

20  
22

# EDB ANNUAL REPORT



UMPQUA BANK

MultiCare 



# ONWARD!

## Our Mission

The EDB's Mission remains the core of what we do. The EDB grows primary jobs and businesses by working with its partners to spur private capital investment; job creation; and diversity, equity, and inclusion in Tacoma-Pierce County businesses. 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-Pierce County and import new dollars into the local economy, thereby "growing the wealth pie." That wealth energizes the local community through employee wages paid and purchases from suppliers who employ additional people.

**Primary businesses** typically pay higher wages than other businesses because higher-value goods and services are produced. In short, primary businesses are the fundamental building blocks of high-wage job creation.

**The competition is fierce.** Tacoma-Pierce County faces regional, national, and global competition to keep its existing firms, and recruit new firms to the Tacoma-Pierce County market.

## The last five years: 2018-2022

Because most deals take well over a year to conclude, the EDB measures its results in five-year increments. The EDB's \$77:1 return on its investors' dollars from 2018-2022 is indicative of the strength of its recruitment and retention programs.

**Jobs Recruited and Retained: 2,947**  
**Wages and Salaries Generated:**  
**\$224,157,454**  
**Private Capital Investment:**  
**\$237,180,000**  
**Industrial Revenue Bond Financing:**  
**\$10,000,000**  
**EDB Revenue: 6,092,349**  
**Return per \$1 EDB Investment: \$77**

# ONWARD!

## EMERGING FROM THE THIRD YEAR OF THE PANDEMIC

2022 was the second year of the EDB's new five-year work program and the third year of operating during the pandemic. We are inspired every day by the resiliency of Pierce County businesses as they tackle unprecedented challenges.

The EDB has helped more than 5,000 Pierce County businesses respond to the crisis. We provided them with access and counseling on federal, state, and local resources and many have leaned heavily on the expertise of our professional staff to guide them through uncharted waters.

In 2022 our core activities of business recruitment, retention and cluster acceleration came back to the fore. Business travel returned to a large extent, including our recruitment mission to the Farnborough Air Show, which had been cancelled during the throes of the pandemic.

The bottom line: focused and nimble economic development resources are still more critical than ever.

## DIVERSITY, EQUITY, INCLUSION

Diversity, Equity, and Inclusion are core objectives of the EDB's work. To ensure that the work plan's objectives were on track and to make any necessary course corrections, the EDB engaged NEXT Consulting and the team of Rachel Askew and Grant Twyman. NEXT is working with the EDB board and staff to develop effective programs for BIPOC businesses.

Three objectives are being pursued: explore with BIPOC partners to craft a mutually beneficial mentorship program; enhance board members and investor development programs to heighten engagement in business recruitment, retention and cluster acceleration; and engage next generation leaders to enhance their development and the EDB's work.

In addition, the Nominations Committee has been working to bring more diverse candidates forward for EDB board seats. Excellent progress has been made and there is more to come. Significantly, the EDB now has two board seats dedicated to small business representation and these have been filled by business leaders from the BIPOC community.

# BUSINESS RECRUITMENT

## TRENDS IN 2022

**U.S. Expansion:** In 2022, the EDB generated and attracted leads prominently from U.S based businesses. As the supply chain struggles remain top of mind, U.S.-based companies explored expansion plans across the United States. 63% of the general inquiries were generated from domestic businesses, while 37% were from Canada, South Korea, and Europe. Access to a deep-water port at the Port of Tacoma and a robust transportation network makes Pierce County an attractive place for distribution hubs to do business. Pierce County is a desirable place to do business, offering a solid transportation network, a talented workforce, and an undeniable healthy quality of life.



## MANUFACTURING MANIA

17 out of 27 new projects in 2022 were manufacturers looking for a new site to produce goods. Green energy, workforce availability, and proximity to major transportation networks became increasingly essential selection factors in nearly all industries. Decreasing industrial land inventory and sites with rail access made competing for projects challenging. Pierce County is a desirable place to do business while enjoying a solid quality of life.

## COST OF DOING BUSINESS

The unprecedented challenges for companies looking to expand and explore Pierce County remained uncertain throughout the year. Increasing interest rates boosted the cost of borrowing money, the price of goods continued to rise, and overall inflation caused businesses to hesitate in moving forward with expansion and relocation plans. The focus shifted to minimizing costs, retaining and hiring employees, and reducing risk. Our partners at Pierce County, Tacoma Public Utilities, and Puget Sound Energy continue to find ways to support the resilient business community and work together throughout the year.

# BUSINESS RECRUITMENT

At the end of 2022, the EDB had 40 active recruitment cases in the pipeline, representing over 2,100 potential new jobs in advanced manufacturing, cold storage and distribution, clean tech, aerospace, building products, food processing, and professional services. 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 months or even years before committing to a project.

Seventeen other recruitment cases were closed throughout the year. These projects did not get traction for various reasons: they were located elsewhere or delayed or businesses canceled their plans. Location decisions are based on multiple factors: transportation, workforce, taxes, business climate, and incentives.



Open Cases

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, facility identification and tours, 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.



# BUSINESS RETENTION & EXPANSION

The EDB's Business Retention and Expansion (BRE) Program directly engages local primary businesses that are the backbone of the Tacoma-Pierce County economy. The BRE program focuses on assisting companies that are expanding, looking to relocate, or are in a target industry. The annual, confidential BRE retention visit serves as a focal point for identifying business needs and coordinating a response with all potential partners including local governments, workforce development, utilities, and other economic development entities. This county-wide program also links businesses to resources to help them grow.

In 2022, the program met with over 65 businesses, served 182 businesses, and facilitated 154 referrals.

## ECONOMIC IMPACT

- 14 open expansion projects
- 5 active won projects
- \$48 million private capital investments won
- \$161 million private capital investment in the pipeline
- 880 retained jobs

## NIAGARA BOTTLING EXPANDS IN FREDERICKSON

Niagara, a leading beverage manufacturer in the U.S., has been part of the Pierce County landscape since 2012 when it announced plans to build its 311,000-square-foot state-of-the-art bottling facility in the Frederickson Industrial Center. The Niagara facility was a huge economic development win for the South Sound. The Economic Development Board for Tacoma-Pierce County, Washington State Department of Commerce, Pierce County, WorkForce Central and other local partners helped make it happen. And the unified voice that welcomed Niagara to Pierce County in 2012 remains loud and clear.

In 2022, Niagara Bottling Frederickson plant completed a \$35 million dollar expansion that adds another production line and 25 more jobs to the local economy. It's the third expansion since the plant opened in 2014 and the latest chapter in a Pierce County business recruitment triumph that keeps on giving.



# BUSINESS RETENTION & EXPANSION

## BITE ME! COOKIES EXPANDS IN LAKEWOOD

Bite Me, Inc. is a Black, woman-owned small business manufacturer of natural, clean label ,high indulgent cookies for wholesale and retail. The company renewed its lease and expanded to over 11,000 SF to meet increased customer demand. A big part of their success is employee retention. Bite Me, Inc. believes in empowering woman and immigrants through job creation and skill development. The EDB worked with the City of Lakewood, Impact Washington, and WA Minority Business Development Agency – Tacoma Business Center to assist the company's expansion.

## INVESTING IN PIERCE COUNTY'S TALENT PIPELINE

In 2022, Pierce County manufacturers received record setting funding from the WA State Jobs Skills Program (JSP) matching grant program. The grant provides training funds to meet employers' specific needs. The EDB's ecosystem referral partner, Invista Performance Solutions, delivered customized training to several of our BRE clients.

Company	Grant Award	Program
SAFE Boats	\$ 762,339.00	Jobs Skills Program and MARAD Grant Small Shipbuilders
American Structure and Design, Inc	\$ 125,937.00	Jobs Skills Program
Northwest Door	\$ 33,801.00	Jobs Skills Program
Rainier Woodworking	\$ 121,184.00	Jobs Skills Program
Sekisui Aerospace	\$ 28,821.00	Jobs Skills Program
<b>Totals</b>	<b>\$ 1,072,082.00</b>	

# CLUSTER ACCELERATION

The EDB continued its Cluster Acceleration work throughout 2022, taking actionable steps in implementing the strategic plan of the Technology Cluster Acceleration team and sharing the completed Trade-Logistics 5-year Strategic Plan with the community.

## TRADE-LOGISTICS CLUSTER TEAM

The Trade-Logistics Cluster Acceleration Team has formed the Trade-Logistics Ambassador Program, which is focusing on connecting Trade-Logistics employers with K-12 students. In partnership with Pierce County Skills Center and Pierce County Economic Development, the team held an event on June 12 to introduce employers to the Pierce County Skills Center and explore possibilities regarding how PCSC programming intersects with the job skills and needs of distribution/logistics employers. The trade-logistics team met quarterly in 2022.

A partnership was formed with the leaders of the Pierce County Career & Technical Education Program Directors to build engagement opportunities with employers and students. Additionally, to raise awareness about the industry and its career opportunities, two articles were created showcasing Coopasims Transportation & Logistics and MacMillan-Piper in the EDB's Onward newsletter and South Sound Business magazine.

The team is actively seeking new industry partners as it plans to update the strategic plan in the upcoming year.





# CLUSTER ACCELERATION

## TECHNOLOGY CLUSTER TEAM

The Technology Cluster Acceleration Team met quarterly in 2022. They held the first in-person event since 2020 at Centeris Data Center. The objective was to celebrate and showcase the economic impact of the tech industry and the impact of the newly passed data center tax credit. The event brought together established firms and entrepreneurs with business support organizations to support the advancement of tech companies in our region.

The entrepreneurial support network flourished through collaborative events in partnership with StartUp 253, WTIA, NewTech, and Maritime Blue.

To further expand entrepreneurship in tech, the EDB successfully pursued the Small Business Innovation Fund Grant Opportunity offered by the Washington Department of Commerce in the final quarter of 2022. The grant will provide \$1.86M in funding to expand outreach to underserved communities, research and produce a paper on failure rates of Black-owned business with recommended solutions, and provide business education and incubator programs, with focus on addressing DEI barriers in the STEAM sectors beginning in 2023. The grant will passthrough funds to the following partners to accomplish this mission: Four Winds NW, LLC, Maritime Blue, Tacoma Arts Live, TractionSpace, StartUp 253, and the Black Collective.



# ECONOMIC DEVELOPMENT CORPORATION OF TACOMA PIERCE COUNTY (EDCPC)

The Economic Development Corporation of Pierce County (EDCPC) offers an affordable financing option for businesses that want to build or expand their manufacturing and processing facilities.

Staffed by the Economic Development Board for Tacoma-Pierce County, the EDCPC is a public corporation that issues tax-free Industrial Development Revenue Bonds (IDRBs) for projects anywhere in Pierce County. The federal IDRB program offers below-market financing for qualified projects. No public money backs the bonds,

and borrowers are fully liable for repayment and must obtain private backing. While interest rates for capital projects have been low over the last several years, IDR bonds are an excellent choice when rates increase.

The Pierce County Council recently approved the addition of three new members to the EDCPC board: Gloria Fletcher, Senior Manager for Real Estate and Economic Development for the Port of Tacoma; David Huang, President of SeaTac Packaging; and Meredith Neal, Economic Director for the City of Puyallup.

COMPANY	POTENTIAL CAPITAL EXPENDITURES	POTENTIAL NEW JOBS	TIMELINE	STATUS
Project Transload	\$2M-\$10M	50	Potential 2025	Seller postponed for two-years.
Project Zodiac	>\$20M	150	Potential 2023	Terminated – Site Selected elsewhere.
Project Sea3	\$8.25M	15	Potential 2023	Application withdrawn.

YEAR ENDED DECEMBER 31, 2022

## FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL POSITION

## ASSETS

ASSETS	Without Donor Restrictions	Without Donor Restrictions	Total
Cash and cash equivalents	\$ 1,511,926		1,511,926
Certifications of deposit	605,150		605,150
Accounts receivable - government contracts	154,000		154,000
Accounts receivable - related party	1,59516		1,595
Contributions receivable, net	-	1,403,573	1,403,573
Prepaid expenses	469		469
Office furniture and equipment, at cost, net of accumulated depreciation	36,367		36,367
Total assets	<u>\$ 2,309,507</u>	<u>1,403,573</u>	<u>3,713,080</u>

## LIABILITIES AND NET ASSETS

## LIABILITIES

Accounts Payable	43,202	\$	\$ 22,592
Accrued liabilities	<u>70,652</u>		<u>\$ 76,412</u>
Total liabilities	<u>113,854</u>	\$	<u>\$ 98,734</u>

## NET ASSETS

Without donor restrictions	2,195,652		2,195,652
With donor restrictions	<u>1,403,573</u>	<u>1,403,573</u>	<u>1,403,573</u>
Total net assets	<u>2,195,652</u>	<u>1,403,573</u>	<u>3,599,225</u>
	<u>2,309,507</u>	<u>1,403,573</u>	<u>3,713,079</u>



YEAR ENDED DECEMBER 31, 2022

## FINANCIAL STATEMENTS

## STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Service and grant revenue	612,049	\$ -	612,049
Contributions	1,500	125,799	127,299
In-kind contributions	-	-	-
Net assets released from restriction	<u>571,250</u>	<u>(571,250)</u>	-
Total revenue and other support	<u>1,184,799</u>	<u>\$ (445,451)</u>	<u>739,348</u>
<b>EXPENSES</b>			
Personnel	987,567	-	987,567
Campaign	-	-	-
Marketing costs	147,563	-	147,563
General Administrative	233,017	-	233,017
Rent	<u>55,970</u>	<u>-</u>	<u>55,970</u>
Total expenses	<u>1,424,116</u>	<u></u>	<u>1,424,116</u>
<b>OTHER INCOME (EXPENSE)</b>			
Annual meeting	88,861	-	88,861
Interest income	1,871	-	1,817
Other income	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total other income	<u>115,678</u>	<u></u>	<u>115,678</u>
<b>CHANGE IN NET ASSETS</b>	(123,639)	(445,451)	(569,090)
NET ASSETS, beginning of year	<u>2,183,578</u>	<u>1,984,736</u>	<u>4,168,314</u>
NET ASSETS, end	<u>2,059,939</u>	<u>1,539,285</u>	<u>3,599,225</u>

YEAR ENDED DECEMBER 31, 2022

## FINANCIAL STATEMENTS

## STATEMENT OF CASH FLOWS

## CASH FLOWS USED IN OPERATING ACTIVITIES

Change in net assets	(569,090)
Adjustments to reconcile change in net assets	
to net cash used in operating activities:	
Provisions for allowance and discounts of contributions receivable	(76,799)
Depreciation	14,303
Loss on disposal of fixed assets	
Change in assets and liabilities	7,669
Accounts receivable - government contracts	549,750
Contributions receivable	23,422
Prepaid expenses	1,619
Accounts payable	10,370
Accrued expenses	(5,491)
Net cash used in operating activities	(44,245)

## CASH FLOWS USED IN INVESTING ACTIVITIES

Purchase of fixed assets	-
Certificates of deposit redeemed	(750)
Net cash used in investing activities	(750)

INCREASE IN CASH AND CASH EQUIVALENTS (44,995)

CASH AND CASH EQUIVALENTS, January 1, 2022 1,556,921

CASH AND CASH EQUIVALENTS, December 31, 2022 1,511,926

# EDB INVESTORS & BOARD OF DIRECTORS

Thank you to our 2021 - 2025 EDB Investors! **2022 Board of Directors**

## TOP PRIVATE

**MultiCare Health Systems** Cal Portland - NW Division  
**Virginia Mason Franciscan Health** Catalyst Workplace Activation  
**Columbia Bank** Comcast Cable  
**Milgard Manufacturing, Inc** Coordinated Care Corp.  
**The Benaroya Company** DaVita  
**KeyBank** Gordon Thomas Honeywell  
**Wells Fargo** Harborstone Credit Union  
**Heritage Financial Corp.** Impact Washington  
**General Plastics Mfg Corp.** Innova Architects  
**Puget Sound Energy** James Hardy Building Products  
 JP Morgan Chase  
 Kaiser Permanente  
 Kidder Mathews  
 Korsmo Construction  
 Korum Automotive Group  
 Ledger Square Law  
 MacMillian-Piper  
 Motive Power Marine  
 NewCold  
 Niagara Bottling  
 Pacific Lutheran University  
 Pacific Premier Bank  
 Panattoni Development Company  
 Premier Media  
 Propel Insurance  
 Reach Dental LLC  
 RSM  
 S&J Food Distributors  
 Seaport Sound Terminal  
 SeaTac Packaging Mfg  
 Simon Johnson, LLC  
 Sound Credit Union  
 Tacoma Arts Live  
 TOTE Maritime Alaska  
 Trouves Health Care  
 True Blue, Inc.  
 Tucci & Sons  
 US Oil & Refinery Company  
 Washington Federal, Inc  
 Western Institutional Review Board  
 WestRock  
 Wilson Albers and Company

## PUBLIC

Bates Technical College  
 City of Auburn  
 City of DuPont  
 City of Fife  
 City of Lakewood  
 City of Puyallup  
 City of Sumner  
 City of Tacoma  
 City of University Place  
 Clover Park Technical College  
 Pierce College  
 Pierce County Government  
 Pierce Transit  
 Port of Tacoma  
 Sound Transit  
 State of Washington  
 Tacoma Community College  
 Tacoma Public Utilities

## PRIVATE

Absher Construction  
 Aero Precision  
 AHBL  
 Alaska Federal Credit Union  
 Banner Bank  
 BCRA  
 Bellarmine  
 The Boeing Company  
 BPI Medical, Inc.  
 Brookfield Properties  
 Brown & Brown of WA  
 Burkhart Dental Supply

## EXECUTIVE COMMITTEE

**Chair**  
**BRIAN MARLOW**  
**KeyBank**

**Vice- Chair**  
**LISA GOODMAN**  
**The Benaroya Company**

**Immediate Past Chair**  
**HERB SIMON**  
**Simon Johnson, LLC**

**BRUCE DAMMEIER**  
**Pierce County Executive**

**VICTORIA WOODARDS**  
**City of Tacoma Mayor**

**ERIC JOHNSON**  
**The Port of Tacoma**

**DAVID MOORE**  
**DEVINE**  
**Columbia Bank**

**JACKIE FLOWERS**  
**Tacoma Public Utilities**

**BRUCE KENDALL**  
**Economic Development Board**

**ALLAN BELTON**  
 Pacific Lutheran University

**ANDREA REAY**  
 Tacoma-Pierce County Chamber

**ANDY TAKATA**  
 City of Dupot

**BETT LUCAS**  
 Seaport Sound Terminal

**CHRIS TUBIG**  
 Tacoma Arts Live

**DANIEL SMITH**  
 Brown & Brown of WA

**DAVID HUANG**  
 SeaTac Packaging

**DEANA PARKER**  
 Absher Construction

**DIANNE AHRO**  
 Virginia Mason Franciscan Health

**DON CLARK**  
 Sound Credit Union

**DOUG OBERST**  
 BCRA

**ELIZABETH PAULI**  
 City of Tacoma

**ERIK HYNES**  
 Wells Fargo

**GREG BIRSACK**  
 Reach Dental Equipment

**IVAN HARRELL II**  
 Tacoma Community College

**JEFF LYON**  
 Kidder Mathews

**JIM BEATTY**  
 MultiCare

**JOHN CAULFIELD**  
 City of Lakewood

**JOHN MCCARTHY**  
 Port of Tacoma Commissioner

**KATIE CONDIT**  
 WorkForce Central

**KIERRA PHIFER**  
 Puget Sound Energy

**LISA SIMMONS**  
 TOTE

**LORI FORTE**  
**HARNICK**  
 Goodwill

**MARKISS COOPER**  
 CoopaSims Transportation & Logistics

**MARTY CAMPBELL**  
 Pierce County Council

**MIHIRA DE ALWIS**  
 Bourbon St Creole Kitchen

**MIKE GRIFFUS**  
 Pierce Transit

**NIGEL ENGLISH**  
 Heritage Bank

**PATTY ROSE**  
 Central Labor Council

**SCOTT JONES**  
 Brookfield Properties

**SHEILA EDWARDS-LANGE**  
 UWT

**SHELLY ANDREW**  
 Gordon Thomas Honeywell

**STEPHANIE PLOOF**  
 Catalyst Workplace Activation

**STEVE SUGG**  
 City of University Place

## EDB STAFF

**BRUCE KENDALL**  
 President & CEO

**DEBORAH KELLY**  
 Director of Operations

**GRANT TWYMAN**  
 NEXT Consulting

**MADDIE MERTON**  
 Vice President Business Retention & Expansion

**RACHEL ASKEW**  
 NEXT Consulting

**SARAH BONDS**  
 Vice President Business Recruitment

**TAMSIN BELL**  
 Vice President Business Development

**TENLEY MELTON**  
 Accountant

**(253) 383-4726**

**choosetacomapierce.org**