

2023 ANNUAL REPORT



UMPQUA BANK



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: 2019-2023

Because most deals take well over a year to conclude, the EDB measures its results in five-year increments. The EDB's \$58:1 return on its investors' dollars from 2019-2023 is indicative of the strength of its recruitment and retention programs.

**JOBS RECRUITED AND RETAINED:
2,225**

**WAGES AND SALARIES
GENERATED: \$129,425,344**

**PRIVATE CAPITAL INVESTMENT:
\$78,380,000**

EDB REVENUE: \$6,168,964

**RETURN PER \$1 EDB INVESTMENT:
\$33**

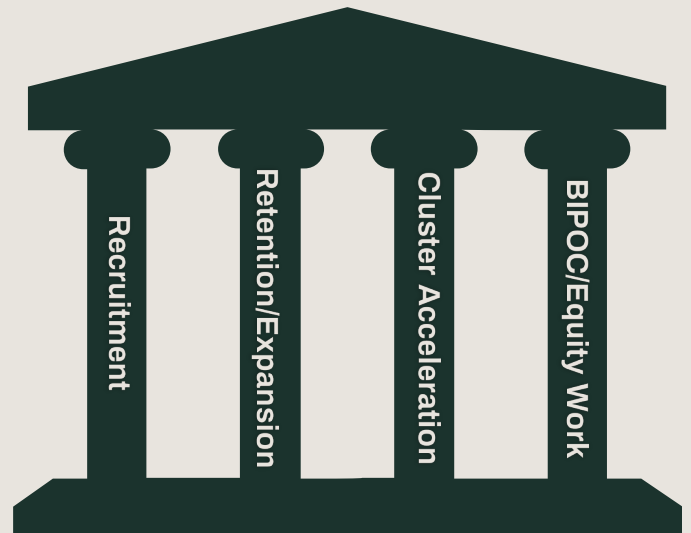
ONWARD!

POST PANDEMIC

2023 was the third year of the EDB's five-year work program and the first year the economy really emerged from the pandemic.

The EDB 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 2023, our core activities of business recruitment, retention and cluster acceleration came back to the fore. Business travel returned with gusto, including our recruitment mission to the Paris Air Show and our Trade Mission to Japan. In addition, our cluster acceleration teams in Technology and Trade-Logistics made significant headway, and the new Entrepreneurship team was launched.



THE FOUR PILLARS

The four organizing pillars of the EDB are Recruitment, Retention/Expansion, Cluster Acceleration, and BIPOC/Equity work. In 2023, we continued our engagement with NEXT Consulting to integrate our equity work across the other pillars.

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 2023

FDI Frenzy: In 2023, the EDB generated and attracted Foreign Direct Investment leads. 68% of the recruitment inquiries were from international businesses, while 32% were from domestically located companies. Access to a deep-water port at the Port of Tacoma, a robust transportation network, a talented workforce, and an undeniable healthy quality of life make Pierce County an attractive place for businesses.

Manufacturing Madness: 18 out of 27 new projects in 2023 were manufacturers looking for a new site to produce goods. Green energy, land availability, workforce accessibility, and proximity to the Port of Tacoma and other major transportation networks became essential selection factors in nearly all industries. A shortage of large available industrial land inventory made competing for projects challenging. Pierce County is a desirable place to do business, and the industrial opportunities are filling up.

Sustainable & Green Tomorrow: With decisive steps towards a sustainable future, Pierce County, particularly Tacoma, has emerged as a key player in pioneering environmental initiatives. Tacoma's dedication to nurturing a green economy is showcased through its holistic Green Economy Strategy, serving as a roadmap for sustainable growth and environmental guardianship. Embracing a green economy strategy prioritizes green business recruitment and encourages greening of current business. The city bolsters Washington's position as a hydrogen hub and leads the charge in innovative climate change mitigation efforts. Pierce County is a beacon of a community committed to harmonizing economic progress with environmental stewardship, laying the groundwork for a greener, more sustainable tomorrow.



BUSINESS RECRUITMENT

At the end of 2023, the EDB had 33 active recruitment cases in the pipeline, representing over 1,800 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.

Twenty-seven other recruitment cases were closed throughout the year. These projects did not get traction for various reasons. They were located elsewhere or delayed or canceled their plans. Location decisions are based on multiple 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, 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.

The EDB partners with property developers, real estate brokers, the Port of Tacoma, Tacoma Public Utilities, Puget Sound Energy, educational institutions, training resources, elected officials and staff from cities and unincorporated Pierce County, Washington State Department of Commerce, and others to respond with recruitment activities. Our professional partners' responsiveness and proven delivery ability are critical to successful recruitment.

KEY RECRUITMENT PROJECTS HARBOR FREIGHT TOOLS

Projected 800 Jobs, \$30 Million Investment
Harbor Freight Tools is a national tool retailer with over 1,400 stores in 48 states. The company sells tools and accessories to support construction, automotive, and other shop equipment-reliant industries. Harbor Freight Tools chose Frederickson as its new regional warehouse distribution hub for the West Coast. The 782,875-square-foot building will be located in FRED 310 Industrial Park and will support its e-commerce and brick-and-mortar locations. The EDB worked closely with Pierce County to land this company.



Open Cases

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.

ECONOMIC IMPACT

- 107 BRE Visits
- 21 open expansion projects
- 2 active won projects
- \$33 million private capital investments won
- \$186.7 million private capital investment in the pipeline
- 136 retained jobs

SEATAC PACKAGING EXPANDS IN FREDERICKSON

Since 1994, SeaTac Packaging has provided its customers with bags for transporting food, animal feed, seeds, cement mix, and more.

Dual expansions over the last four years have positioned the Puyallup-based manufacturer as one of Pierce County's leading BIPOC-owned firms and pumped more than \$48 million into the local economy. In March of 2023, SeaTac Packaging sealed the deal on its \$20 million acquisition of the former Carlson Paving site in the Frederickson manufacturing and industrial center. The company will invest \$8 million in new equipment for the facility. The expansion will retain 86 positions and create 15 new jobs in Pierce County.

AMERICAN STRUCTURES AND DESIGN RELOCATES TO SUMNER

In 2023, American Structures and Design, a family-owned designer, manufacturer, and distributor of aluminum railing, balcony, sunshade, and patio cover systems, relocated to a 75,000-square-foot manufacturing facility in Sumner. The company will invest \$5 million in new equipment for the facility. The expansion will retain 50 positions and create 25 new jobs in Pierce County. The company was awarded a Jobs Skills Program Grant to support workforce training with the Washington State Board for Community and Technical Colleges, Clover Park Technical College Corporate Education, and Impact Washington.

BUSINESS RETENTION & EXPANSION

PIERCE COUNTY MANUFACTURING EXPO

Pierce County Manufacturing Day Expo shined a light on industry on Oct. 5 at Clover Park Technical College's Center for Advanced Manufacturing. This event was an excellent opportunity to support Pierce County manufacturers and provide the opportunity for students, parents, and educators to learn more about exciting and in-demand careers in the growing sector.

Pierce County Manufacturing Day Expo was presented by the Economic Development Board for Tacoma-Pierce County, Pierce County Economic Development, Impact Washington, Clover Park Technical College, City of Tacoma, and City of Lakewood. Event sponsors include Milgard Windows and Doors, Hormann Northwest Door, Brown & Haley, Aeroforge Maintenance Tooling and GSE, and Banner Bank. The event showcased industry exhibitors and featured panel presentations and group tours of CPTC.

In Pierce County, a proclamation signed by County Executive Bruce Dammeier recognized October as Manufacturing Month. The cities of Lakewood and Tacoma issued similar proclamations.

TRADE MISSION TO JAPAN

Japan is the largest foreign investor in the U.S., and Tacoma-Pierce County is home to several U.S. subsidiaries that have collectively invested more than \$550 million in capital expenditures over the last decade.

The Economic Development Board for Tacoma-Pierce County led a trade and investment mission in October 2023 to visit several Tokyo-based aerospace, manufacturing, and gaming firms. The delegation included Steve Hobbs, Washington Secretary of State; Maddie Merton, EDB Vice President for Business Retention and Expansion; Michael Fowler, Executive Director of World Trade Center Tacoma; and Stephanie Prentice, Community Engagement Officer, Office of the Washington Secretary of State.

DIVERSITY EQUITY & INCLUSION

The EDB laid the foundation for building supportive ecosystems for BIPOC businesses. Activities included strategic outreach to the BIPOC community via informational webinars, piloting technical assistance opportunities, and renewing a strategic partnership contract. Highlights include the Get Ready for PPP online seminar serving over 450+ small businesses, EDB Thrive! and Marketing for Success cohorts leveraging funds from Washington State Department of Commerce, Impact Washington, and the Washington Minority Business Development Agency – Tacoma Business Center. A survey and report assessing challenges, opportunities, and potential solutions provide additional clarity for strategic engagement.

CLUSTER ACCELERATION

The EDB continued its Cluster Acceleration work throughout 2023, 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

The Trade-Logistics Cluster Acceleration Team is focusing on workforce development and recruiting talent into the industry by connecting Trade-Logistics employers with K-12 students. A partnership was formed with Career & Technical Education program directors from across Pierce County to build engagement opportunities with employers, educators, and students.

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

ENTREPRENEURSHIP CLUSTER

In April, the first Entrepreneurship Cluster kicked off and has convened five times through 2023 including the Entrepreneurship Summit held at UW Tacoma. The team brings together over 60 business support service organizations to share resources and needs from their respective client

networks. We are collaborating on mapping out the ecosystem of resources and addressing gaps in service areas. The cluster is creating a “No Wrong Door” system for entrepreneurs and small, young, and underserved businesses navigating their way to the next phase of business. By doing so, the group reduces obstacles and confusion and creates a lattice of support to home-grow the next generation of top employers. The group leverages their collective network to address barriers in various facets of business ecosystems, such as policy or finance through solutions-oriented dialogue, where we identify areas for service improvement or interpretation of challenges to increase access to opportunity.

TECHNOLOGY CLUSTER TEAM

The Technology Cluster Acceleration Team reinvigorated the South Sound Tech Conference in partnership with the UW Tacoma School of Engineering and Technology. While celebrating and showcasing the economic impact of the tech industry and the impact of the newly passed data center tax credit, panelists also addressed ways to combat the wealth and opportunity gaps for underserved communities in the sector and also how tech companies are working to abate climate change.

CLUSTER ACCELERATION

The event brought together established firms and entrepreneurs with business support organizations to support the advancement of tech companies in our region.

To further expand entrepreneurship in tech, the EDB successfully pursued the Small Business Innovation Fund Grant opportunity offered by the Washington State Department of Commerce in the final quarter of 2022. The grant was administered throughout 2023 and provided \$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.

SMALL BUSINESS INNOVATION FUND

The goal of the Small Business Innovation Fund (SBIF) was to support partner organizations whose individual funding requests were below threshold, yet their respective contributions are impactful to underserved communities in Pierce County. The EDB served as administrator of the SBIF and provided passthrough funds to multiple subrecipients to support an array of initiatives. The EDB also assumed risks of audit findings to its EIN as opposed to that of its subrecipients.

These opportunities increase access to capital by offering connections to investors, and by reducing overhead to underserved businesses and create opportunities for high-wage jobs in STEAM industry sectors. Incubator/accelerator services proposed within are independent and outside of the scope of the Pierce County Business Accelerator and Community Navigator programs. Our aim is to complement their initiatives and expand support through addressing DEI in STEAM.

- Black Collective – Empirical research report and mini grant program to support Black-owned businesses.
- Tacoma Arts Live – Launch of the Accelerating Creative Enterprise (ACE) program.
- TractionSpace – Establishment of the Center of Innovation for the UW Tacoma's School of Engineering & Technology Entrepreneurs Club (EC), and revitalization and activation of community event space in the downtown Tacoma Opportunity Zone.
- Maritime Blue – Clean and blue tech business development.
- NEXT Consulting – Consultative services to improve the EDB's services to BIPOC, rural and underserved communities.
- StartUp 253 – Equipment acquisition and education services at no cost at the Creation Station, a maker space.

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 Nathe Lawver from the Pierce County AFL-CIO to the EDCPC board.

The following projects were evaluated by EDCPC staff and legal review in 2023:

COMPANY	PROJECT ENDURANCE
POTENTIAL CAPITAL EXPENDITURES	\$2M-\$10M
POTENTIAL NEW JOBS	50
TIMELINE	2025
STATUS	CLIENT SEEKING LENDER

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

STATEMENT OF FINANCIAL POSITION

ASSETS

ASSETS	Without Donor Restrictions	Without Donor Restrictions	Total
Cash and cash equivalents	\$ 1,432,538	\$ -	\$ 1,432,538
Certifications of deposit	611,158	-	611,158
Accounts receivable - government contracts	31,121	-	31,121
Accounts receivable - related party	1,569	-	1,569
Contributions receivable, net	-	917,665	917,665
Prepaid expenses	-	-	-
Office furniture and equipment, at cost, net of accumulated depreciation	<u>23,447</u>	<u>-</u>	<u>23,447</u>
Total assets	<u>\$ 2,099,833</u>	<u>\$ 917,665</u>	<u>\$ 3,017,498</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable	\$ 57,639	\$ -	\$ 57,639
Accrued liabilities	<u>44,463</u>	<u>-</u>	<u>44,463</u>
Total liabilities	<u>102,102</u>	<u>-</u>	<u>102,102</u>

NET ASSETS

Without donor restrictions	1,997,732	-	1,997,732
With donor restrictions	<u>-</u>	<u>917,665</u>	<u>917,665</u>
Total net assets	<u>1,997,732</u>	<u>917,665</u>	<u>2,915,396</u>
	<u>\$ 2,099,833</u>	<u>\$ 917,655</u>	<u>\$ 3,017,498</u>

YEAR ENDED DECEMBER 31, 2023

FINANCIAL STATEMENTS

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Service and grant revenue	598,200	\$ -	598,200
Contributions	-	99,925	99,925
In-kind contributions	-	-	-
Net assets released from restriction	<u>582,500</u>	<u>(582,500)</u>	-
Total revenue and other support	<u>1,180,700</u>	<u>\$ (482,575)</u>	<u>698,125</u>
EXPENSES			
Personnel	1,086,163	-	1,086,163
Campaign	-	-	-
Marketing costs	232,074	-	232,074
General Administrative	311,451	-	311,451
Rent	<u>57,332</u>	<u>-</u>	<u>57,332</u>
Total expenses	<u>1,687,020</u>	<u>-</u>	<u>1,687,020</u>
OTHER INCOME (EXPENSE)			
Annual meeting	100,152	-	100,152
SBIF grant income	1,893,607	-	1,893,607
SBIF grant expense	(1,635,514)	-	(1,635,514)
Gain on insurance proceeds	-	-	-
Interest Income	11,919	-	11,919
Other income	<u>-</u>	<u>-</u>	<u>-</u>
Total other income	<u>370,164</u>	<u>-</u>	<u>370,164</u>
CHANGE IN NET ASSETS	(136,156)	(482,575)	(618,731)
NET ASSETS, beginning of year	<u>2,109,554</u>	<u>1,424,573</u>	<u>3,534,127</u>
NET ASSETS, end of year	<u>1,973,398</u>	<u>941,998</u>	<u>2,915,396</u>

YEAR ENDED DECEMBER 31, 2023

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

CASH FLOWS USED IN OPERATING ACTIVITIES

Change in net assets	(618,731)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Provisions for allowance and discounts of contributions receivable	(55,591)
Depreciation	10,951
Loss on disposal of fixed assets	-
Change in assets and liabilities	122,879
Accounts receivable - government contracts	541,500
Contributions receivable	26
Accounts Receivable - other	469
Prepaid expenses	(48,693)
Accounts payable	(26,189)
Accrued expenses	
Net cash used in operating activities	<u>(73,380)</u>

CASH FLOWS USED IN INVESTING ACTIVITIES

Purchase of fixed assets	-
Certificates of deposit redeemed	(6,008)
Net cash used in investing activities	<u>(6,008)</u>

INCREASE IN CASH AND CASH EQUIVALENTS (79,388)

CASH AND CASH EQUIVALENTS, January 1, 2023 1,511,926CASH AND CASH EQUIVALENTS, December 31, 2023 1,432,538

EDB INVESTORS & BOARD OF DIRECTORS

TOP PRIVATE

MultiCare Health Systems Cal Portland - NW Division
Virginia Mason Franciscan Health Catalyst Workplace Activation
Comcast Cable
Umpqua Bank Coordinated Care Corp.
Milgard Manufacturing, Inc DaVita
The Benaroya Company Gordon Thomas Honeywell
KeyBank Harborstone Credit Union
Wells Fargo Impact Washington
Heritage Financial Corp. Innova Architects
General Plastics Mfg Corp. James Hardy Building Products
Puget Sound Energy JP Morgan Chase
Kaiser Permanente

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

Kidder Mathews
Korsmo Construction
Korum Automotive Group
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

EXECUTIVE COMMITTEE

Chair
LISA GOODMAN
The Benaroya Company

Vice-Chair
DAVID MOORE DEVINE
Umpqua Bank

Immediate Past Chair
BRIAN MARLOW
KeyBank

BRUCE DAMMEIER
Pierce County
Executive

VICTORIA WOODARDS
City of Tacoma Mayor

JACKIE FLOWERS
Tacoma Public Utilities

ERIC JOHNSON
The Port of Tacoma

BETT LUCAS
Seaport Sound Terminal

HERB SIMON
Simon Johnson, LLC

BRUCE KENDALL
Economic
Development Board

ALLAN BELTON
Pacific Lutheran
University

AJ MILLER
JP Morgan Chase

ALEX HOFELING
TOTE

ANDREA REAY
Tacoma-Pierce County
Chamber

ANDY TAKATA
City of Dupot

ANIRHAN
DEBCHOUDHURY
US OIL

CHRIS TUBIG
Tacoma Arts Live

CHRISTINE NHAN
Puget Sound Energy

CURT GIMMESTAD
Absher Construction

DANIEL SMITH
Brown & Brown of WA

DAVID HUANG
SeaTac Packaging

DIANNE AROH
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

JEMIMA
MCCULLUM
Gordon Thomas
Honeywell

JIM BEATTY
MultiCare

JOHN CAULFIELD
City of Lakewood

JOHN MCCARTHY
Port of Tacoma
Commissioner

KATIE CONDIT
WorkForce Central

LORI FORTE
HARNICK
Goodwill

MARKISS COOPER
CoopaSims
Transportation &
Logistics

MARTY CAMPBELL
Pierce County Council

MATT MCLENNAN
Kidder Mathews

MIHIRA DE ALWIS
Bourbon St Creole
Kitchen

MIKE GRIFFUS
Pierce Transit

NATHE LAWVER
Central Labor Council

NIGEL ENGLISH
Commencement Bank

ODETTE D'ANIELLO
Celebrity Cakes

QUINCY HENRY
Campfire Coffee

SCOTT JONES
Brookfield Properties

SHEILA EDWARDS-
LANGE
UWT

STEPHANIE PLOOF
Catalyst Workplace
Activation

STEVE SUGG
City of University
Place

THULI LUSHABA
Korsmo

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