothers have contacted me in the last couple of weeks inquiring about a loan from the Chamber to re-open an abandoned general store in Rosburg. I am currently in the process of getting information to them. I have spoken to them about becoming Chamber members.

New Business Start Up

Cascadia Massage
Massage Therapy Studio

Job Creation: Two

Several months ago, the Chamber held a grand opening for a new massage therapy studio on our Main Street. I spoke with her last week and she reported that she is getting plenty of work, working about six hours a day on average. She is a member of the Chamber.

New Business Start Up

Computer Link NW

Web Designer

Job Creation: One

As a new resident of Skamokawa, the owner has brought his own business that is a computer company for small businesses that deals in programming, consulting and hosting. The Chamber has begun advertising and marketing his company and given him referrals. He is a Chamber member.

New Business Start Up

Bradley House Inn & Antiques

Bed and Breakfast; Antique Store

Job Creation: Two

The owners have restored this century-old home on Main Street that has served as several different businesses over the years and turned it into a bed & breakfast, as well as using a first floor front room to sell antiques. The Chamber held a grand opening several months ago and had a large showing of support. The Chamber has promoted the business on social media to show people what they have to offer and to keep them in mind for referrals.

Port of Walla Walla

Summary of Best Practices Shared and Implementation

Grantee: Port of Walla Walla

County: Walla Walla

Grant Number: S18-75106-583

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

Based on May 2018 not seasonally adjusted data from WA Employment Security Department, Walla Walla County labor force statistics for May 2018 was 29,885 in the labor force.

Based on May 2018 not seasonally adjusted data from WA Employment Security Department, Walla Walla County employment statistics for May 2018 was 28,608 employed.

Based on May 2018 not seasonally adjusted data from WA Employment Security Department, Walla Walla County unemployed statistics for May 2018 was 1,277 unemployed.

Based on May 2018 not seasonally adjusted data from WA Employment Security Department, Walla Walla County unemployment rate for May 2018 was 4.3%.

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

Based on May 2018 not seasonally adjusted data from WA Employment Security Department, Walla Walla County labor force statistics from May 2017 to May 2018 grew from 28,785 to 29,885 an increase of 1,100 people in the labor force.

Based on May 2018 not seasonally adjusted data from WA Employment Security Department, Walla Walla County employment statistics from May 2017 to May 2018 grew from 27,491 to 28,608, an increase of 1,117 people employed.

Based on May 2018 not seasonally adjusted data from WA Employment Security Department, Walla Walla County unemployed statistics from May 2017 to May 2018 declined from 1,294 to 1,277, a decrease of 17 less people unemployed.

Based on May 2018 not seasonally adjusted data from WA Employment Security Department, Walla Walla County unemployment rate from May 2017 to May 2018 declined from 4.5 percent to 4.3 percent, a decrease of 0.2 percent in unemployment rate.

- Other relevant information on the community or regional area;

See Attachment A-1. Port of Walla Walla 2017 Economic Development Results

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

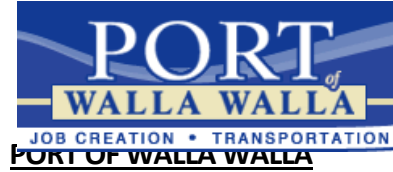
	FY 18	Total
Commerce Funds Awarded	\$48,296	\$48,296

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

Other Funding Sources:		FY 18	Total
	Private	\$0	\$0
	Local	48.296	48.296
	State	0	0
	Federal	0	0
Commerce Award		48,296	48,296
Total Budget		\$96,592	\$96,592

- The ADOs impact on employment through all funding sources.

See Attachment A-1. Port of Walla Walla 2017 Economic Development Results



**2017
Economic Development Plan
Results**

JANUARY 2018

2017 Economic Development Plan Results

A. Small Business Development

- Port contributed \$15,000 in financial assistance and provided office space at the Walla Walla Regional Airport for the Walla Walla Small Business Development Center.
- Port contributed \$1,520 to maintain Walla Walla Small Business Tools website to help small business in startups that want web-based information and support for growing their business. It is customized for each area with local, state, and federal information, Spanish translation, and other business resources. Averages over 50 monthly hits on the website. <http://wallawalla.toolsforbusiness.info/>
- Port continues to develop work spaces for small business at the Walla Walla Regional Airport and Dell Avenue Shops.
- SBDC 2017 Results:
 - ✓ Number of clients using the center: 151
 - ✓ Client evaluations of business assistance counseling and workshops: 96 percent of clients rated the service they received as “above average” or “excellent” on the 2017 client satisfaction survey.
 - ✓ Number of new business start-ups and number of jobs created or retained: five new business and 39 new or retained jobs.
 - ✓ Amount of private investment, including equity, banks, or other loan packages: \$2,536,200

- ✓ Amount of increased sales realized: \$1,760,000
 - ✓ Minority population use of center: 5.5 percent of Walla Walla County businesses are Hispanic owned; 6.2 percent of clients using the Center were of Hispanic origin. Other minority populations were not statistically significant in 2017.
 - ✓ Specific examples of business success stories presented to the EDAC: Alex DeMambro Architecture, Olive Marketplace and Café, Quirk Brewing Co.
- **B. Existing Business Retention/Expansion.**
- 1. Businesses visited**
1. Alaska Air
 2. American Fiber Products
 3. Artifex Wine Company
 4. Blaze King
 5. Boise (Packaging Corp of America)
 6. Burwood Brewing Company
 7. CAVU Cellars
 8. Chateau Ste. Michelle
 9. Cott/Cliffstar Corporation
 10. Frontier Railroad
 11. Frontier Transportation
 12. Harris Rebar
 13. Ingeniux
 14. Key Technology
 15. Koncrete Industries
 16. Martin Outdoors
 17. McGregor Company
 18. Midland Carrier TransCold
 19. Moreno Nelson Construction
 20. Nelson Irrigation
 21. Northwest Grain Growers
 22. Pacific Power
 23. Providence St. Mary Medical Center
 24. Northwest Wine Services
 25. Rack & Maintenance
 26. Reiff Manufacturing
 27. Schnitzer Steel
 28. Seattle Tiny Homes
 29. Simplot
 30. Tamarack Cellars
 31. Tate Transportation, Inc.

32. The McGregor Company
33. The Odom Corporation
34. The Scoular Company
35. TransCanada GTN
36. Tyson Fresh Meats
37. Union Pacific Railroad
38. Washington State Penitentiary
39. Wilbur Ellis
40. Westway Feed
41. Other Various Businesses

Alaska Air

- Commercial passenger enplanements set another new record in 2017 with 49,596 boardings on Alaska Airlines. This represents a 4.6 percent increase from our previous record year in 2016 with 47,422 boardings. Commercial passenger deplanements also set another new record in 2017 with over 49,299 passengers deplaning in Walla Walla. This also represents a 4.6 percent increase from our previous record year in 2016 with 47,123 passengers deplaning.
 - With the help from our business community, tourism activity and local citizens the Walla Walla Regional Airport is now a strong performing market for Alaska Airlines. This increase speaks volumes to our community's commitment to preserving and grow air service, particularly when you consider that Walla Walla is one of the smallest markets that Alaska Airlines serves.
 - The Port and the Walla Walla Air Service Coalition continue to advocate for a later arrival time into Walla Walla that will allow for greater connection possibilities from the east coast.
- Packaging Corporation of America (Boise Paper Mill, Wallula, WA).
- Packaging Corporation of America announced a \$150 million retooling of its production starting in the second quarter of 2018. A machine conversion and product refocus at the Boise Paper mill represents one of the single largest investment in contemporary value ever in Walla Walla County.
 - Established 50 years ago (1957), the operation has over 600 employees and is the largest taxpayer in Walla Walla County. In 2017, PCA plant was valued at \$166 million or 3.09 percent of the county's \$5.3 billion in assessed value. PCA's investment of \$150 million really protects and preserves the jobs and the tax base for Walla Walla County.

Union Pacific Railroad – "Cold Connect" (Previously Railex)

- On Jan. 3, 2017, the Union Pacific Railroad, based in Omaha, NE, announced the acquisition of Railex LLC's refrigerated and cold storage distribution assets in Delano, Calif; Wallula, Wash., and Rotterdam, NY.
- In October 2017, Union Pacific Railroad's "Cold Connect" expanded train service to five days a week on all eastbound California and Washington trains.

Reiff Manufacturing

- New 4,800 square-foot metal fabrication building for Reiff Manufacturing was completed in summer 2017 at the Walla Walla Regional Airport. The new facility employs approximately five new metal fabrication positions and helps complement Reiff's existing fiberglass manufacturing operations.

Burwood Brewing Company

- New 5,400 square-foot brewery and tap room for Burwood Brewing Company was completed in Fall 2017 at the Walla Walla Regional Airport.

2. Business Profiles at Bi-Monthly EDAC Meetings

1. January 2017

- Tim Payne, superintendent, College Place Public Schools – Status of Education
- Susan Bell, superintendent, Touchet School District – Status of Education
- Blue Mountain Region Trails - Region-wide National Park Service-Assisted Non-Motorized Trails and Transportation Planning

2. March 2017

- Jack Ehren, president & chief executive officer – Key Technology, Inc.
- Nabil Shawa, city manager – City of Walla Walla -Update on Memorial Pool, Isaacs Avenue Improvements & Town Center Development

3. May 2017

- Derek Brandes, president – Walla Walla Community College - Successes and Challenges

4. July 2017

- Rob Watilo, chief strategy officer - Providence St. Mary Medical Center

5. September 2017

- Doug Simcock, Windermere Real Estate – Walla Walla Housing Market Update

6. November 2017

- Dr. Patrick Jones, Eastern Washington University - Walla Walla Trends Update
- Port of Walla Walla – Wallula Gap Business Park Overview

3. Number of local businesses opening (O) and/or expanding (E)

1. Reiff Manufacturing	Metal Fabrication	E	WW Regional Airport
2. Burwood Brewing Co.	Brewery	E	WW Regional Airport
3. Moreno Nelson Const.	Construction	E	WW Regional Airport
4. NW Wine Services	Wine Distribution – Phase 2	E	Dodd Road I.P
5. Sun Pacific Energy	C Store & Firehouse Subs	O	Burbank Business Park
6. AJSA, LLC	C Store & Pizza Shop	O	Burbank Business Park
7. Koncrete Industries	Concrete Batch Plant	E	Burbank Industrial Park
8. Seattle Tiny Homes	Tiny Homes	E	Isaacs Building
9. M.T. Head Brewing Co.	Brewery	O	WW Regional Airport
10. Eternal Wines	Winery	O	WW Regional Airport
11. Tricycle Treasurers	Gift Store	O	WW Regional Airport
12. Nocking Point	Wine Club	O	WW Regional Airport
13. Small Family Farms	Flour Mill Operation	E	Dell Avenue Building

Note: This list is not inclusive of all the businesses opening and/or expanding in the cities of Walla Walla, College Place, Waitsburg, Prescott and other incorporated areas of the County.

4. Business Downsizing/Closures

1. Patit Creek Cellars	Closure -2017	1 FTE Jobs
2. Shot in the Dark Distillery	Closure -2017	1 FTE Jobs

Note: This list is not inclusive of all the businesses downsizing or closing in the cities of Walla Walla, College Place, Waitsburg, Prescott and other incorporated areas of the County.

C. BUSINESS RECRUITMENT, MARKETING & ADVERTISING

1. Number of qualified business leads obtained:

Washington Dept. of Commerce	15	qualified leads
World Economic Development Alliance	2	qualified leads
Private	12	qualified leads
Trade Show	<u>2</u>	<u>qualified leads</u>
Total	31	qualified leads

2. **Qualified business visitations:**

January 2017	Project Cider	Food Processor	Walla Walla County
February 2017 (2)	Project Omaha (UPRR)	Transportation	Dodd Road Industrial Park
April 2017 (2)	Project Currie (Simplot)	Food Processor	Dodd/WGBP
April 2017	Project Omaha (UPRR)	Transportation	Dodd Road Industrial Park
May 2017	Project Duck	Winery	WW Regional Airport
May 2017	Project Omaha (UPRR)	Transportation	Dodd Road Industrial Park
May 2017	Project Mack (NW Equip)	Truck Operation	Burbank Business Park
June 2017	Project Wal-Mart	Warehousing	Walla Walla County
June 2017	Project Mack (NW Equip)	Truck Operation	Burbank Business Park
June 2017	Project Elk	Blockchain	Dodd Road Industrial Park
June 2017	Project Falcon	Wood Product MFG	Wallula Gap Business Park
July 2017	Project Elk	Blockchain	Dodd Road Industrial Park
July 2017	Project Currie (Simplot)	Food Processor	Dodd/WGBP
July 2017	Project PCA	Wood Products	Wallula
August 2017	Project Currie (Simplot)	Food Processor	Dodd/WGBP
August 2017	Project Falcon	Wood Product MFG	Wallula Gap Business Park
September 2017	Project Tyson	Food Processor	Dodd Road Industrial Park
September 2017	Project Elk	Blockchain	Dodd Road Industrial Park
October 2017	Project PCA	Wood Products	Wallula
October 2017	Project Currie (Simplot)	Food Processor	Dodd/WGBP

Qualified business visitations (cont.):

November 2017	Project Wilbur	Agriculture	WW Regional Airport
November 2017	Project George	Commercial Greenhouse	Wallula Gap Business Park
December 2017	Project Wal-Mart	Warehousing	Walla Walla County
December 2017	Project Duck	Winery	WW Regional Airport
December 2017	Project Currie (Simplot)	Food Processor	Dodd/WGBP
December 2017	Project Mack (NW Equip)	Truck Operation	Burbank Business Park

- The Port of Walla Walla, Walla Walla Regional Airport, and Visit Walla Walla partnered to provide a \$55,000 marketing and advertising campaign to promote Walla Walla and air service with digital advertising in the San Francisco Bay area and Los Angeles, Calif. markets. The campaign had a direct influence on the Airport’s 2017 record passenger numbers.
- Partnered with Visit Walla Walla upon receipt of a Port of Seattle Marketing Grant to market “Fly Walla Walla” with digital advertising in Sacramento, Phoenix, and Denver with an overall budget of \$16,000. Funding sources were \$5,000 Airport, \$5,000 Visit Walla Walla and \$10,000 Port of Seattle
- Port attended ICSC Retail Tradeshow in Las Vegas, Nev. in 2017. The Port in a cooperative venture invited and helped pay for the City of Walla Walla, City of College Place and County of Walla Walla representatives to attend the International Council of Shopping Centers.
- Port attended Washington Association of Wine Grape Growers tradeshow in February at the Three River Convention Center in Tri-Cities.
- Advertised in the National Economic Development Directory at www.ecodevdirectory.com.
- Continued to input and update available industrial buildings and sites in the following real estate websites.
 - ✓ Area Development – Fast Facility, www.fastfacility.com
 - ✓ CoStar/Loop Net, www.costar.com
 - ✓ Washington State Zoom Prospector, www.zoomprospector.com
 - ✓ These websites have databases of available buildings and sites and are focused primarily toward national site selectors (Colliers International, Deloitte Consulting, Global Location Strategies, Site Selection Group, McCallum Sweeney Consulting, etc...) database.
- Updated and maintained Port’s homepage www.portwallawalla.com.

- Washington State Dept. of Commerce, national site selectors, and real estate advisors were satisfied with the Port’s comprehensive business expansion/relocation proposals and other collateral materials.
- Washington State Dept. of Commerce satisfied with the Port’s quarterly EDC reports and the Economic Development Advisory Committee meetings, format, and its public participation effort.
- Port’s Community Contribution to six community organization in the amount of \$25,850 for the following programs:
 1. Walla Walla Downtown Association - 2017 Feast \$ 1,750
 2. Walla Walla Downtown Association - 2017 Wheeling Walla Walla \$ 1,750
 3. Walla Walla Valley Chamber of Commerce - 2017 Business Summit \$ 6,000
 4. Walla Walla Valley Chamber of Commerce - 2017 Award Showcase \$ 1,350
 5. Walla Walla Wine Alliance - 2017 Celebrate \$12,500
 6. Walla Walla Wine Alliance - 2017 Reveal \$ 2,500
- Port contributed \$16,260 to 10 organization for the following tourism projects conditioned on the money being used to attract out-of-county visitors to Walla Walla County:
 1. Walla Walla Chamber Music Festival \$2,000
 2. Little Theatre of Walla Walla \$2,000
 3. ARTWALLA - ArtSquared \$1,000
 4. Downtown Walla Walla Foundation - Sweet Heritage Festival \$2,000
 5. Walla Walla Quilt Festival \$1,500
 6. Waitsburg Commercial Club - Waitsburg Overnight Rental Brochure \$ 250
 7. Waitsburg Commercial Club - Waitsburg Meeting and Event Planner Guide \$ 325
 8. Fort Walla Walla Museum - Fort Walla Walla Days \$2,000
 9. Kirkman House Museum \$1,185
 10. Blue Mt. Land Trust - Learning on the Land Educational Series \$2,000
 11. Walla Walla Blues Society - Walla Walla Guitar Festival \$2,000
- Maintained “Existing Inventory List” of ready to go public and private buildings and sites in Walla Walla County.

D. Site & Infrastructure Development

Port of Walla Walla - 2017 infrastructure related projects:

- U.S. Highway 12
 - ✓ Port continued its leadership role with U.S. Highway 12 Coalition. Several public meetings held in connection with Phase 7 design and construction.

- ✓ The 2015 State Transportation Revenue Package resulted in significant transportation dollars earmarked for Walla Walla County. Port continues to track progress.
 - ❖ Phase 7 - Continue to coordinate with WSDOT and the US Highway 12 Coalition on the design/construction of Phase 7 of U.S. Highway 12. Estimated cost \$140 million;
 - ❖ Phase 8 - Continue to coordinate with WSDOT and the US Highway 12 Coalition on the design of Phase 8 of U.S. Highway 12. Estimated cost \$34 million;
 - ❖ \$3.9 million for improvements to the 9th/Plaza Way
- ✓ Port continued effort with WSDOT and Broetje Orchards in looking at safety improvements for Highway 124.
- Burbank Business Park
 - ✓ Two private developers completed their projects at the Port's Burbank Business Park:
 - Lots 1 & 2 \$423,403 Burbank Group, LLC Private capital investment \$2.5M
 - Lots 64 \$639,061 Asja, LLC Private capital investment \$2.0M

Commenced with the real estate transaction for 10 acres along Gateway Road to Northwest Equipment Sales. Northwest Equipment Sales is proposing to use the Gateway property to build a new Volvo and Mack Truck Franchise Dealership that will include a service, parts, truck and trailer sales, leasing and rental departments.
- Burbank Industrial Park
 - ✓ In partnership with Walla Walla County Public Works the infrastructure improvement on 2nd Avenue and Grain Terminal Road Entrance was completed in 1Q 2017 at a cost of approximately \$530,000.
 - ✓ Concrete Industries completes its site improvements at the Port's Burbank Industrial Park for a new concrete patch plant.
- Dodd Road Business Park
 - ✓ Railex Wine Services, LLC, now Northwest Wine Services, completed its Phase 2 wine warehouse expansion of 280,000 square feet to its existing 500-square-foot wine distribution warehouse. Currently, Northwest Wine Services has 780,000 square feet of wine warehouse space capable of storing over 7 million cases of wine. Phase 3 development is tentative schedule for late 2018 early 2019.
- Mill Creek
 - ✓ Port continues participation in Mill Creek Channel Coalition. Led and organized outreach visits to Washington, D.C. and continues its leadership role with Mill Creek Channel Coalition.

- Wallula Gap Business Park – Water System
 - ✓ 80 percent completion of the plans and specifications for the new water system at the Port’s Wallula Gap Business Park.
- Walla Walla Regional Airport
 - ✓ Completed the construction of 160 new parking stalls at the Walla Walla Regional Airport.
 - ✓ Completion of two new “Build-To-Suit” buildings.
- Other
 - ✓ Approved and issued payment of an Economic Development Sales Tax Grant to the City of Waitsburg for \$150,000 for the Main Street Bridge Replacement Project.
 - ✓ Issued payment of an Economic Development Sales Tax Grant to the City of Walla Walla for \$200,000 for the Memorial Pool Reconstruction Project.
 - ✓ Conducted several site visits with prospective business leads for the Burbank Business Park, Burbank Industrial Park, Dodd Road Business Park, Isaacs Business Park, Melrose Business Park, Wallula Gap Business Park, Dell Avenue Building, Isaacs Building, and other Port-owned buildings.

County of Walla Walla - 2017 infrastructure related projects:

- Dodd Rd MP 0.00 to MP 6.34 \$950,000
- Second Avenue at Burbank MP 0.61 to MP 0.77 \$600,000
- Pemberton Road Bridge on Barney ad \$450,000
- Touchet Gardena Road – Bridge Approach Repair \$125,000

City of Waitsburg - 2017 infrastructure related projects:

- Main Street Bridge Replacement \$1.8 million
- Main and 8th Streets overlay \$75,000
- Touchet River Sewer Siphon pipe bursting \$75,000
- Sidewalk installations on Academy, Main, Arnold Lane, W 4th/5th Streets, E. 7th, Buttercup and E. 8th Streets. \$300,000

City of College Place - 2017 infrastructure related projects:

- CARS Project Wrap Up (wayfinding included)
- Kiwanis Park rehab
- 2017 Chip Seal program

City of Walla Walla - 2017 infrastructure related projects:

- Veterans Memorial Pool Rebuild \$8.3 million
- AMI Water Meter Replacement \$6.1million
- Landfill Liner Project (Area 7, Cell 3) \$3.2 million
- Isaacs Avenue – Park to Division IRRP \$6 million

City of Prescott - 2017 infrastructure related projects:

- None

E. Economic Profile

- Port renewed its contract with Eastern Washington University to maintain and update the Walla Walla Trends and to provide a quarterly e-newsletter at a cost of \$18,000.
- Updated and maintained the comprehensive economic profile of Walla Walla County. High use rate by the government agencies, community organizations, businesses, and site selectors.
- Helped a host of public and private businesses with specific economic profile requests.
- Tracked the .09 percent Economic Development Sales Tax Fund for economic development projects.
- Posted EDAC agenda meeting handouts on the Port's website.
- Developed a stronger social media presence with the activation of a Port of Walla Walla Facebook site with regular updates linked to Port's existing website.

F. Economic Development Advocacy

- Economic Development Advisory Committee meetings continue to be well attended. EDAC agendas and meeting handouts are posted on the Port's website.
- Port continued its participation in the Washington Association of Economic Development Councils, Washington Public Ports Association, Pacific Northwest Waterways Association, and Good Roads Association.
- Published four guest editorials in the Walla Walla Union-Bulletin newspaper regarding economic development, transportation, and business development.
- Community bus tour of Port/Airport properties was held in October 2017.
- Held community meetings in Burbank and Waitsburg.
- Participated in several public/private committees and coalitions such as the U.S. Highway 12 Coalition, Washington State Penitentiary Taskforce, Walla Walla Watershed Management Partnership Board, Washington Good Roads Association, Walla Walla Valley Metropolitan Planning Organization (MPO), Regional Transportation Planning Organization (RTPO), Mill Creek Coalition, Walla Walla WorkSource Employer Committee, Walla Walla Community College - General Workforce Advisory Committee, and others.
- Port was the Day Leader for Leadership Walla Walla day devoted to "Business, Agriculture and Economic Development" October 2017.
- Spoke to numerous organizations concerning the Valley's economic development effort.

Port of Bellingham – Whatcom County

Summary of Best Practices Shared and Implementation

Grantee: Port of Bellingham

County: Whatcom

Grant Number: S18-75106-551

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

May 2018 preliminary numbers in thousands	
Total Nonfarm 3/	95.9
Total Private	76.8
Goods Producing	19.2
Mining, Logging, and Construction	9.0
Manufacturing	10.2
Service Providing	76.7
Private Service Providing	57.6
Trade, Transportation, and Utilities	16.4
Retail Trade	11.2
Financial Activities	3.6
Professional and Business Services	8.5
Leisure and Hospitality	10.0
Government	19.1
Federal Government	1.4
Total State Government	7.0
Total Local Government	10.7

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

May. 2017 to May 2018 Numerical Change in thousands	
Total Nonfarm 3/	1.9
Total Private	2.2
Goods Producing	1.7
Mining, Logging, and Construction	1.7
Manufacturing	0.0
Service Providing	0.2
Private Service Providing	0.5
Trade, Transportation, and Utilities	-0.5
Retail Trade	-0.3
Financial Activities	0.2
Professional and Business Services	0.4
Leisure and Hospitality	-1.0
Government	-0.3
Federal Government	0.0
Total State Government	-0.7
Total Local Government	0.4

- Other relevant information on the community or regional area;

Current Projects:

Nanak Foods

Nanak Foods is the flagship brand of Punjab Milk Foods Inc., the largest and most innovative Indian dairy in North America. Nanak is setting up a food manufacturing facility in 40,000 square feet of space leased from Bellingham Cold Storage in Bellingham. The company is investing \$6 million into the project that includes installing production, packaging and wastewater handling equipment. Operations scheduled to start in August 2018. Number of jobs to be determined.

Twister Trimmer

Twister Trimmer, based in Surrey British Columbia, manufactures machinery used to trim agricultural products such as hops. The company successfully opened a branch in Ferndale, Wash. that is used to assemble, ship and repair the twister trimmer line of products.

Preferred Freezer

Preferred Freezer offers the most modern, state-of-the-art, full service temperature-controlled warehouses in the U.S. In 2017, Preferred completed a \$25 million 147,000-

square-foot expansion to its existing 330,000-square-foot facility in Lynden, Wash. Currently 16 people are employed with additional hires to follow as the new space fills.

Itek Energy

Itek Energy is the only Washington-based manufacturer of solar panels. Itek purchased a 48,000-square-foot building from the Port of Bellingham, invested \$7 million in the project, and completed in October 2017. Total workforce is 85 jobs that were originally retained (+10 full time temps). Over \$91,000 paid in state and local taxes over the past year.

American Nettings and Fabric

American Nettings & Fabric, Inc. is one of the leading suppliers of nettings and fabric in North America. American Nettings and Fabric completed construction of a new \$1.4 million manufacturing facility in 2017 and added eight employees. This company was a client of our EDA Revolving Loan Fund and with the financing we provided, it was able to grow its balance sheet to the point of qualifying for a commercial loan and proceeding with construction and operations of a new manufacturing facility.

Tidal Vision Products

Tidal Vision Products processes seafood by-products such as crab shells and fish skins, making a number of products. Tidal Vision extracts the polymers chitin and chitosan from crab shells and manufactures clarifiers, fining agents, flocculants, dish scrubs, textiles, and more from their chitosan. Tidal Vision is a current client of the EDA Revolving Loan Fund administered by the Port of Bellingham. Over the past year Tidal Vision has:

- Hired three new full-time employees who make better than a living wage
- Invested \$745,000 in the company in the last four months
- Fulfilled its first major retail order to the largest retailer in the world, Walmart
- Leased a second 6,000-square-foot facility, which is having electrical work done to it now and should be running by August
- Exported over 40 metric tons of product to Canada
- Supplied storm water treatment companies in the greater Puget Sound and British Columbia regions enough chitosan flocculent to remove toxins (such as heavy metals, suspended debris and algae, hydrocarbons, and other contaminants) from, on average, 40 million gallons of storm water per month

“Without the loan from the Port of Bellingham EDA RLF program, our growth would've been dramatically hindered, and Tidal Vision would have had to lay off good employees due to cash flow issues at the time when we were setting up our Ferndale manufacturing facility. The loan allowed us to keep all of our valued employees and finish getting our facility set up so we could start generating more revenue again,” said Craig Kasberg, CEO Tidal Vision Ferndale, Wash..

Best Practices

- Partnerships

It's been said many times, economic development is a team sport. You must know who can offer what to a company looking to expand or looking to move into your region. Being able to bring the right people together to work toward a successful outcome shows the company you want them and are willing to help them with the process. The ADO here in Whatcom County convenes "Team Whatcom" on a monthly basis. "Team Whatcom" consists of local government representation, different technical service providers, higher educational institutions, planning agencies and advocacy groups. Information is shared on current and upcoming projects with a focus on creating a better Whatcom County.

- Reliability and Consistency

Any successful economic development program is built on relationships that are built on trust, which takes time. Getting to know your local business community, and staying in touch with them over years – getting out and visiting them-- builds a strong retention and expansion program. With 80 to 85 percent of all new jobs coming from companies already located in your region, it is paramount to be a known entity the community can rely on when needed. The same applies to companies in sectors you would like to attract. Deals are not done in one meeting. Thoughtful and consistent follow-up contact with prospective companies plays a key role in helping them with making an investment in your community.

- Cross Border Relationships

Due to Whatcom County's proximity to Canada, we work closely with our Canadian partners to develop relationships aimed at "thinning the border" and facilitating cross-border collaboration whenever possible. ADO staff attend monthly meetings of the International Mobility and Trade Corridor Program, and the Port has been a member of the Surrey Board of Trade since 2014, including participation on their International Trade Team meetings and events.

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

	FY 18	Total
Commerce Funds Awarded	\$96,333	\$96,333

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

Other Funding Sources:		FY 18	Total
	Private	\$0	\$0
	Local	254,266.07	254,266.07
	State	0	0
	Federal	0	0
Commerce Award		96,333.00	96,333.00
Total Budget		\$350,599.07	\$350,599.07

- The ADOs impact on employment through all funding sources.

Itek - 85 jobs

Tidal Vison – 8 jobs

Preferred Freezer – 16 jobs

Yakima County Development Association

Summary of Best Practices Shared and Implementation

Grantee: Yakima County Development Association

County: Yakima

Grant Number: S18-75106-584

Time Period Covered: July 1, 2017 – June 30, 2018

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

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

	2018 (Jan-May)	2017	2016	2015	2014
Civilian Labor Force	128,905	126,484	125,057	122,079	118,140
Total Employment	120,698	117,141	115,249	112,156	107,523
Total Unemployment	8,207	9,342	9,809	9,923	10,616
Unemployment Rate	6.4%	7.4%	7.8%	8.1%	9.0%

Employment Security Department/LMPA; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

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

Data for the current year has only come in through May for 2018 but the average employment in 2018 for January through May is 120,698 jobs. This is the highest employment for this period on record. The second highest employment for this same period was in 2017 when there was an average of 117,141. The net job changes (*January to May*) from 2017 to 2018 is +3,557.

- Other relevant information on the community or regional area;

ENTERPRISE CHALLENGE BUSINESS PLAN COMPETITION

Administered the Enterprise Challenge business plan competition in partnership with the Kittitas Chamber of Commerce, the ADO for Kittitas County. Over 30 local start-ups and

entrepreneurs received over 16 hours of workshops, mentoring, guidance, and help in getting their businesses launched. The contest generated tremendous media attention with many of the finalist companies featured in news stories:

Summary of the finalists in the competition:

http://www.yakimaherald.com/news/business/local/enterprise-challenge-businesses-in-yakima-and-kittitas-counties-in-hot/article_bb2092f6-2fef-11e8-81ea-5772356d495c.html

Cypher Land Surveying - Offers professional surveying services throughout the Central Washington region utilizing emerging technologies. <http://kimatv.com/news/local/local-business-using-drones-to-survey-properties-in-yakima-valley>

Gigabeam Internet - Provides Internet and TV service in rural areas of the Yakima Valley. <http://kimatv.com/news/local/local-business-trying-to-bring-high-speed-internet-tv-to-rural-yakima-county>

Instar Naturals, LLC - A technology company combining nature and science to increase yield and honeybee activity in pollinated crops worldwide. <http://kimatv.com/news/local/company-creates-bee-paste-says-it-could-be-a-game-changer-for-yakima-valley>

Natalie DeHaven Cakes - A custom cake studio that creates unique cakes that are amazing works of art and unforgettably delicious! <http://kimatv.com/news/local/local-custom-cake-shop>

Pacific Northwest Fresh – Offers year round weekly delivery of local produce and artisan goods. <http://www.nbcrightnow.com/clip/14084262/wu-business-spotlight-pacific-northwest-fresh-part-4>

Professional Perinatal Services, LLC – The only certified in home postpartum care providers in Yakima Valley. <http://kimatv.com/news/local/postpartum-care-provider-expanding-throughout-yakima-valley>

INDUSTRY ROUNDTABLE SERIES

Hosted a series of roundtables in an effort to bring business and community leaders together to discuss and work collaboratively on the pressing businesses issues and opportunities:

August 2017 Meet and Greet for Small Businesses Owners and Human Resource Professionals: introduced local small business owners to the world of HR by cohosting a reception with Yakima SHRM. The purpose of the event was to introduce small businesses to a network of people and resources they could tap into when facing challenges and issues in their small business operations.

October 2017 Tour of Triumph Actuation Systems in Yakima: Local business and community leaders were able to take a look inside one of the largest aerospace manufacturers in the region and learn how they are using innovative workforce development programs such as the AJAC and youth apprenticeship programs to meet their labor demands

November 2017 Sick Leave and Minimum Wage – What Your Business Should Know: Eva Coblenz with the Washington Dept. of Labor and Industries met with businesses to discuss and answer questions about new sick leave and minimum wage laws before they went into effect on Jan. 1, 2018.

March 2018 West Valley High School Apprenticeship Program: Local business and community leaders met students enrolled in West Valley High Schools Aerospace Apprenticeship Program and learned how they could bring youth apprentices to work in their operations. The roundtable held at West Valley High School and included a tour of the machine shop where students met with employers and showed them the projects they were working on. The result was a doubling in the number of the students hired in the apprenticeship program for the 2018 to 2019 school year.

April 2018 Tour of Walmart Distribution Center in Grandview: Local business and community leaders were able to look inside the largest distribution center in Central Washington and learn how Wal-Mart became an employer of choice in the region

June 2018 Changing Sick Leave Laws and Rising Minimum Wage: A Business Discussion and Best Practices Learning Session: A panel of local business leaders shared their experiences adjusting operationally to the new sick leave law and the increasing minimum wage. Association of Washington Business gave an overview of the requirements businesses need to be following and it finished with a sharing of best practices in meeting the new requirements.

WORKFORCE DEVELOPMENT

Hosted (or partnered with other hosting entities) to deliver a series of trainings in conjunction with training providers to meet the specific needs of our local businesses and labor force

July 2017 Food Safety and Environmental Compliance: Over 30 attendees representing 20 different companies heard expert speakers discuss compliance with the new Food Safety Modernization Act (FSMA) requirements and how to meet state Ecology regulations July 24 at YV-Tech. The luncheon featured keynote speaker Aaron Everett from the Governor's office for Regulatory Innovation and Assistance who shared his insights on federal and state regulatory requirements.

November - December 2017 Supervisory Training: This is the most popular training we facilitate, and we receive enrollments from throughout the Yakima Valley. The training helps employees make the move from working as a member of a team to being the leader of a team and supervisor of their peers.

March 2018 Food Safety Modernization Act Training: Food Safety Modernization Act requires every processing facility to have a trained staff person or "Preventive Controls Qualified Individual" who has completed a specialized training course. The Food Safety Preventive Controls Alliance (FSPCA) has developed a two-day FDA recognized course that satisfies the FSMA requirements. The course led by Craig H. Doan, food safety and food processing specialist with Impact Washington.

March 2018 Small Business Lenders Roundtable: Provided an opportunity for local small businesses to meet with commercial lenders from the area and the regional SBA team that oversees the SBA lending programs.

May 2018 Washington Export Outreach Team: In conjunction with many partners including, Washington Dept. of Commerce, SBA, SBDC, and the local Chamber, we helped advertise this training and brought local business to this introduction to exporting workshop.

NEW RESIDENT WELCOME RECEPTIONS

Hosted two receptions to welcome new professional employees to the Yakima Valley and introduce them to the community and others in the area.

November 2017: More than 50 new residents and local leaders turned out for the meet and greet.

May 2018: Just under 50 new residents and local leaders turned out for the meet and greet.

BUSINESS RECRUITMENT

Continued to assist Ostrom Mushroom Farms with its expansion into the Port of Sunnyside. This new food manufacturing industry broke ground in May 2018 on its estimated \$45 million facility and begin operations in 2019.

The Packer Article: <https://www.thepacker.com/article/ostrom-mushroom-secures-funding-production-facility>

Yakima Herald Article: http://www.yakimaherald.com/news/business/local/million-in-tax-money-earmarked-to-help-mushroom-company-set/article_77d5ba1e-268d-11e8-8212-0fd7760b7ac4.html

Helped Henningsen Cold Storage with its site selection process for a new cold storage warehouse in the lower Yakima Valley. Henningsen has started to receive product at the \$30 million facility and stated it would hire eight people at wages all well above the local average.

Yakima Herald Article: http://www.yakimaherald.com/news/business/local/construction-started-on-grandview--million-cubic-foot-warehouse/article_4c05340e-c8a6-11e7-abfb-c3b300f242b1.html

Tri-City Herald Article: <https://www.tricityherald.com/news/business/article173369766.html>

BUSINESS RETENTION AND EXPANSION:

Administered Supporting Investments in Economic Development Program in its support of Allan Brothers, CPC International, Crop Production Services, and Valley Brewing Company:

Allan Brothers benefited from \$396,000 in funding that improved the wastewater head works for the City of Naches allowing the company to invest \$30 million expansion project on its campus in Naches.

Capital Press Article: <http://www.capitalpress.com/Orchards/20180123/allan-bros-builds-large-apple-packing-plant>

CPC International benefited from \$1 million in funding that allowed the City of Tieton to improve water lines and other public infrastructure that enabled CPC to begin construction on a \$40 million expansion project.

http://www.yakimaherald.com/news/business/local/board-urges-funds-to-aid-m-expansion-of-tieton-business/article_c011070a-6dd5-11e7-8ad9-577339f7dd15.html

Crop Production Services benefited from \$503,372 in funding that allowed the Port of Sunnyside to construct a rail spur. The rail spur was a critical component in Crop Production Services retaining 15 jobs, constructing a new \$10 million facility and then adding additional employment when the facility is completed.

Daily Sun News Article: <http://www.dailysunnews.com/news/2018/may/18/fertilizer-company-adding-sunnyside-plant/>

Valley Brewing Co. benefited from \$123,160 in funding that allowed the City of Yakima to extend water service to its newly remodeled location where it had invested over \$280,000 in a new brewery and taproom that employs three people.

http://www.yakimaherald.com/news/business/local/yakima-valley-brewing-co-opens-its-taproom/article_d5682f6a-de42-11e7-a09b-773aba21aa71.html

Varietal Beer Co: Four of the five owners participated in YCDA’s eEnterprise Challenge Business Contest during previous years. This year they brought all they learned into action by investing \$400,000 and opening a new brewery and taproom in Sunnyside that employs six people.

For the past three years, Fast Mobile Services has received assistance from YCDA as it sought to expand and grow its presence in lower Yakima Valley. Specifically, our office helped with financials, site selection for new location, and business planning for the expansion. The result is a new facility at the port of Grandview and 13 jobs.

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

	FY 18	Total
Commerce Funds Awarded	\$113,374	\$113,374

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

Other Funding Sources:		FY 18	Total
	Private	\$285,271	\$285,271
	Local	142,300	142,300
	State	0	0
	Federal	0	0
Commerce Award		113,374	113,374
Total Budget		\$540,945	\$540,945

- The ADOs impact on employment through all funding sources.

Ninety-Six Jobs

Including the projects described above, Yakima County Development Association was involved in 31 business projects that resulted in 96 jobs and over \$75 million in investment in facilities and equipment.