



# JOBS. JOBS. JOBS.

## ASSOCIATE DEVELOPMENT ORGANIZATION (ADO)

### RETURN ON INVESTMENT

January 30, 2015

Q: WHO DELIVERS ON ECONOMIC DEVELOPMENT IN EVERY COUNTY IN WASHINGTON STATE?

A: ASSOCIATE DEVELOPMENT ORGANIZATIONS (ADOs)

Governor Gardner and the Legislature created Team Washington in 1985: a network of locally-based economic development organizations that deliver hands-on business retention, expansion and recruitment programs and initiatives. These organizations are also called Associate Development Organizations, or ADOs.

#### Economic development happens at the local level

Working with the Governor, Legislature, and the Department of Commerce and many local partners, the ADO network completes the essential, ground level, economic development work that delivers results year after year. ADOs serve as an important link between communities and state government. These councils' governing boards establish economic goals for their communities and then outline action steps to meet their key development objectives. Innovation, business retention, and business recruitment ultimately happen at the local level and ADOs provide the structure and expertise to deliver jobs and capital investment for our communities and citizens.

#### Associate Development Organizations are a great investment for Washington State

ADOs leverage state dollars with local private and public dollars to create the backbone of the State's economic development system. Maintaining state matching fund levels to support ADOs is an integral component of a statewide economic development strategy.

#### Investing in Economic Development is necessary each and every year

It is important to recognize that economic development is a long term investment and continuously pay attention to policies and investments that sustain Washington's economy.



Our state needs to focus on long term strategies and policies for economic development so we don't need to rely on reactionary measures when we go through the low economic cycles.

Economic Development is a TEAM SPORT and ADOs play a central role

In many cases a successful project is a collaborative effort of several community entities such as Port Districts, Workforce Development Councils, Cities and Counties, Colleges, Utilities as well as the Department of Commerce. And while some projects have lots of organizations contributing to the eventual success, ADOs remain the lead organization – and in some cases the only organization – in each of the 39 counties in Washington State that wake up every day and are laser focused on job creation and retention. **Without ADOs, there would be no local organizations in our state with this degree of daily commitment to local economic development results.**

Urban, rural, east and west – every corner of the state has felt the strength and benefits of the ADO network.



**Q: WHAT IS THE ADO TRACK RECORD (FY2011-2013)?**

**A: IMPRESSIVE NUMBERS, INCLUDING:**

- **7,606 private sector jobs created or retained in WA State**
  - **\$753 million in private investment in WA State**
  - **1,402 businesses served in WA State**

**Q: WHAT'S THE RETURN ON THE STATE'S INVESTMENT IN ADOs (FY2011-2013)?**

**A: MORE IMPRESSIVE NUMBERS, INCLUDING:**

- **\$128 in private investment for every \$1 in State ADO funding**
- **One (1) job created or retained for every \$775 in State ADO funding**

**Q: WHAT ARE SOME EXAMPLES OF JOB CREATING DEALS OR PROJECTS DELIVERED BY ADOs (FY2011-2013)?**

**A: ADOs RECRUITED, RETAINED or helped EXPAND 214 COMPANIES and helped 176 companies get started.**

Source: ADO Report, Washington State Department of Commerce, December 2014

**Q: DO YOU HAVE ANY JOB CREATION EXAMPLES?**

**A: CHECK OUT THE FOLLOWING – these are just some highlights,  
many more are available:**



## **WALLA WALLA COMMUNITY COLLEGE ACE ENTREPRENEURSHIP PROGRAM – ASOTIN COUNTY**

The Southeast Washington Economic Development Association (SEWEDA), the local ADO for Asotin County and Economic Development District for the region, partners with Walla Walla Community college and the Avista Corporation to tie the Entrepreneurship Program with the surrounding area’s business community. The goal of the program is to equip new entrepreneurs with a broad-ranged set of skills to enable success for each individual as they start or expand young businesses. This ties in well with the stated objective to be the lead resource throughout Southeast Washington

During the course of the program, the new entrepreneurs are given instruction in financial management, general business management principles, marketing and market research, and work extensively with the NX Level Program and Business Model Template. Formal business plans are written, and are then judged by a panel for quality in an open competition.

The first cohort of 13 program graduates with eleven new business ventures created completed the certificate in early June, and the next cohort is currently forming for a fall 2014 start. SEWEDA provides technical assistance, some instruction, and direct mentoring services to the program’s participants, and serves on the program’s Technical Advisory Committee.

## **J. LIEB FOODS, INC. – BENTON COUNTY**

In 2007 the Tri-City Development Council (TRIDEC) and City of Kennewick officials were successful in recruiting J. Lieb Foods, an Oregon based company, to purchase the former Welch’s Grape Juice Plant in downtown Kennewick. The purchase and start-up of the facility would not have been possible without financial assistance from TRIDEC’s local incentive fund and the Governor’s Strategic Investment Fund. Initial employment at the facility was 20 full time employees. While the company continued to operate successfully packing a variety of beverages for nationally known companies, in 2011 J. Lieb had the opportunity to expand into a new product line and again received financial assistance from TRIDEC as well as regulatory support. In 2013, J. Lieb added a production line to fill canned beverages and again received assistance from TRIDEC as well as from the Hanford Area Economic Investment Fund. The Company currently employs over 50 and this seven year partnership between J. Lieb Foods, TRIDEC (the ADO) and community has proven beneficial for all concerned.



## **BLUE MOUNTAIN STATION – COLUMBIA COUNTY**

Blue Mountain Station is a new eco-friendly business park being developed by the Port of Columbia to house a cluster of natural, organic, and sustainable artisan food processing businesses. The 28-acre business park is located at the west edge of Dayton in an urban growth area adjacent to Highway 12. Planning for the project first began in 2007. The State of Washington’s Community Economic Revitalization Board (CERB) was instrumental in helping this project become a reality. It provided financial assistance for a feasibility study, the purchase of land and installation of infrastructure, and for sewer line extension to connect with the City of Dayton sanitary sewer system. In December of 2013, the Port completed construction of the Artisan Food Center, a 6,912 square foot building with 5 food processing bays, a small retail area, and a commercial kitchen. This building now houses 4 artisan food processors, a co-op market, and a commercial garden operates on site. Several local businesses are using the commercial kitchen, and outside vendors are participating in a weekly market. In the 6 months that the building has been operational, 9 jobs have been created and \$179,200 in private investment has been made. The Port of Columbia and its community partners have invested \$940,000 in the project.

## **BANFIELD PET HOSPITAL – CLARK COUNTY**

Banfield Pet Hospital®, the world’s largest veterinary practice, will relocate its corporate headquarters to Vancouver, Washington, in late 2015, locating in the Columbia Tech Center.

Banfield joined the Mars, Inc. family of businesses in 2007, and today it is more than 850 hospitals strong in neighborhoods across the United States and Puerto Rico.

The CREDC partnered with Greater Portland Inc and the city of Vancouver on this exciting project.

Banfield’s new custom-built campus covers more than 20 acres and will offer approximately 230,000 square feet of office space. They currently have 560 FTE’s, with a projected growth to 670 employees by year 5 and 950 employees by year 15, with average wages and benefits of all employees approximately \$125,000. Estimated capital investment will be \$48-\$67 million in real property and \$10-\$14 million in personal property.



## **NORTHWEST INNOVATION WORKS - COWLITZ COUNTY**

In 2013 the Cowlitz EDC was contacted by a company looking to locate a large methanol manufacturing facility in the Northwest U.S. We partnered with the Dept. of Commerce, Cowlitz County and the Port of Kalama on developing the project. The Cowlitz EDC joined the Dept. of Commerce and the Governor on a trade mission to China to meet with the leadership of the China Academy of Sciences and others to determine the “fit” of the project. Subsequently, leadership from the Port of Kalama and the Cowlitz EDC made a return trip to Shanghai and Dalian, China to learn more about the project, the process and the off take of the product. The company, NW Innovation Works and the Port of Kalama agreed to a 50 year lease in 2014 and permitting is underway. When fully developed the capital investment is expected to be approximately \$1.8 Billion, have a 6 year construction period with 1,000 workers and a full-time ongoing workforce of 240.

## **TI-LITE – FRANKLIN COUNTY**

In 2010 TRIDEC began working with Ti-Lite, a nationally recognized leader in the manufacturer of wheelchairs. The Company had rapidly outgrown its manufacturing space in a Port of Kennewick incubator building and was evaluating possible relocation opportunities. TRIDEC was able to identify suitable alternative locations within the Tri-Cities for the Company to expand. A former grocery store site in Pasco was selected and TRIDEC provided financial assistance to the Company to facilitate moving the operations. The Hanford Area Economic Investment Fund also provided assistance to the Company. At the time of the relocation the Company employed just over 100 and has consistently grown at a rate of approximately one new employee per month.

## **SGL AUTOMOTIVE - GRANT COUNTY**

SGL Automotive Carbon Fibers was recruited to Washington State through a joint effort of the Grant County EDC and the Department of Commerce, plans to triple the capacity of its carbon fiber plant in Moses Lake, Wash. The expansion is funded by an investment of \$200 million, in addition to the previously invested \$100 million. The site expansion, scheduled to be completed by early 2015, will make the plant in Moses Lake the world’s largest carbon fiber plant. With the anticipated creation of 120 new jobs, the headcount at the joint venture in Moses Lake is going



to rise from 80 to about 200 people. With the automated production processes, the expansion of the site in Moses Lake will make it possible for the BMW Group to apply carbon fiber material also in other model series in the future, at competitive costs and in large quantities.

### **GRAYS HARBOR COMMUNITY HOSPITAL - GRAYS HARBOR COUNTY**

Business retention activities played a significant role in Grays Harbor County last year. During 2014, Grays Harbor Community Hospital was threatened with closure or large scale job losses mainly due to inadequate reimbursement levels from Medicaid patients using the hospital's services. With tens of thousands of patients treated every year, the hospital received nearly 72% of their revenue from Medicare, Medicaid, and other government programs. Faced with additional reimbursement cuts over the next few years, which would result in significant adverse impacts, Greater Grays Harbor, Inc. worked with senior hospital staff, the Washington Department of Commerce, local legislators and officials, and other organizations to lobby for the creation of a Public Hospital District (through a ballot initiative) which would provide higher reimbursement rates and public tax dollars to help support the operation. .

The Public Hospital District #2 measure passed in August, 2014. The danger of closure or large scale layoffs was averted for now, ultimately resulting in the retention of 650 jobs at Grays Harbor Community Hospital.

### **TECHNICAL SERVICES INC. (TSI) - ISLAND COUNTY**

The engineer at TSI had a problem. Solder at the microscopic level was not sticking to a circuit board. He needed access to an electron scanning microscope to troubleshoot what was going wrong. The EDC stepped in and connected the engineer with WSU's Advanced Science Lab in Spokane. For \$700 the lab scanned the board, sent the engineer the results and the problem was solved.

TSI is an employee owned company of 100 people in Island County. The company manufactures electronic components for the aerospace industry and other industries.



## **QUIMPER MERCANTILE – JEFFERSON COUNTY**

When it became clear that longtime retailer Swain’s General Store was going to close its Port Townsend branch in early 2011, two main goals emerged: to ensure that a big chain store (antithetical to Port Townsend’s community and economic values as a unique tourist destination) would not fill the vacancy, and to provide residents with a local place to purchase basic necessities that were often bought online or an hour’s drive out of town.

EDC Team Jefferson and the Local Investment Opportunity Network (LION) became the driving force to create a new entity that would occupy the space while satisfying the unique requirements of this creative community. The Quimper Mercantile Company, funded by residents of the state of Washington via a Direct Public Offering that raised \$700,000, opened its doors in October of 2012. EDC Team Jefferson, was and is deeply involved every step of the way, from formation of the Quimper board, to fundraising, negotiating the lease, providing web services, and remodeling the store. It is an example of proactive economic development at a highly involved level.

Quimper Mercantile has served as a model for other communities interested in alternate sources of funding for businesses, and EDC Team Jefferson members have been invited to speak about it at conferences such as BALLE, Portland ReVisioning Conference, and the Seattle Good Business Network. The project has also gained national media attention, all while adding a net eight jobs to the county.

## **BOOKING.COM – KING COUNTY**

The Economic Development Council of Seattle and King County (EDC) was excited to welcome Booking.com’s newest customer service center to King County in July 2013. Booking.com originally reached out to the City of Seattle’s Office of Economic Development in November 2012 in their efforts to select a new West Coast location for the company. The City of Seattle in turn referred Booking.com to the EDC to help the company in identifying potential sites and providing key information as they evaluated their options.

Based in the Netherlands, Booking.com has more than 100 offices in over 50 countries. In 2012, the company opened an office in Seattle that grew and they then moved to larger space in downtown Bellevue late in 2013. Prior to the decision to expand the company in the Seattle region, Booking.com undertook a competitive process which narrowed the search to the



Seattle region and Las Vegas. The strength of the international community in King County was one of the key factors in the company’s decision to locate in King County, as the customer service center’s multilingual team will help to serve their growing targeted markets throughout Asia and the Pacific Rim.

The new customer service center provided upwards of 350 new jobs for the region. The EDC provided customized research on King County covering a variety of subjects from economic statistics to language and demographic data. Additionally, the EDC provided several community briefings to the Booking.com site location team and introduced the site selection team to a number of key leaders in the community. “The EDC’s work pulling together all the important facts and figures and connecting us to business leaders and the international community with which we hope to work was critical in our site search. From the beginning this team has exceeded our expectations and played an important role in our entry into the community,” said Todd Dunlap, Managing Director of Booking.com, North America.

## **BOEING – INSITU – KLICKITAT COUNTY**

The unmanned aerospace firm Insitu, now Boeing-Insitu, has experienced continued business and employment growth during the course of its relatively short life. At one point the business seemed to occupy virtually every available space at the Port of Klickitat’s Bingen Point Business Park and in downtown Bingen.

Near mid-point in Governor Gregoire’s second term, Insitu decided to move from leased quarters to consolidate in a larger facility or campus environment. Although the company targeted relocation invitations to communities in the Mid-Columbia Gorge region, it soon became general knowledge that Insitu was casting about for a more permanent location and offers, some from as far away as the eastern seaboard, began flooding in. Klickitat County, the Mid-Columbia Gorge, the states of Oregon and Washington faced the loss of a leading UAS company and 600 jobs.

In a move typical of Klickitat County and its partners at the Port of Klickitat, the cities of Bingen, White Salmon and Goldendale, Columbia Gorge Regional Airport and private developers, a single proposal with alternate sites throughout Klickitat County was prepared by Klickitat County Public Economic Development Authority, local ADO. The proposal built upon the strengths of remaining in Klickitat County; the extensive track record in securing and matching CERB loan/grant assistance for infrastructure development and lease space construction; and a



pledge to continue to expedite government processes in support of Insitu's expansion to the greatest extent possible.

When the decision was finally made public, Bingen Point Business Park in Klickitat County was destined to be home to Insitu's planned 120,000 square foot facility. Governor Inslee was on hand to take part in groundbreaking ceremonies; ribbon cutting took place in June and employees started moving in July of this year. Although this move represents significant consolidation, some activities (engineering, for example) continue as planned in leased facilities.

Despite its success in obtaining multi-million dollar federal defense contracts and growing its labor force to roughly 800 employees, Boeing-Insitu and its employees remain an integral part of the fabric of Klickitat County. Boeing-Insitu is unquestionably the reason Klickitat County leads the Mid-Columbia Region in median incomes and ranks among the lowest in unemployment rates.

In 2006 Insitu had approximately 300 employees; eight years later Boeing-Insitu's employment totals roughly 800. We are pleased and grateful both Insitu and Boeing-Insitu have chosen to grow in Klickitat County.

#### **JR FURNITURE – LEWIS COUNTY**

Lewis EDC was instrumental in facilitating investment in 2014. There is great optimism in the marketplace that has not been seen in several years. We assisted in the startup of businesses in Lewis County during the past year. The most notable was the new distribution center for JR Furniture.

EDC worked with commercial brokers from Kidder Matthews to close the sale and purchase of the 172,000 square foot building that had been on the market for nearly 10 years. The EDC was instrumental in providing research and coordinating local permitting to facilitate this investment. EDC worked with Lewis County Community Development and City of Chehalis Department of Community Development in starting the process to acquire an occupancy permit as well as fulfilling other requirements. This furniture distribution center will employ 40 people when they become fully operational in 2015.



## **OMAK WOOD PRODUCTS LLC - OKANOGAN COUNTY**

Omak Wood Products LLC is a new business created by Wood Resources LLC to operate the plywood mill in Omak, Washington. The mill has had several owners over the past decades — including its current owner, Colville Tribal Federal Corporation — and has been closed since 2009.

After many years of negotiating, CTFC and Wood Resources LLC were able to come to a long term 25 year lease agreement for the facility. Since the facility had been vacant since 2009, Omak Wood Products LLC had to invest over \$3.5 million in the facility to bring it up to operational level. The Economic Alliance, the local ADO, began working with the local management to assist them through several initial barriers that they were up against. The first one was locating qualified employees in several key positions needed to bring the mill up to full speed.

In October 2013, The Economic Alliance applied to the Department of Commerce for a Workstart Funding grant in the amount of \$100,000.00. This grant provided specialized training to employees that allowed Omak Wood Products to expand their employment from their initial 90 employees, to 161 allowing them to run 3 full time shifts.

Less than a year later, Omak Wood Products expanded their operation from veneer to include plywood. They recently invested another \$350 thousand dollars in the plywood line which added an additional 20 employees, for a total of 181 employees for the company. The Economic Alliance Submitted another Workstart Funding Grant through the Department of Commerce in the amount of \$50 thousand dollars. These funds will provide additional training to the new employees. As they continue to grow and expand that line, employees will be added to cover a second and third shift.

Additional jobs are created due to this long term lease agreement that include positions for supplying the timber and a number of induced jobs from the considerable economic-activity in Okanogan County as a result of the mill's operations. In total, this region of the state has an ongoing persistent need for family wage jobs that Omak Wood Products is and will continue to provide.



## **JESSIE'S ILWACO FISH COMPANY – PACIFIC COUNTY**

Jessie's Ilwaco Fish Company was recently notified by the Department of Ecology that they would be allowed to move forward with their plans in South Bend. For officials at Jessie's, the notification proves that persistence is often rewarded. The Dept. of Ecology notified the company that they would be granted a new permit, allowing them to continue with their efforts to revitalize the facility that was formerly occupied by another cannery.

With their permit in place, Jessie's will once again be operating in this historic facility, but they will do so with more modern systems than the building once had. The company has already invested an estimated \$100,000 in the facility to upgrade the electric and water systems.

More important to many is the idea that officials have projected as many as 75 jobs being created in South Bend, with the possibility of another 20-25 related jobs in Ilwaco.

In an area where we still have unemployment at 9%, that will be the best news that comes from the announcement, for many people.

## **NIAGARA BOTTLING – PIERCE COUNTY**

In late 2012 the EDB was contacted directly by California based Niagara Bottling Company about their interest in locating a facility in Pierce County. Soon after, the State Dept. of Commerce circulated an inquiry to several ADOs for the same project. After a multi-state search, Niagara Bottling LLC selected an 18 acre site at the Randles Business Park in Frederickson to construct their 13th bottling plant—launching their first operations in the Pacific Northwest. The EDB provided the company with area information, site tours, connections with local resources, and facilitated meetings with local partners at Niagara's headquarters as well as touring operating plants. The success of this recruitment project hinged on the extensive involvement of EDB's partners at Tacoma Water, Tacoma Power, Puget Sound Energy, WorkForce Central Business Connection, and many departments in Pierce County including the Pierce County Executive, Economic Development Department, Planning and Land Services, Pierce County Sewers, and the WA State Department of Commerce.

Niagara, family owned and operated for over 50 years with a strong corporate commitment to community involvement, invested \$50 million on a new 311,000 square foot facility where they



are producing caps and bottles—and filling the bottles with water—and created 40 new jobs so far with plans increase employment.

## **PROJECT BROADBAND - SAN JUAN COUNTY**

**Broadband Project:** The San Juan County Economic Development Council has been working for nearly a decade on improving broadband speeds for the betterment of all businesses in the county. Businesses in the San Juan Islands are hampered in that until this past year, 90% of residents and businesses had access to broadband speeds of only 1.5Mbps at best.

A recent study by the Brookings Institution has shown that for every one percentage point increase in fast broadband penetration, employment is projected to increase by around 0.25 percent a year. Other research has indicated exactly the same thing: A study by MIT researchers showed that fast broadband adds about 1.2% to a community’s growth rate. A World Bank study from 2009 found an even stronger correlation – that broadband adds around 12% to the growth rate in the number of jobs. The FCC defines “broadband” as 4Mbps or faster; in San Juan County, only 10% of county residents have access to speeds above 1.5Mbps. Anything less than this isn’t fast enough for bandwidth-heavy applications or for economic growth, so the San Juan County Economic Development Council has been working to change that.

With the assistance of the San Juan County Economic Development Council, our local power cooperative, OPALCO, has made great strides over the past year to bring super-fast (up to 1G) broadband to many island businesses and residents, with a goal of providing to most areas of the islands. This work will affect all aspects of life in the islands – helping businesses have access to larger markets, improving schooling for our children, increasing the range of emergency services radios – which will positively affect the San Juan County economy. Using the Brookings Institution figures, when San Juan County increases the fast broadband penetration rate to what the rest of the U.S. enjoys – 30%, or 20 points higher than what is currently available in San Juan County –much improved per capita wage income and lowered unemployment will be seen.

**Small Business Support:** The San Juan County Economic Development Council has one full-time employee and a hard-working board. We assist nearly 100 businesses each year to start up, to navigate upsizing, downsizing, and all facets of business development. Most of these small businesses are owner-operated; we help 20-25 of these new micro-businesses get started each



year. We're also proud to offer a roster of small business workshops that rivals even the largest counties in the state, thanks to state, local and community funding and support.

### **HEXCEL CORPORATION - SKAGIT COUNTY**

Hexcel will double the size of their Skagit County facility in 2015 and add an Auto-Clave capability at their plant located at the Port of Skagit. The Economic Development Association of Skagit County (EDASC) submitted a proposal that included local and state incentives, and worked as a liaison for Hexcel during the bid process.

EDASC partnered with Hexcel, Skagit Valley College, Northwest Workforce Development Council and Green River Community College to secure a \$101,000 grant from the Governor's Strategic Reserve Fund for training. The 76,451 sq. ft. multi-million dollar project is slated to be completed in 2015 and will add 30-60 jobs. The Hexcel currently has over 200 employees.

EDASC worked with the Port of Skagit to recruit Hexcel to the community in 1990. A proposal was put together to convince Hexcel that Skagit should be their choice for an expansion project. Jim Collins, plant manager for Hexcel Corporation, says the goal for the site was to be close enough to Boeing but not so close that they'd compete with the aerospace giant for employees. "Skagit County outshined all of the others," Jim Collins, Plant Manager, said. The proposal included incentives as well as labor and industry metrics that pled the case for Skagit.

### **BACKWOODS BREWING LLC – SKAMANIA COUNTY**

In mid-2012 the Skamania EDC (SEDC) was contacted by a local family interested in starting a new business. After working with the family, with local property owners and with local banks the family found a location and began working with the SEDC on a business plan and a potential loan. After several months of discussion with the family as well as extensive research on their proposed collateral for the loan, the Washington Investment Board (WIB, administered by the SEDC) approved a loan to the family to start Backwoods Brewing LLC.

The family opened the nanobrewery employing 2 full time and 6 part time employees split between the brewery and the pub. After opening their business and generating instantaneous success the family realized they needed to expand their brewing equipment quickly to keep up with demand. Shortly after their first expansion they determined that they needed to expand



again based on the demand for their product both locally and at various locations in Oregon and Washington. They came back to the SEDC and applied for another loan with the WIB. In August of 2013 an additional loan was approved for Backwoods to increase their brewing capacity. At the present time, the business continues to see healthy growth.

Currently Backwoods Brewing LLC has 11 full time and 19 part time employees working at the brewery/pub. The Washington Investment Fund has loaned nearly \$275,000 to the business and that has been leveraged with approximately \$500,000 in private investment from the business.

### **SMALL BUSINESS SUPPORT - SNOHOMISH COUNTY**

While Snohomish County is recognized for its' major employer and has announced multiple large expansions and recruitments in the aerospace cluster, Economic Alliance Snohomish County (EASC) is equally attentive to the needs of small employers. Our projects in Fiscal Year 2014 have included:

- Scotts Miracle-Gro – this company leased an existing 45,000 square foot building in Marysville in which to blend and package soil mixes, which are delivered to retailers throughout the Pacific Northwest. The company has 15 full-time employees and another 15 seasonal employees. EASC's support included permitting assistance and identification of raw material and service providers.
- Modumetal – this start-up company leased 15,000 square feet in an existing building in the town of Snohomish to develop processes which improve the durability and performance of metallic materials. Initial employment is 7 employees. At full operations, the company expects 25 employees at the site. Their process is energy intensive. EASC introduced the company to the Snohomish County Public Utility District to upgrade the electric service to the building.
- Halosource – this company develops water purification technologies. It established a pilot-scale manufacturing facility to support existing R&D activities in Bothell. The 24,000 square foot site opened with 10 employees and will increase jobs as new products are developed.
- Electronic Coating Technologies – this firm from Ottawa, Canada opened a facility to apply protective coatings to electronic circuit boards. EASC assisted them with building and



environmental permitting needs. We also introduced them to potential clients. The company had 10 employees at start-up.

### **EXOTIC METALS FORMING COMPANY – SPOKANE COUNTY**

In late 2007, Greater Spokane Incorporated was contacted by Exotic Metals Forming Company looking for an expansion site in Washington State. GSI showed the company multiple sites within Spokane County, but Exotic decided to expand at their current site. In 2012, the company had maximized their current location and again reengaged with GSI to look at sites, discuss available workforce and training opportunities. The company selected a 56-acre site in the City of Airway Heights, adjacent to Spokane International Airport, where they will construct a 150,000 square foot facility to manufacture state-of-the-art, high-temperature, high-strength sheet metal designs and fabrications for the aerospace industry. Exotic Metals is considered one of the preferred suppliers of complex sheet metal assemblies

During the recruitment process, GSI staff assisted the company with community and site tours, workforce availability and funded training programs, municipal and utility contacts, and connections to local manufacturers. In addition, GSI also advocated and received Governor's Strategic Reserve Funds that were utilized by Exotic Metals for pre-planning and site readiness activities. Partners on this project included

The recruitment team included members from Avista Corporation, City of Airway Heights, City of Spokane, Community Colleges of Spokane, Greater Spokane Incorporated, Spokane County and Spokane International Airport, in addition to our state partners in the Governor's office and the Washington Department of Commerce. Exotic Metals will hire 150 employees, and will provide an annual economic impact to Spokane County of over \$138M.

### **ICE CHIPS - THURSTON COUNTY**

Currently Ice Chips operates in less than 4,000 square feet in rural Yelm near where the business started. In 2015, Ice Chips will be expanding to their operations and moving into 21,000 square feet of industrial space located just east of Tumwater, WA.

Ice Chips are hand-crafted candies naturally sweetened with birch-based Xylitol. Xylitol deters bacteria from growing on teeth. Ice Chips are offered in 18 flavors, from peppermint to



margarita. They are popular with diabetics, as well as dentists who see great benefits as the product can actually reduce plaque and stimulate healthier gums. Distributed in tins, the candy has no uniform shape or size. Each piece looks like a little chunk of shaved ice.

What started as 24 stores carrying their product in 2010 has grown to thousands. Their distribution network is ever expanding, already including online, Bi-Mart and Fred Meyer, and plans to be in Albertsons, Safeway and Costco in the next year. Sales in 2014 were close to \$4 million, compared to \$1.1 million in 2012. Ice Chips was also featured on Shark Tank in November 2012.

Ice Chips employs 34 people and anticipates increasing employment once the move is complete. They expect our sales to grow six-fold with the move.

A business resource team, including the Thurston EDC, met with Ice Chips' owners early in January 2013 to share resources to assist them as they expanded and will continue to work with them during and after their move to provide additional support.

### **SMALL BUSINESS FINANCING SUCCESS - WHATCOM COUNTY**

The Whatcom County ADO administers an Economic Development Administration Revolving Loan Fund (RLF). Since the program's inception in 1988, the fund has loaned out \$1,805,409.00 leveraging an additional \$8,144,985 for a total of \$9,950,367 in small business project development financing. 149 jobs have been created with an additional 23 jobs saved. These loans are typically made to manufacturing companies that are a higher credit risks than commercial lenders are willing to work with. With the infusion of RLF financing, which typically brings a lower interest rate, or longer repayment term, companies are able to make the deal cash flow at a level that allows the commercial lender to participate in the loan. This is a very successful program the ADO brings to the business community of Whatcom County.

### **PALOUSE KNOWLEDGE CORRIDOR – WHITMAN COUNTY**

The Palouse Knowledge Corridor is an association of local governments, economic development associations, chambers of commerce, the University of Idaho and Washington State University, and private companies dedicated 'to match innovation with opportunity, promote the assets of



the Palouse, and foster collaborative efforts with universities, private sector, economic development agencies, and governments’.

As a collaborative network of professionals, the activities of the Corridor are accomplished through the efforts of volunteers. Momentum for the organization has been generated through several successful events that the collaborative have become known for. The first is an ongoing semi-annual “Business Showcase’ where new business ventures are introduced to the community through being provided a venue for public presentation opportunities, and to casually connect these businesses with local investment capital through networking opportunities. To date, over 30 businesses have presented their business models within the forums, with several connections having been made between entrepreneur and funding opportunities.

In June 2014, the inaugural annual ‘Be the Entrepreneur’ Bootcamp was held between the communities of Pullman, Washington and Moscow, Idaho. Fourteen businesses participated in a series of intensive training events, industry tours, and face-to-face mentoring sessions designed to advance the stage a company was in to the next. For example, startups to having business models, and young ventures to having a defined path towards expansion. The intent is to enable new company formations and employment gains within existing companies.

#### **PARAGON FILMS - YAKIMA COUNTY**

Paragon Films, Inc., a plastic film manufacturer based in Oklahoma, opened a new facility in the Yakima area in late 2013. Since that time the company has added additional production capacity. Paragon has invested over \$20 million in its Washington facility and now employs 30. The Yakima County Development Association helped Paragon with site selection and its subsequent start up. The City of Union Gap was selected for the company’s third manufacturing facility after a West Coast search was conducted and several communities were evaluated.