



JOBS. JOBS. JOBS.

Q: WHO DELIVERS JOBS 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.

In 2007 Governor Gregoire and the Legislature took a big step forward with the Governor's *Next Washington* plan which re-emphasized the fundamental importance of local economic development services to the State's success. Working with the Governor, Legislature, Economic Development Commission and the Department of Commerce, the ADO network delivers results year after year.

ADOs leverage state dollars with local private and public dollars to create the backbone of the State's economic development system. 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.

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

Please read on.

For more information about the job creation track record of ADOs, please contact your local ADO or Noah Reandeau, WEDA Executive Director, (253) 620-6500; James Evans, WEDA Government Affairs Consultant, (253) 620-6641; or Bruce Kendall, WEDA Board Member, (253) 383-4726.

Q: WHAT IS THE ADO TRACK RECORD (FY2008-2010)?

A: SOME IMPRESSIVE NUMBERS, INCLUDING:

- 22,493 private sector jobs created or retained in WA State
 - \$2.9 Billion in private investment in WA State
 - \$72 Million in state taxes generated in WA State
 - 1,415 businesses served in WA State

Q: WHAT'S THE RETURN ON THE STATE'S INVESTMENT IN ADOs (FY2008-2010)?

A: MORE IMPRESSIVE NUMBERS, INCLUDING:

- \$260 in private investment for every \$1 in state ADO funding
- \$6.56 in state taxes generated for every \$1 in state ADO funding
- One (1) job created or retained for every \$491 in state ADO funding

Q: WHAT ARE SOME EXAMPLES OF JOB CREATING DEALS OR PROJECTS DELIVERED BY ADOs (FY2008-2010)?

A: IN FY2010 ALONE ADOs RECRUITED 46 COMPANIES, RETAINED 263 COMPANIES AND HELPED 158 NEW BUSINESSES GET OFF THE GROUND.

Source: ADO Report, Department of Commerce, November 2010

Q: DO YOU HAVE ANY JOB CREATION EXAMPLES?

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

Snake River Boat Builders Export Program (Asotin County)

- Assist boat builders with Exporting to European Union
- Retention of 150 boat building industry jobs
- With 50 additional jobs anticipated over the next two years

The story: In 2009/2010, the SouthEast Washington Economic Development Association (SEWEDA) partnered with a number of other economic development organizations and manufacturers in the Lewis Clark Valley to promote the Snake River Boat Builders Export Program. The goal of the Export Program is to develop viable foreign markets for the welded-aluminum jet boat manufacturers and suppliers located in the greater Lewiston, Idaho and Clarkston, Washington region. Initially, the focus is on the European Union, primarily Germany.

Capitalizing on a federal USDA grant and a Washington State CERB grant, SEWEDA was a key driver in generating matching contributions from local municipalities and other non-profit economic development organizations.

While a key component of the grants is the training and preparation of local boat builders to sell into the EU, the collaboration spearheaded by the Program Steering Committee has energized not only the boat manufacturers, but the local community as well. The program has garnered press coverage locally, regionally, nationally, and even internationally.

The program basically has four phases, including: (1) a media trip to the Lewis Clark Valley by Skipper Boote Und Yachting magazine, Miesbach, Germany; (2) extensive boat builder training for doing business in the EU; (3) EU distributor visits to the Lewis Clark Valley; and, (4) boat builder participation in the Dusseldorf, Germany boat show in January, 2010. Although sales numbers are not yet available for the EU, the Valley's boat builders are experiencing their largest backlog of sales (8 to 9 months) in years, due in part to extensive media coverage and other factors. The excitement generated by the Export Program in the Valley has everyone talking and is a classic example of how a well coordinated, collaborative economic development effort such as this can benefit everyone.

Allegheny Technologies Inc. (Benton County)

- December 2010: the Allegheny Technologies (ATI) Richland plant is expanding production of titanium for use in the world's largest seawater desalination project, located in Saudi Arabia
- Built on 25 acres in Richland's Horn Rapids Industrial Park in 1999, the facility is home for the world's largest electron beam cold hearth refining furnace
- Expansion will increase facility employment by 10%
- Compensation for new employees will add \$349,000 to current annual payroll

The story: In 1998 Oregon Metallurgical Corp (now Allegheny Technologies) announced their decision to locate a new electron beam titanium melting operation on a 25-acre site in Richland, Wash. The \$38.5 million electron beam furnace was the centerpiece of the new \$50 million melting operation. The current operation prepares titanium feed stocks and scrap to be melted into alloy ingots, electrodes and slabs. Melting capacity is above 14 million pounds per year.

PenPly Cedar Mill (Clallam County)

- Mill ribbon cutting, September 2010
- 100,000 square foot cedar plywood mill
- 150 new jobs with benefits
- \$6 million investment in plant and equipment

The story: In 2008, K-Ply closed, laying off 170 employees. For the next two years, local investors and managers worked to attract enough funding to reopen as a locally owned mill. In the Fall of 2009, the Clallam EDC met with the mill manager to assist him in seeking the gap funding required. By the time the mill opened in March 2010, funding had been secured from six public and private sources, including \$1.25 million in local, private investors. The mill is running in the black during a recession and employing 150 employees.

Fisher Investments (Clark County)

- Start of construction on \$30 million office complex for national financial services firm
- 325 new jobs
- Annual wages of \$70,000- 200,000
- Potential location for Fisher's Corporate headquarters and 1,100 employees

The story: Columbia River EDC (CREDC) has worked with Fisher Investments since 2007 to secure one of three satellite locations for this Woodland, CA headquartered investment manager. Working with national site location consultants and the Governor's office the community was successful in beating out Houston and Tampa for the firm's new office. Subsequently, the CREDC and City of Camas supported the company with the selection of a site for the first of what will be a three building Class A campus to house the firm's growing SW Washington office. The company was driven to look for an office outside of the Bay area due to the high cost of living and housing that impacted employees as well as California's negative business climate.

The project was supported with significant infrastructure investments from the City of Camas and an investment from the Governor's strategic reserve fund. The company is finding it relatively easy to recruit well paid talent to the Camas location. The ease of development and business climate will help the community compete for the relocated headquarters of Fisher Investments. Headquarters relocation would result in the creation of 1,100 new jobs.

Ski Bluewood Resort (Columbia County)

- Retention of Ski resort located 20 miles outside of Dayton and 50 miles from Walla Walla
- Ski Bluewood represents significant contributor to high quality of life for southeast Washington and frequently listed as a major asset in recruitment of businesses and employees to the area
- Retention of 100 full- and part-time jobs
- Resort annual income of \$1.1 - \$1.4 million. Significant related business revenues and sale taxes through ski shops, restaurants, hotels, and convenience stores in surrounding six county area

The story: In 2010, the SouthEast Washington Economic Development Association (SEWEDA) was asked to help transition the ownership of the Ski Bluewood Resort, a major seasonal employer (100 full- and part-time jobs), located outside of Dayton. Following a public announcement by Go Ski, Inc. in April 2010, then owners of the resort, that no more money would be invested in the operation of the resort and that the resort would be closed in September if a new operator was not found, SEWEDA coordinated an intense, expedited evaluation of three ownership alternatives: a non-profit management company, private business, or public (city or county) management. After facilitating a series of meetings with community leaders, current owners, US Forest Service representatives, ski enthusiasts, and representatives of non-profit foundations in Dayton and nearby Walla Walla, and a thorough financial analysis of past resort operations and projections, the SEWEDA led team concluded the best solution was a private buyout. The work by SEWEDA was a major impetus in the sale of the resort and its' re-opening

for the 2010-11 ski season. It has been reported by the new owners that the resort now employs 146 full- and part-time workers.

Skyline Steel (Cowlitz County)

- 156,000 square foot spiral-welded and straight-seam steel pipe manufacturing facility being constructed at the Port of Longview
- Based in New Jersey with parent company ArcelorMittal out of Luxembourg
- 65 new jobs with benefits; hundreds of construction jobs
- \$10 million capital investment
- The Port of Longview will bring in approximately \$400,000 in annual rent and \$100,000 in tax revenue to local taxing districts
- Opening February of 2011 after August 2010 groundbreaking

The story: The Cowlitz EDC worked with the Port of Longview and company representatives beginning August of 2009. The company was investigating Port properties up and down the entire Western U.S. The Cowlitz EDC facilitated several meetings with private and public sector representatives to enable a quick decision for the company that Cowlitz County was the right location for their project. The EDC worked with the Port of Longview and private developers to create an innovative form of financing for the project. A ground breaking was held in August of 2010 and featured remarks by Rogers Weed of the Department of Commerce.

Syngenta (Franklin County)

- October 2009: seed processor of sweet corn, watermelon, squash, melon, broccoli, peppers, tomatoes and spinach
- 170,000 square foot plant on 40 acres
- 27 full time employees and 100 seasonal workers
- \$42 million in plant and equipment
- 4,000 acre increase in sweet corn under contract

The story: Syngenta is one of the world's largest seed processing plants, and considered 40 other sites in three continents before selecting Pasco, Washington. Their choice was based on the ability of local growers to provide high quality feedstock, availability of a clean, reliable water supply, and access to ocean going ships via the Columbia River to Portland. The Pasco facility is part of Syngenta's network of businesses committed to sustainable agriculture through innovative research and technology. The company ranks third worldwide in

the high-value commercial seeds market, with sales in 2009 of approximately \$11 billion. Syngenta employs over 25,000 people in more than 90 countries.

Lower Snake River Wind Project (Garfield County)

- Phase I: construction of 149 2.3 MW wind turbines, ribbon cutting ceremony Sept. 30, 2010 at Garfield County Fairgrounds
- Pre-construction work included investment in local property remodel and 2 new jobs; construction phase attracted over 175 construction workers to the county
- Permanent jobs projected will total between 20-25 by 2012 with more infrastructure investment planned in the locating of the Maintenance and Operations plant in Garfield County
- Estimated investment in construction of Phase I: over \$300 million

The story: In 2009, Puget Sound Energy (PSE) submitted a conditional use permit application to the Planning & Zoning Commission in Garfield County for the construction of 440 wind turbines. It was approved and construction began in Spring 2010 for Phase I, 149 turbines to be built on ridges on both the north and south sides of Hwys 12 and 127 in Garfield County. To date all of the foundations for the 149 turbines have been constructed with shipment and erection of the turbines to begin in Spring 2011. Puget Sound Energy invested in real estate improvements for a local office in 2008, hiring 2 employees and creating a base of operations for the developer and various consultants needed for engineering and environmental studies. As well, PSE has begun pre-construction of its Maintenance and Operations Facility which will be home to the projected 25 new employees needed for the life of the project.

Early in the project development, SEWEDA commissioned an economic impact study for wind projects in SE Washington, and the results were rolled out in April 2009 at an open public forum that drew potential employers and contractors from the region. SEWEDA also partnered with PSE and RES-Americas, the project developer, in sponsoring an open house for the community which provided a venue for residents and property owners to learn more about the project. SEWEDA has been instrumental in many community development and capacity building initiatives as a result of the project and the anticipated economic opportunities it provides.

Ocean Cold (Grays Harbor County)

- Frozen Storage Facility opened in 2008
- 95,000 square foot state-of the art cold storage facility with 1.8 million cubic feet freezer storage
- Blast freezing capabilities of more than 400 tons per day
- 55 new jobs with benefits
- \$13+ million investment in plant and equipment to date

The story: In late 2007, the Grays Harbor Economic Development Council (GHEDC) began working with Ocean Gold Seafoods on an expansion project to build a State-of -the-art frozen storage facility. With their fish processing plant located in Westport, WA, which is the fifth largest port for edible landed catch in the nation and second in the lower 48 states, it was the ideal place to site this facility. GHEDC facilitated dozens of meetings with company representatives and Port of Grays Harbor officials. The facility was completed in 2008. Currently approximately 75% of their storage is utilized by Ocean Gold Seafoods, and the remainder is divided between a number of other seafood companies and local fishing vessels.

Cbeyond, Inc. (King County)

- Recruitment of Atlanta-based Cbeyond, Inc. Pacific Northwest regional office in King County
- The company is hiring up to 100 employees for this new Washington State operation.
- These 100 jobs will in turn support an estimated 162 supporting jobs throughout the community
- The new operation will generate an estimated \$76,511,017 in annual economic activity for the region, driven by wages and business-to-business spending
- Cbeyond is in the Factoria neighborhood of Bellevue in leased facilities that house their Pacific Northwest back office and customer contact activities
- The company is receiving workforce development training from Bellevue Community College

The story: enterpriseSeattle worked closely with Cbeyond for over a year as the company evaluated locations throughout the Pacific Northwest, including Portland, before ultimately selecting the city of Bellevue, King County as the site for its new operations. enterpriseSeattle provided Cbeyond with customized research including economic and demographic data as well as information on the regulatory climate specific to their industry. Additionally, enterpriseSeattle staff traveled to their Atlanta headquarters to provide a presentation to the Senior leadership in

the company about why the King County region was the best location for their future operations. This meeting followed with enterpriseSeattle hosting part of the Cbeyond executive team to the region and provided key introductions to elected and business leaders who all encouraged the company to make a King County location decision. enterpriseSeattle then facilitated the application of the workforce training grant that the company ultimately received. The organization also coordinated and worked closely with other groups from the region including the Governor's office, the City of Bellevue, the Bellevue Chamber of Commerce, the Washington State Department of Commerce, King County, and the Workforce Development Council for Seattle and King County to identify resources for the company.

"The entrepreneurial spirit is alive and well in the city of Seattle and surrounding areas like Bellevue," said Jim Geiger, chairman, president and CEO of Cbeyond. "We are proud to be establishing a presence in the area and honored to take advantage of the talent in the region to help grow Cbeyond Pacific Northwest presence. In addition, we will continue our dedication to giving back to the communities where we live and work by partnering with local community organizations to identify volunteer opportunities for our employees. Giving back is at the core of Cbeyond culture."

Saving Jobs (Kitsap County)

- More than 60 companies assisted with accessing government contracts
- About 300 persons employed by assisted companies based on 2010 counts
- More than \$40 million in new business generated

The story: As the economy continued to deteriorate in 2008, the Kitsap Economic Development Alliance (KEDA) focused its ADO activities on helping local employers get new business and save jobs. With more than \$550 million of Department of Defense contracting occurring each year on the Kitsap Peninsula and billions of dollars of federal stimulus money in the queue, KEDA ramped up training courses and one-on-one counseling to help businesses compete for contracts that historically had been awarded to out-of-state companies. Kitsap County's unemployment rate during the period has remained more than 2 percent below the statewide average, due largely to the economic impact of the Department of Defense.

VersaCold (Pierce County)

- Cold storage warehouse and distribution facility ribbon cutting, September 2010
- 196,000 square foot state-of the art cold storage facility
- 80 new jobs with benefits
- \$28+ million investment in plant and equipment
- Hundreds of construction jobs

The story: In 2008, the Economic Development Board for Tacoma-Pierce County (the local ADO) began recruiting VersaCold, the world’s second largest cold storage provider. EDB coordinated dozens of meetings with company representatives and City of Tacoma staff as well as The Business Connection and continued to act as project and company advocate throughout the process. The outcome is a business new to the Puget Sound region that constructed a state-of-the art “green” facility. Hundreds of construction jobs were created. The grand opening celebration was held in September 2010 and expansion plans are already under discussion.

New World Yachts (Skagit County)

- Start-up Company in 2009
- Manufacturer of custom fiberglass yachts
- 50 employees
- Family wage jobs with full benefits

The story: This startup yacht builder in Anacortes brings green technology to custom yacht construction – using a process that has very little waste. They use a “one-off” construction technology that does not use molds. Building yachts from 57 to 150 feet, they currently employ 50 workers, with plans to add to the workforce in the next year.

The Economic Development Association of Skagit County (EDASC) worked extensively with the company during their startup and early development phase.

New World’s President Andy McDonald says, “EDASC” has been an incredible resource for us, providing vital assistance from business planning to hiring issues to tax information. Because of EDASC we received nearly \$100,000 in tax incentives that helped us get people back in the workforce. Their support has been instrumental to our success.”

Esterline Control Systems (Snohomish County)

- Manufacturer of aerospace and defense electronics, opened September 2009
- 216,000 square feet of new construction on 14 acres at Snohomish County Airport Paine Field
- \$53 million investment in plant and equipment
- 600 jobs retained in Puget Sound
- 250 construction jobs

The story: The EDC was contacted in February 2008 by Esterline after 18 months of evaluating other locations. They needed to relocate from their home of 60 years in Seattle and were under a tight schedule. The EDC presented them with several options and hosted a site tour for their management team within a week of the call. After selecting the airport site, a land lease was negotiated with Paine Field in seven days. The County expedited the permitting process so that construction began in July. Esterline occupied the building 14 months later. CERB provided funding for upgrades to the roads and wastewater system. The final product is a state-of-the-art, energy efficient, lean manufacturing business with average salaries of \$55,000/year. The EDC was the facilitator throughout the project. The Esterline project team was impressed with the pro-business attitude in Snohomish County and readily recommends the community to others.

McKinstry (Spokane County)

Purchase of 1900s era two-story former electric railroad shop in downtown Spokane

- Will spend \$10 million+ in renovations/conversion to 52,000 square foot office and incubation space
- Will double local employment to 200 jobs with benefits
- \$15+ million investment in plant and equipment
- 100 construction jobs
- Eastern Washington Regional Headquarters

The story: McKinstry provides a range of services around building, designing and managing offices and corporate premises and they have had a satellite office in Spokane for the last decade. They saw Spokane as an ideal location for a regional headquarters which would serve Eastern Washington, Northern Idaho and Western Montana. This site will allow the company to increase its focus on green building projects in these regions. Greater Spokane Incorporated assisted McKinstry with connections to the City of Spokane for development and permit activities, and also connected them with incentive programs for employee recruitment and training in addition to Community Empowerment Zone incentives for building renovation and

expansion. In addition, McKinstry is a founding member of the local clean energy and technology group, CLEEN NW. The building they are converting previously served as the shop and train yards of an early 20th century electric railroad which ran from Coeur d'Alene, Idaho, to downtown Spokane.

Harbor Wholesale (Thurston County)

- Retention of long time Thurston County and South Puget Sound employer, currently located in Tumwater, WA
- Harbor Wholesale is an 87-year old, multi-generation family managed local company.
- The company provides distribution of grocery items throughout the states of Washington and Oregon
- Retention of existing 300 employees – and expansion of new facility will allow for the accommodation of growth expected of employment by up to 20% within three years.
- Harbor Wholesale generated \$372 million in revenues in 2009
- New facility is a \$15 million, 210,000 square foot state of the art facility located in Lacey, Thurston County

The story: In early 2009, the company approached the Thurston Economic Development Council on the issue of expanding their current outdated and outgrown facility located in Tumwater, Thurston County. The company has deep roots in the community and has operated in the South Puget Sound market for nearly 90 years. The company was seeking a location that could accommodate the consolidation of their operations under one roof and would also allow for the expansion of their distributed goods into the frozen foods commodities. This consolidation and product line expansion would allow the company to remain competitive and strong within the highly competitive industry. Current county zoning requirements disallowed warehouse distribution facilities larger than 200,000 square feet. Through the efforts of the EDC which included a strong coalition of business, development and civic leaders, a compelling case was made to adjust the current zoning code to allow for facilities such as Harbor Wholesale – and would allow for the retention of local jobs and market expansion. The City of Lacey, through their Planning Commission and ultimately City Council agreed with the market arguments made by the coalition and adjusted their zoning prohibition to allow structures up to 500,000 square feet. The EDC staff helped to identify their current site – and groundbreaking was held in August of 2010. This year and a half effort retained the current employment of 200 family wage jobs, and secured the future prospects for future expansion of new employment and expansion of the \$370 million company.

Bronzestone (Whitman County)

- Hummus producing and distribution facility. Opened July 2010
- 3,000 square foot facility located in the Port of Wilma (owned by the Port of Whitman)
- 4 new jobs
- \$600,000 investment in remodeling and equipment
- Locally owned

The story: The Port of Whitman and the SouthEast Washington Economic Development Association (SEWEDA) of Whitman County, along with WSU, co-sponsor the Washington State University Business Plan Competition each spring. SEWEDA, working together with the Port, administers and funds the Open Business Plan category of the competition. Focusing on startup businesses in Whitman County, this category awards \$15,000 to winners of the competition.

In 2009, Bronzestone entered the competition and was awarded \$10,000 by a panel of judges. Bronzestone used this award as seed capital for their planning and further fundraising to start their business. The company purchases locally grown garbanzo beans, and produces and sell hummus to local and regional grocery stores and restaurants. After a year of planning and working with the Port of Whitman, SEWEDA, the Small Business Center and others, Bronzestone opened in July 2010.

Because of the success of Bronzestone there has been an increase in the number of participants in the 2010 and 2011 competitions. Two other startup businesses are presently operating in Whitman County as a primary result of the 2010 competition.

Adventurer RV (Yakima County)

- Canadian RV manufacturer locates new facility in Yakima
- Renovated 60,000 square foot existing building
- 80 new jobs with benefits
- \$2.5+ million dollar investment

The story: “The Yakima County Development Association helped us get our new facility established in Yakima. From helping us find quality employees, to getting licenses and permits, or securing tax credits, the development association made sure we landed in Yakima effectively and that we took advantage of resources to save us money and jumpstart our new operation.”
James Epp, Owner, Adventurer RV, LP