

2020 THURSTON ECONOMIC DEVELOPMENT COUNCIL ANNUAL REPORT



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On behalf of our entire organization – our Board of Directors and our professional team – I am proud to be providing you this report of our economic development efforts. This report spans the timeline of mid-2019 through 2020. Within this report are details and numbers that talk about the efficacy of our efforts to support our region, our communities, our businesses and the citizens that reside and work in Thurston County.

The Thurston Economic Development Council (EDC) is the lead economic development agency for Thurston County. We do not take this responsibility lightly. Each year, our Board of Directors adopts a work plan and budget that seeks to support the region's economy. The plan elements include operational platforms that work to retain and expand the businesses and market opportunities for our employers and recruit new investment and employers to Thurston County. These are three essential elements for most economic development programs—our EDC endeavors to do so much more.

Six years ago, our Board of Directors took action with strategic community partners to launch the Center for Business & Innovation (CB&I). The vision was to create an entrepreneurial ecosystem that supported the launching of business, the integration of education with economic development, and the expansion of market opportunities.

Together, this would create the background for which a proactive recruitment effort would work to place new investment into an environment that was super-charged for success.

This past year, the covid-19 pandemic turned economic development upside down. The EDC quickly and strategically moved the CB&I and the EDC resources to support our business community. We established a business hotline. We collaborated with the Workforce Development Council and the Cooperative Extension Center to activate the food hub. Our Washington Center for Women in Business created new outreach and mentoring programs. Our THINK investment network invested in local businesses.

Our ScaleUp program went statewide with expanded resources, and our Procurement Technical Assistance Center doubled its output and expanded its work. These actions would not have been possible were it not for the strategic actions taken in 2014. It is what the EDC does best. We are aggressive but not reckless. We take action that places our community in a position to be thriving and resilient.



It also provided the backdrop for which the Thurston Strong worked with community partners to push out approximately \$10,000,000 in grants that supported childcare operations, local food and agriculture sector, business operations, and nonprofits (I encourage you all to review the ThurstonStrong.org website for a full listing of partners.)

On behalf of the entire EDC Board of Directors and professional team, we proudly state – “Thurston Strong” and onward and upward!

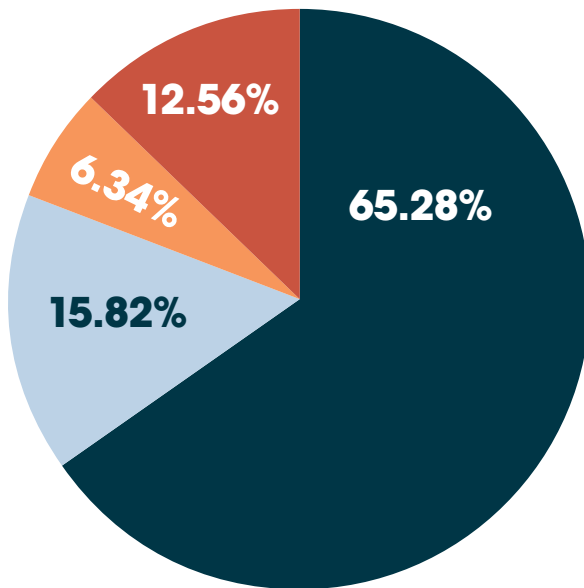
I wish you a most prosperous 2021.

Carrie Whisler

President of the Board of Directors (2019-2020)

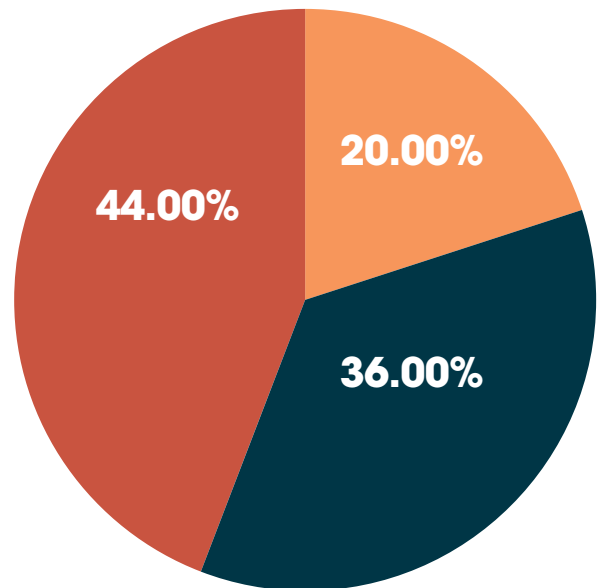
FINANCIAL REPORT

Total Income: \$4,033,295



INCOME SOURCES

- Grants & Contracts
- Public Partnerships
- Private Investor/Services
- Events



EXPENSE CATEGORIES

- Recruit
- Retain
- Expand

FOR EVERY **\$1.00** THE EDC ADMINISTERED IN 2020,
IT RETURNED **\$23.51** BACK TO THE LOCAL ECONOMY.

OUR ECONOMIC IMPACT

As the state-designated economic development agency for Thurston County, we take our mission to create a vibrant economy that serves the population of Thurston County seriously. That's why the Thurston EDC is continuously innovating to find new avenues to strengthen and diversify our local economy.

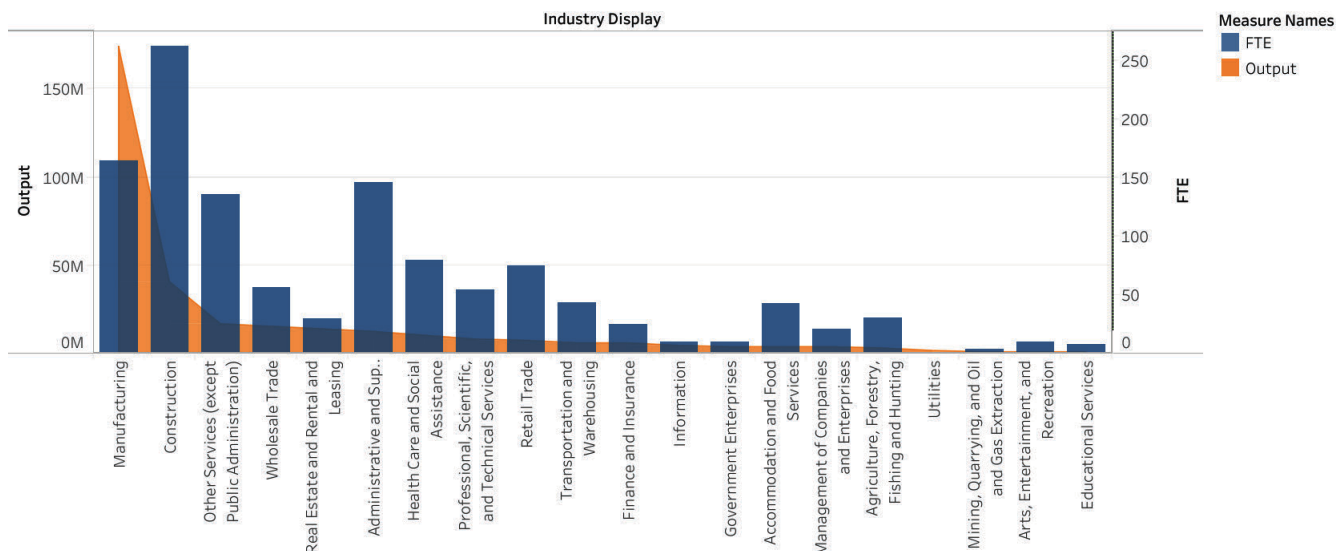
We've used the IMPLAN input/output model to quantify our total economic impact for this report. IMPLAN is an industry-standard tool used by academics, governments and economic developers nationwide to conduct economic impact analysis. To complete our research, we used the most recent trade dataset inclusive of the 2020 COVID-19 pandemic.

1,207 JOBS **\$80,799,413** IN LABOR INCOME **\$329,879,248** IN TOTAL ECONOMIC OUTPUT FOR THURSTON COUNTY

During that time, the EDC's operating budget was \$4,033,295. When combined with \$10,000,000 in COVID-19 public stimulus, the total economic budget for EDC activities included recruitment, retention, technical assistance, and emergency COVID-19 grants, was valued at \$14,033,295. For this \$14,033,295, the Thurston EDC returned to the local community \$329,879,248.22 in total economic output. **Said another way, for every \$1 the Thurston EDC administered, we returned \$23.51 in economic activity.**

The graph below details our economic impact in Output and FTE's generated and organized by two-digit NAICS.

Total Economic Impact by Industry in Thurston County



450
FULL TIME
POSITIONS

*This year, our most considerable economic impacts came from our recruitment and retention activities. One such case was with a local manufacturer looking to expand their operations but running into local challenges. **Working with this employer and public partners to find a pathway to keep that expansion in Olympia, WA itself retained over 450 full-time positions from leaving our community.***

Opportunity Zones throughout the nation continued to facilitate investments in real estate and businesses during the pandemic. The Opportunity Zone incentive has proven its ability in providing a mechanism that entices local

capital that is put to work within local communities. During the previous two years, the Thurston EDC played an integral role in creating a robust Opportunity Zone strategy that grew into a strategic alliance with a newly formed company called OZI, LLC (dba Opportunity Zone Investments). Opportunity Zone Investments deployed a strategy in 2020 that provided the vehicle for investors to deploy capital into their communities. In 2020, OZI LLC created two single-purpose Qualified Opportunity Zone Funds, which invested in multi-family housing in Olympia, Washington and Hillsboro, Oregon. Through these two funds, OZI successfully raised and deployed \$2,400,000, with \$800,000 in Olympia and \$1,600,000 in Hillsboro.



IMPACT NUMBERS

7.68
FTEs

\$496,626
IN LABOR INCOME

\$1,191,195.99
IN TOTAL ECONOMIC OUTPUT
FOR THURSTON COUNTY

The Thurston Investment Network (ThiNk) is a network of Thurston County residents who have identified an interest in adding a local component to their investment portfolio and will consider investing in our own locally-owned businesses.



EDC staff, through our Center for Business & Innovation, work with businesses in need of capital and help appropriate businesses to prepare to pitch to ThiNk – assisting with business planning, financial projections and the creation of a pitch deck.

\$315,558.45
IN TOTAL ECONOMIC OUTPUT
FOR WASHINGTON STATE (2020)

In 2020 ThiNk facilitated investment into a rural urgent care health clinic which has helped increase healthcare capacity for our rural populations. In total, ThiNk generated approximately \$315,558.45 in total economic output for Washington State between May 2019 and December 2020.

Overall, **since 2018**, ThiNk has:

FUNDED **10** LOCAL
BUSINESSES FOR A TOTAL OF
\$795,000

With several deals having multiple investors involved for a total of **23 investments**

The Thurston EDC's Washington State Procurement Technical Assistance Center (PTAC) works to allow businesses to thrive in the government-contracting marketplace.



Washington PTAC's mission is to increase the number of government contracts awarded to Washington firms so that those firms can grow. PTAC team members are experts on government contracting. They provide training and advising services to businesses on how to bid, market their firm, get certified, and more.

PTAC supports Alliance Northwest every year, the largest procurement event in Washington State. In March 2020, Alliance Northwest drew over 1,000 attendees from the public and private sector to facilitate business networking with government purchasers.

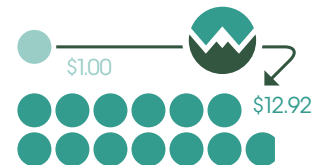
IMPACT NUMBERS

161
FTEs

\$8,585,642.90
IN EMPLOYEE INCOME

\$18,884,134
IN TOTAL ECONOMIC OUTPUT
FOR THURSTON COUNTY

FOR EVERY **\$1.00** PTAC ADMINISTERED IN 2020,
IT RETURNED **\$12.92** BACK TO THURSTON COUNTY.



SUCCESS STORY

Evergreen United won two contracts totaling \$224,000. Their efforts allowed nutritious locally farmed food to be delivered to those in need, including kids served by the Olympia School District.



"I was able to get the application put together and submitted last night thanks to Kate's incredible support, diligence, responsiveness and tutelage. She went far above and beyond the call of duty, and I am eternally grateful." – Hugh Jones



Washington PTAC program is funded, in part, by the US Department of Defense Logistics Agency and local investors of the EDC.



The Center for Business & Innovation continues to support entrepreneurs in all stages of their business journey with fifteen training and resource programs. Many of these programs shifted in 2020 to focus on the effects of COVID-19. This shift included the addition of a COVID-19 Small Business Resource Hotline that supported business owners with up to date information on available resources. It also included the creation and distribution of PPE for health care workers and small businesses. The Center's ScaleUp Training Program was also modified to assist COVID-19 affected businesses. This helped the program gain serious momentum in 2020, which will carry it to a statewide audience in 2021.

CENTER OF BUSINESS & INNOVATION



Since May 2019, the Washington Center for Women in Business (WCWB) nearly quadrupled their goal

for new business starts assigned by the Small Business Association (SBA). New business starts are supported by coaching, training and no cost educational webinars. The WCWB continues to strive toward exceeding goals for business starts in their local economy and projects to see an increase in startups in 2021.

OVERVIEW MAY 2019 – DECEMBER 2020

New Business Starts	18
New Coaching Sessions	835
Training Attendees	1,730
Hotline Calls	1,834
ScaleUp Consulting Applicants Funded	73

In 2020, the Washington State Department of Commerce partnered with the Thurston Economic Development Council (EDC) to offer a new version of the EDC's highly successful ScaleUp program to help small business owners move forward despite the COVID-19 crisis.

"ScaleUp: The COVID-19 Edition" helped 100 business owners with strategies, tools and best practices to move their businesses forward in the face of a global pandemic. ScaleUp: The Rebuild Edition, which will launch in 2021, will help business owners rebound. Once we complete the two-year contract, we will have served over 1,200 business owners state-wide.

ScaleUp provides actionable ideas to help small business owners right now weather the uncertainties of the coronavirus pandemic and develop resiliency for the future. This program will help support small businesses and strengthen our community.

ScaleUp classes are attended by a significant number of minority and women entrepreneurs. In our May 2020 cohorts, minority and women-owned businesses represented a majority of respondents.

While COVID lingers on impacting every business's future, respondents indicated they were, in general, more confident after their ScaleUp coursework compared to before. 56% more confident, on average.

This year we launched ScaleUp Mastermind, to connect more than 230 businesses with experts to continue to scale their businesses. In addition, we built a community for ScaleUp Alumni to connect with peers and continuing education resources and the larger entrepreneurship ecosystem in Washington State.

SCALEUP

TRAINING SERIES

100% OF SURVEYED GRADUATES WOULD RECOMMEND SCALEUP COURSES TO OTHER BUSINESSES

251

NEW BUSINESS GRADUATES

COVID EDITION 101

RURAL COUNTIES 37



28



ECONOMIC RESEARCH



The Thurston EDC continues to make strategic investments in economic research capacity, and provides expert economic, workforce and demographic analysis for Thurston County at no cost. In addition to free services, the Thurston EDC also offers comprehensive economic impact analysis for a small fee. This research conducted using the IMPLAN I/O has earned the Thurston EDC a reputation for excellence in impact assessment and is often requested by private, public and the non-profit community leaders throughout Washington State.

One such example was a full economic impact assessment of South Puget Sound Community College which we released in early 2020. This product was an update to a previous report produced by EMSI and modeled the impact of SPSCC's operations spending, spending by the student body, and the impact of human capital earned by alumni. See the full report at **spscc.edu/impact**.

STEDI is a partnership of communities and organizations focused on a collaborative long-range economic and community development strategy for south Thurston County. The partnership includes the communities of Bucoda, Grand Mound, Rainier, Rochester, Tenino, Yelm and the organizations that serve them. Chehalis Tribe, Experience Olympia & Beyond, Grand Mound-Rochester Chamber of Commerce Nisqually Indian Tribe, Port of Olympia, Tenino Area Chamber of Commerce, Thurston Conservation District, Thurston County Government, Thurston Regional Planning Council, Washington State University Extension, and Yelm Chamber of Commerce.



OUTCOMES

STEDI worked with the Tenino Area Chamber of Commerce and Tenino Arts to coordinate a Holiday Market in November and December 2020 and March 2021 that generated more than \$100,000 in sales to support the South Thurston County Artisan community at a time when most festivals and events were shut down because of COVID. This economic

activity impacted South County communities through generation of retail sales, local procurement, and tourism dollars that were brought directly into the area by visitors from as far away as Seattle and Portland.

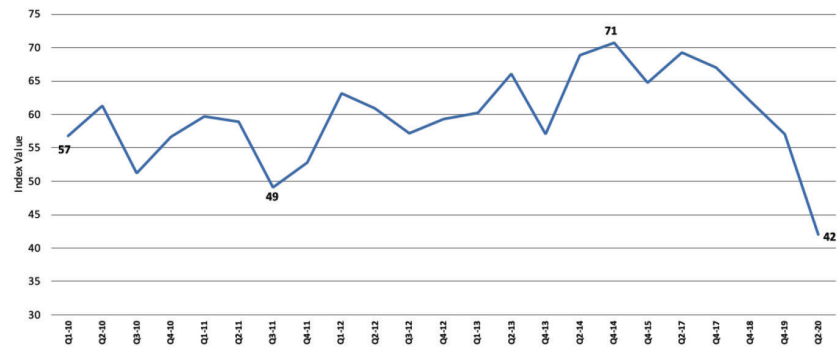
Monthly meetings provided critical information and details on the CARES Act Resources and the Thurston Strong program support for area businesses and non-profit organizations. Over

60 businesses and 50 community leaders participated in these strategic meetings. STEDI assisted with the Washington Department of Commerce Working Washington Small Business Emergency Grant Rounds 1-4 and Thurston Strong Grant programs and assisted in facilitating the securing of more than \$250,000 in funding to over 100 businesses located in STEDI communities.

COVID-19 IMPACT

The impact of COVID-19 on our economy and community has been profound. In the summer update of our Economic Vitality Index we demonstrated just how deeply the COVID era has marked us. The graph (right) displays the indexed results of our Business Confidence Survey and the results speak for themselves.

Thurston EDC Business Confidence Index, 2010 – 2020



As our community has grappled with the reality of life under COVID, the Thurston EDC has responded by standing up a series of initiatives and programmatic offerings to support the small business community of Thurston County.

In direct response to the COVID-19 pandemic (and in partnership with the recovery initiative Thurston Strong) we setup a business support hotline to help business navigate the complex offerings of public and non-profit assistance that was available to them. To date the COVID-19 hotline has facilitated 16,100 touch points with businesses seeking assistance. These businesses were referred to a variety of services including funding resources through the CARES act, PPP finance, and other

local support efforts.

To date the Thurston Strong economic recovery initiative has facilitated \$9,000,000 in direct public stimulus to business throughout Thurston County including \$3,000,000 for childcare providers and \$1,000,000 in support of our non-profits.

Additionally, the Thurston EDC administered \$1,000,000 in emergency COVID-19 stimulus provided by the City of Lacey to businesses within their jurisdiction. Between the Lacey grant and the offerings administered through Thurston Strong, a total of \$10,000,000 in direct stimulus to small business was given to more than 1,200 local establishments.



SOUTHWEST WASHINGTON FOOD HUB

LAUNCHED
SUMMER 2020

- Partnership between Thurston EDC, Thurston WSU Extension and Northwest Agriculture Business Center.
- Formed the Southwest Washington Growers Cooperative of regional farmers as the Hub's business entity.

As of December 2020, the co-op has earned \$113,000 in sales with \$100,000 in direct producer payments through the grain business line and \$50,000 in sales and \$35,000 in direct producer payments through the Food Hub line.

The Food Hub has been distributing product over a five-county region, including to buyers such as Providence St. Peters and Centralia Hospitals, utilizing a central aggregation warehouse in Tumwater provided in-kind by the Port of Olympia.



REGIONAL FOOD SECURITY PROGRAM

As a response to COVID-19, in partnership with Pacific Mountain Workforce Development Council (PacMtn), the SW WA Food Hub launched a regional food security program that provided workforce training to participants and paid regional farmers to provide boxes of local farm-fresh food to 100 out of work families across the five-county region. WSDA provided additional funding to extend this program and include produce distribution to rural school districts.

PacMtn also provided funding to hire three full-time position within the regional food supply chain (including one housed at the EDC) and 13 part-time positions, including drivers and warehouse workers for the Food Hub.

The Thurston EDC received a USDA Local Food Promotion Program grant to plan the development of the Food Hub worth \$100,000. In total, the SW WA Food Hub generated more than 7 new FTEs and \$1 million in new economic activity for Thurston County.

IMPACT NUMBERS

7.48
FTEs

\$487,405
IN LABOR INCOME

\$1,094,935
IN TOTAL ECONOMIC OUTPUT



PACIFIC MOUNTAIN
WORKFORCE
DEVELOPMENT
building community prosperity

REGIONAL AGRICULTURAL BUSINESS & INNOVATION PARK

2020 STATUS



**Utility Extension
Construction
Completed**



Utilizing \$600k from state capital budget

- Sewer and Water to Site
- Site Perimeter Wrapped with Water
- Class A Reclaimed Water to Miles Sand & Gravel
- Additional Piping Purchased Site Interior Extension



ASSET BUILDING COALITION

HOW WE CARRY OUT OUR MISSION

Thurston Asset Building Coalition (TABC), under the fiscal sponsorship of Thurston Economic Development Council's Center for Business and Innovation, was founded in 2007. Since then we have grown to encompass over 100 organizations in a unique partnership network spanning nonprofit, for-profit, and governmental entities. TABC is the primary convener in Thurston County for organizations serving the marginalized and people with low-incomes.

TABC takes a broad view of asset building, defining it to be the strategies and supports that augment and stabilize an individual or family's resources – whether those resources are income, savings, skills, housing, healthcare, education, or food – so that they may lead healthy, productive, and satisfying lives.

We look to address systemic barriers people face when trying to build assets and confront inequity based on race, gender, age, education, ethnicity, income, etc. We do this by convening, connecting, and collaborating with four community Hubs in order to share the best solutions out there with each other and create change.

HOW WE IMPACT THE COMMUNITIES WE SERVE

Using a collective impact framework and acting as a "backbone", much of our work is carried out through our four Hubs, each a coalition in its own right: economic advancement, health, food security, and housing. The Hubs come together to engage each other and gather expertise in order to leverage the work we do as separate entities to collectively create ways to address some of the most complex issues facing our communities.

Earned Income Tax Credit and Free Tax Preparation Sites

Totals by Year	2020	2019	2018
Total Returns Accepted by IRS	366	2,493	2,402
Number of EITC Filed	34	237	284
Total EITC Refunds	\$48,722	\$306,233	\$376,333
Total Refunds	\$381,271	\$2,594,429	\$2,430,795

Center for Business & Innovation



UNIQUE
WEB VISITS

17,821



MARKETING & EVENTS

TOTAL
WEB SESSIONS

26,446

ORGANIC
WEB SEARCH

6,831

FACEBOOK LIKES

2,161

INSTAGRAM
FOLLOWERS

599

NEWSLETTER
SUBSCRIBERS

3,420

Thurston EDC is a strong brand in the community and is the largest economic development council in Washington State. In 2020, the organization had to pivot quickly due to the COVID-19 pandemic. To respond to the unprecedented upheaval to the business community, the EDC promptly set up a business hotline, a COVID resources page and took all events to virtual platforms, including ScaleUp, allowing the classes to expand statewide. The groundwork the EDC laid in establishing the Thurston Economic Alliance helped establish Thurston Strong as a hub for COVID resources and a way to help Thurston County businesses obtain grant dollars quickly and efficiently.

In 2021, we're hopeful for a gradual return to normal, but we know that COVID has forever changed how we live and conduct business.

Our 2021 strategic marketing and events plan assumes that events, classes, coaching and meetings will remain on virtual platforms throughout 2021. It also assumes that we will have to be vigilant in quickly sharing resources and information with businesses struggling to stay viable due to the pandemic's impacts. Website visitor data showed a surge in traffic when the Stay Home order was put into effect in March. We anticipate the EDC will continue to be a vital business resource as we head into an unknown future.

This full-day event features morning and luncheon keynote addresses, high quality workshops about doing business with the government, and matchmaking sessions with government agencies and prime contractors. Alliance also features a trade show with state and federal contracting officers, prime contractors and businesses who contract with the government.



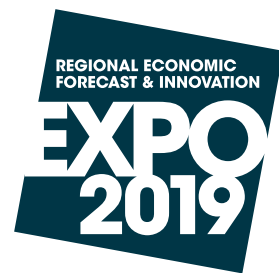
OVER 800
PEOPLE MAKING
CONNECTIONS
TO GOVERNMENT
CONTRACTORS

The annual Thurston Economic Development Council Real Estate Forum, hosted in partnership with NAIOP (National Association of Industrial and Office Properties), showcases Thurston County real estate trends and properties while providing a forum for information sharing and networking. Commercial market data and resources are shared.



SOLD OUT!
25+
SPONSORS
20
EXHIBITORS
300
ATTENDEES

This conference brings together regional businesses from a wide range of industry sectors. Exhibitors showcase cutting-edge technology, products and innovations. Attendees have the opportunity to network, attend breakout sessions, hear an economic forecast from a leading regional economist, and more.



SOLD OUT!
OUR BIGGEST EXPO YET!
25+
SPONSORS
30
EXHIBITORS
500
ATTENDEES
12
BREAKOUTS

2020 EVENTS GO VIRTUAL

The Thurston EDC led the transition to virtual events in Thurston County by moving to virtual platform Swapcard for the 2020 Real Estate Forum and 2020 Regional Economic Forecast & Innovation EXPO. This allowed attendees to enjoy the networking benefits of a live EDC event, while providing value to our sponsors in spite of the pandemic.



2020 THURSTON ECONOMIC DEVELOPMENT COUNCIL ANNUAL REPORT

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