



THURSTON ECONOMIC DEVELOPMENT COUNCIL REPORT OF STRATEGIC ACTIONS—2017

*Report to the Investors and Stakeholders
of the Thurston Economic Development
Council of activities taken to support,
grow, and sustain the Thurston regional
economy.*



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2017 BOARD OF DIRECTORS



2017 EDC Board of Directors

Back Row, L to R: Tad Stillwell – City of Yelm, Bud Blake – Thurston County Commission, Brian Fluetsch – Sunset Air, Jace Munson – Forma Construction, Kevin Ekar – Heritage Bank, Rob Rice – Rob Rice Homes, Reid Bates – Express Employment Professionals, Cheryl Selby – City of Olympia, Michael McGaully – StraderHallet PS, Jessica Jensen – Jessica Jensen Law PS.

Front Row, L to R: Mike Mattox – Access the USA, Ann Freeman-Manzaneres – Intercity Transit, Molly Smith – Saint Martin’s University, Carrie Whisler – Olympia Federal Savings Bank, Perry Shea – SCJ Alliance, Michael Cade – Thurston EDC, Wayne Mannie – Columbia Bank, Tom Oliva – City of Tumwater, Heather Burgess – Phillips Burgess PLLC, Virgil Clarkson – City of Lacey.

Not pictured: Denise Marroni – Providence Health Services, Bill McGregor – Port of Olympia, Evan Parker – Kidder Mathews, Tim Stokes – South Puget Sound Community College

From the Executive Board

Strategic Highlights



Perry Shea
Board President



Carrie Whisler
Board President-Elect



Michael Cade
Executive Director

At the conclusion of December of this year, the Thurston Economic Development Council will have completed its 35th year of operations. In 1982, a group of community leaders from both the public and private sectors identified that economic diversity, community development, and entrepreneurial development were important enough to establish a new organization. They had a vision that a new organization should be aggressive, should take risks on behalf of the community, should identify resources that were new to the business community, and should above all, improve the economic opportunities that turned into successes for the region's communities. The mission of that leadership group was to lay the foundation that future community leadership groups could build upon and develop initiatives that would drive wealth into the region. Nearly 35 years later, the vision of the EDC's Board of Directors remains the same.

2016 was a year of continued strategic action by the Board of Directors and the professional staff of the organization. The organization's actions have resulted in a record year for economic impacts for the Thurston County region. Additionally, the economic indices saw positive gains, including increased sales tax revenue and household incomes. Unemployment numbers continued their low levels indicating economic opportunities for our residents.

The Board of Directors of the EDC, at the end of 2015, chose to focus the coming year's work-plan on the traditional efforts to recruit new investment, work to retain our region's employers, and develop new and expanded markets. Additionally, they took strategic action to recognize that the timing was perfect to launch a county-wide regional economic development strategy. This strategy, the Thurston Community Economic Alliance, aligns the many efforts being undertaken throughout the county that will ensure that steps are taken now that will help to guide and safeguard our region's economic future.

As we finish our 35th year of operations, we want to recognize and congratulate the leaders of Thurston County that set in motion an organization that generated over \$60 million in direct economic actions in 2016, and impacted over 1,200 full-time equivalent jobs. Your economic development council has lived up to the directives put in place in 1982 – and is setting the course to the year 2052 (our next 35 years). On behalf of the entire EDC Board of Directors, we wish you a prosperous and successful 2017 and beyond.

2016 IN REVIEW



As this decade started, the Thurston County region began an economic development transformation. The change can be characterized as a regional understanding and appreciation that economic development should be defined as a fairly wide range of strategic efforts to improve the economic and community conditions of our region. The EDC has undertaken an analysis of data that when collated together paints a picture of the economy — and where strategic efforts should be made.

2016 represented the first full year that the EDC operated the newly established Center for Business & Innovation (CB&I), in partnership with the South Puget Sound Community College. While the mission of the CB&I was directly focused on supporting entrepreneurs and small to medium sized business with training and technical assistance, it also provided the strategic backdrop from which to operate an aggressive and proactive economic development program.

The new CB&I provided the backdrop and support to launch and promote economic development programs that had a fiscal impact of over \$61 Million to the Thurston County regional economy.

To accomplish this impact, the EDC and CB&I:

- Launched an innovative local investment network — Thurston Investment Network (ThINk)—which provides an alternative funding mechanism for local business.

- Continued to provide strong rural economic development resources through the South Thurston Economic Development Initiative (STEDI).
- Pursued and actively developed over 35 recruitment cases that resulted in 250 new jobs in the community.
- Operated two statewide technical assistance programs that support entrepreneurs and both small and large businesses
- Operated a small business technical assistance program that provides grants for veterans starting a business.
- Continued to operate the statewide government contracting procurement program that expands market opportunities for our local businesses.
- Led and hosted five international trade efforts—one outbound to Asia, and four in-bound.
- Promoted Thurston County development and investment opportunities to groups and organizations located in eight countries, and over 35 states throughout the country.

All this was done while spearheading and launching the regional economic development strategy that provides a guide to positive growth for the next 35 years.

2016 BY THE NUMBERS

*All totaled, the efforts of the EDC and CB&I directly infused just over **\$61,000,000** into the local and regional economy.*

*The PTAC program and its professional staff brought over **\$310,000,000** to the State's economy; and brought over **\$1 Billion** to the State over the past four years impacting over **21,000 FTE jobs***

*The EDC's commercial/industrial case management efforts, resulted in the attraction of over **250 new jobs** into our region.*

*Provided support services and direct assistance to launch **over 50 new enterprises and businesses***

*Retained and expanded **1,220 full time equivalent jobs** in our communities.*

*Provided over **3,000 hours** of business and entrepreneurial training and advising through the efforts of the CB&I business and technical assistance programs.*

*The EDC's programs and events, hosted **114 classes, trainings, workshops and community forums** throughout the year. **Over 4,350** community and business leaders and entrepreneurs attended EDC events throughout the region.*

*To date, the Thurston Energy program has driven over **635 residential energy efficiency audits, upgrades and projects, infusing nearly \$715,000 in capital and having a \$2.66 million** into the local economy.*

FINDING SUCCESS

Single Handed Consulting

Brother-sister duo Kevin & Katie Leneker started Single Handed Consulting in 2014 as a service dedicated to helping injured employees return to the workforce. SHC offers education and assistance with a positive approach to difficult situations, narrowing the gap between worker and employer while creating a vital, healthy workforce that is mutually supportive.

Kevin and Katie discovered the EDC when they were nominated for, and then won, the EDC 2016 Small Business of the Year award.

That discovery proved valuable. While Kevin and Katie knew their company had tremendous growth potential, they also knew they'd be more successful with additional knowledge in many aspects of business management. To-date the Lenekers have participated in the EDC Center for Business & Innovation's ScaleUp training for growth planning, TuneUp training for improving operations, and Profit Mastery for building financial expertise. They have also used the advising services of the SBDC and PTAC. Since using the CB&I their annual revenues have increased over 90%.



FINDING SUCCESS

Belleza Ropa

Jeannine Kempees is owner and founder of Belleza Ropa, a clothing, shoes & accessories boutique in downtown Olympia, and About Time, a sister store in Port Townsend. Jeannine participated in the EDC Center for Business & Innovation's ScaleUp business growth training program to learn how to create new business opportunities and manage the many facets of her two retail stores. ScaleUp helped her better understand business operations, analyze her current systems, and create a new marketing plan. She credits the double-digit growth of the Olympia store to her participation in the ScaleUp program.

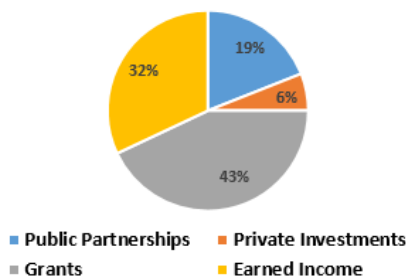


FISCAL RESOURCES



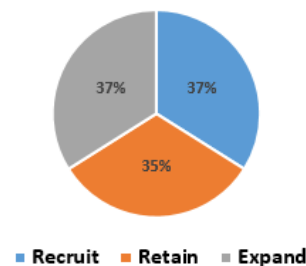
The Thurston EDC is organized as a 501c4 non-profit organization, and its affiliate, the EDC Center for Business & Innovation is a 501c3 non-profit organization. Combined together, the EDC had a budget of \$2.64M. This budget forms a strong and diverse organization that the Board of Directors oversees, ensuring that the mission to RECRUIT new investment into the county, RETAIN existing industries, and EXPAND market opportunities is met. These funds are a strategic mix and combination of sources, including public partnerships, private investors, earned income and grants. This blend creates a strong funding model that provides flexibility and allows the EDC to serve all sectors of the economy, and all corners of the county.

FUNDING SOURCES



Income generated from **PUBLIC PARTNERSHIPS** includes projects and services with cities, Thurston County, Port of Olympia, and WA State Commerce. Income generated from **PRIVATE INVESTORS** includes fiscal investment into the EDC from private employers. **EARNED INCOME** are resources generated from events, fees from services and contractual relationships. Income generated from **GRANTS** comes as a result of successful competitive proposals to public and private sources.

EDC EXPENSES



Expenses allocated within the **RECRUIT** category represent the efforts to bring new investment and opportunities to the community. Expenses allocated within the category of **RETAIN** represent efforts to keep healthy the existing employer base of Thurston County. Expenses allocated to efforts within the **EXPAND** category include resources necessary to develop new markets, and technical assistance for growth of existing businesses, and the launching of new ones.

ON THE HORIZON

In 2017, the EDC will continue to strengthen resources and efforts to grow and sustain our local and regional economy. As the Thurston Community Economic Alliance (TCEA) continues to grow and fully engage partners, the EDC will be playing a lead role.

The mission to RECRUIT, RETAIN and EXPAND will remain fully intact. However, the Board and organization has worked hard to uncover emerging opportunities. Regional recruitment strategic partnerships will continue to be developed. Emerging sectors such as aerospace, cyber-security, composite manufacturing, e-commerce, imaging, and e-retailing all will have a seat at the economic development table. The EDC will adjust accordingly to

apply appropriate resources and efforts to support these sectors.

The TCEA, through an exhaustive community engagement process in 2016 identified five critical work elements. Success achieved in these areas will serve the region well over the next twenty years and will diversify the regional economy. The EDC will be at the front of this effort working to ensure that the necessary 50,000 new jobs that will be required by the year 2050 to maintain our local economy is achieved. Working together, Thurston County's economy will be a successful and dynamic environment that will support the quality of life that we all currently enjoy.

THE TCEA WILL FOCUS ITS EFFORTS IN FIVE AREAS OF FOCUS, INCLUDING WORKFORCE, TARGET INDUSTRIES, SMALL BUSINESS RESOURCES, INFRASTRUCTURE AND BRANDING



ABOUT THURSTON EDC

BUILDING OUR COMMUNITY THROUGH ECONOMIC DEVELOPMENT

The Thurston Economic Development Council is the conduit for community development in our region. Our mission is to create a dynamic economy that supports the values of the people who live and work in Thurston County,

At the foundation of the work that we do are three main principles:

RECRUIT: We actively seek to recruit investment and employment opportunities into our region through targeted outreach, promotion, and trade missions.

RETAIN: We work to maintain the health of local businesses by offering training and technical assistance, and providing advocacy on their behalf.

EXPAND: We present market opportunities to Thurston County employers, providing support for them to expand their operations.



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THURSTON COUNTY
INNOVATING THE WAY FORWARD
TO A SUSTAINABLE FUTURE.



RESILIENT



CREATIVE



ENTERPRISING