

ANNUAL REPORT 2021

ONWARD!

Presented By:



THE LAST FIVE YEARS

FAST FACTS | '17 - '21

JOBS RECRUITED & RETAINED

4,183 (DIRECT, INDIRECT
INDUCED)

WAGES & SALARIES GENERATED

\$300,353,971

INDUSTRIAL REVENUE BOND
FINANCING

\$10,000,000

PRIVATE CAPITAL
INVESTMENT

\$321,180,000

EDB REVENUE

\$6,194,803

RETURN PER \$1 EDB INVESTMENT

\$102

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 everyday forever.

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.

The last five years: 2017-2021

Because most deals take well over a year to conclude, the EDB measures its results in five-year increments. The EDB's \$102:1 return on its investors' dollars from 2017-2021 is indicative of the strength of its recruitment and retention programs.

Primary businesses

typically pay higher wages than other businesses because high 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, as well as recruit new firms to the Tacoma-Pierce County market.

STEPPING UP: PANDEMIC RESPONSE & DIVERSITY EQUITY INCLUSION

STEPPING UP: RESPONDING TO THE SECOND YEAR OF THE PANDEMIC

2021 was the first year of the EDB's new five-year work program and the second 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 continued to partner with the Tacoma Pierce County Chamber of Commerce to bring the best information available to businesses via webinars each week (each call served 100-800 participants) and we contacted clients and investors to offer expertise on rapidly emerging local, state and federal assistance programs.

The work did not stop there. We recast our website and social media to provide up to date COVID-19 relief and recovery resources, and we proactively worked with our retention and recruitment clients on their projects.

The EDB has helped more than 5,000 Pierce County businesses respond to the crisis. We have 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.

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 the UWT Global Innovation and Design Lab (GID). The board of directors

identified two interrelated lenses through which to examine the work plan: the COVID pandemic and the challenges of systemic racism.

The report prepared by UWT GID and presented to the board of directors contained 23 recommendations. Some of these are amplifications of work already underway, others are new, and some relate to the entire ecosystem of organizations engaged in various aspects of economic development.

We have prioritized the recommendations and are moving forward on implementation. Highlights include (a) continuing our laser focus on primary businesses recruitment, business retention and cluster acceleration; and (b) emphasizing those areas of the work program already focused on DEI and service to BIPOC businesses, including collaboration with key stakeholders, including business leaders, educators, thought leaders and other representatives of public and private sector entities to develop enhanced support for Black and other racially underrepresented businesses.

In terms of the latter, the EDB has hired NEXT Consulting to work with the board of directors and staff to pursue three objectives: explore with BIPOC partners crafting 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.



BUSINESS RECRUITMENT

TRENDS IN 2021

- **Distribution Dominated**

In 2021, Pierce County won two new projects for the region. Both projects were warehouse and distribution facilities that reimagined how their customers' last-mile delivery demands are met. 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. Combining our transportation system with the talented workforce, Pierce County's quality of life, and our region is a sound choice to do business.

- **Slow and Steady**

COVID-19 uncertainty slowed down inquiries from companies looking to expand and explore potential sites. As 2021 progressed, inquiries began to pick up as companies shifted their focus to post-pandemic strategies. In Q4 of 2021, the EDB saw 58% of the overall inquiry activity from companies. The slow and steady interest from businesses to reenter the market highlights a disciplined approach that will exemplify intentionality and clarity for a resilient approach to future business.

U.S. Expansion: In 2021, the EDB responded to leads primarily from U.S based businesses. As the recovery from COVID-19 was underway, and supply chain struggles continued, U.S.-based companies explored expansion plans to ease the distribution and logistics pains in the United States. 83% of the known inquiries were generated from domestic businesses, while the remaining 17% were from outside the United States.

PROJECTS IN THE PIPELINE

At the end of 2021, the EDB had 35 active recruitment cases in the pipeline, representing over 1,750 potential new jobs in advanced manufacturing, distribution, aerospace, life sciences, solar manufacturing, tech, 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.

Eighteen other recruitment cases closed during the year. These projects did not get traction for various reasons: they were located elsewhere, canceled the project, or we did not meet the requirements. 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 teams with property developers and real estate brokers, the Port of Tacoma, Tacoma Public Utilities, Puget Sound Energy, education, and training resources, elected officials and staff from cities and unincorporated Pierce County, Washington State Department of Commerce, and others on recruitment efforts. Our professional partners' responsiveness and proven ability to deliver are critical components of successful recruitment.



**ACTIVE RECRUITMENT
CASES**

BUSINESS RETENTION & EXPANSION (BRE)

BUILDING SUPPORTIVE ECOSYSTEMS FOR BIPOC BUSINESSES

The EDB laid the foundations 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 WA Department of Commerce, Impact Washington, and the WA Minority Business Development Agency – Tacoma Business Center. A survey and report assessing challenges, opportunities, and potential solutions provide additional clarity for strategic engagement.

PRIMARY SECTORS RAMP UP EXPANSION ACTIVITY

- **SAFE Boats Anchors in Tacoma with \$110 Million Dollar Naval Contract**

SAFE Boats International inked the remaining \$90 million dollar U.S. Navy contract to manufacture and build Mark VI Patrol Boats headed for the government of Ukraine. This contract solidifies the company's maritime expansion on the banks of Tacoma's Tideflats and will add seventy-five new maritime workers to the shipbuilder's South Sound workforce. The EDB, in partnership with the Port of Tacoma, City of Tacoma, Invista Performance Solutions, and Impact Washington-NIST MEP is pleased to have the opportunity to assist SAFE Boats to implement their expansion plans. The growth of shipbuilding in the Tideflats provides great family-wage jobs and strengthens economic vitality across the region.

- **Infoblox Renews Lease in Tacoma**

Infoblox renewed its lease for another six years at the Horizon Pacific Center in Tacoma's Old Brewery District. Since selecting Tacoma in 2016 for its Center of Excellence and hiring hub, Infoblox has grown to become the South Sounds largest tech employer growing from 45 to 172 employees. Infoblox continues to leverage the University of Washington-Tacoma campus as part of its strategic talent attraction and retention plan. Infoblox's decision to re-up their investment cements Tacoma's burgeoning tech scene and emerged as a winner in 2021.

- **NewCold Lays Groundwork for \$90 Million Dollar Expansion**

NewCold laid the groundwork to expand its Tacoma facility through the city's Comprehensive Plan Amendment Process. The company will double its building footprint, capacity, and employees if approved. NewCold's fully automated building design and scale provide immense value to food manufacturers and strengthen food chain reliability. NewCold energy-efficient warehouses minimize development and operational impacts on climate change. The project is an excellent example of sustainable solutions.



104 BRE VISITS
19 PROJECTS
3 PROJECT WINS

CLUSTER ACCELERATION

THE CLUSTER ACCELERATION PROGRAM

The EDB continued its Cluster Acceleration work throughout 2021, 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 launched their five-year strategic plan in March 2021 with a live streamed event from NewCold. Since the Strategic Plan launch, the Trade-Logistic Cluster team has formed the Trade-Logistics Ambassador Program, which is focusing on connecting Trade-Logistics employers with K-12 students. The trade-logistics team met monthly in 2021.

Technology Cluster Team

The Technology Cluster Acceleration Team spent 2021 implementing its five-year strategic plan through the Tech Success Stories campaign. A joint campaign between the EDB, Startup253, and s2s Public Relations, the Tech Success Stories Series highlighted 12 Tacoma-Pierce County Tech Companies with stories focusing on Military Tech, Maritime Tech and "Tacoma Grit" Tech companies. The campaign resulted in the following achievements:

Industrial Revenue Bonds

The Economic Development Corporation of Pierce County (EDCPC) has continued to provide services to Pierce County Businesses throughout 2021. While there have been no new projects, the EDCPC continues to meet with Pierce County businesses to share the benefits of IDRBS and discover if they may be a good fit for expanding business's needs.

TECH SUCCESS STORIES

EARNED AD VALUE - \$367,114
TOTAL ENGAGEMENT 151.2K
TOTAL UNIQUE VISITORS - 14.5M

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

STATEMENT OF FINANCIAL POSITION

ASSETS

ASSETS	Without Donor Restrictions	Without Donor Restrictions	Total
Cash and cash equivalents	\$ 1,556,922		\$ 1,556,992
Certifications of deposit	604,400		604,400
Accounts receivable - government contracts	186,669		186,669
Accounts receivable - related party	16		16
Contributions receivable, net	6,500	1,870,024	1,876,524
Prepaid expenses	2,027		2,027
Office furniture and equipment, at cost, net of accumulated depreciation	<u>50,671</u>		<u>50,671</u>
Total assets	<u>\$ 2,407,205</u>	<u>\$ 1,870,024</u>	<u>\$ 4,277,229</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable	\$ 22,592	\$	\$ 22,592
Accrued liabilities	<u>76,142</u>		<u>\$ 76,412</u>
Total liabilities	<u>\$ 98,734</u>	<u>\$</u>	<u>\$ 98,734</u>

NET ASSETS

Without donor restrictions	\$ 2,308,471		\$ 2,308,471
With donor restrictions	<u></u>	<u>\$1,870,024</u>	<u>\$ 1,870,024</u>
Total net assets	<u>\$ 2,308,471</u>	<u>\$ 1,870,024</u>	<u>\$ 4,178,494</u>
	<u>\$ 2,407,205</u>	<u>\$ 1,870,024</u>	<u>\$ 4,277,229</u>

YEAR ENDED DECEMBER 31, 2021

FINANCIAL STATEMENTS

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

	Without Donor Restrictions	Without Donor Restrictions	Total
SUPPORT AND REVENUE			
Service and grant revenue	\$ 683,517	\$ -	\$ 683,517
Contributions	50,000	2,579,986	2,629,986
In-kind contributions	-	-	-
Net assets released from restriction	<u>602,750</u>	<u>(602,750)</u>	-
Total revenue and other support	<u>\$ 1,336,267</u>	<u>\$ 1,977,236</u>	<u>\$ 3,313,503</u>
EXPENSES			
Personnel	986,800	-	986,800
Campaign	11,250	-	11,250
Marketing costs	154,778	-	154,778
General Administrative	364,029	-	364,029
Rent	<u>54,642</u>	<u>-</u>	<u>54,642</u>
Total expenses	<u>\$ 1,571,499</u>	<u>-</u>	<u>\$ 1,571,499</u>
OTHER INCOME (EXPENSE)			
Annual meeting	17,500	-	17,500
Interest income	1,217	-	1,217
Other income	<u>151,476</u>	<u>-</u>	<u>151,476</u>
Total other income	<u>\$ 170,193</u>	<u>-</u>	<u>\$ 170,193</u>
CHANGE IN NET ASSETS	(65,039)	1,977,236	1,912,197
NET ASSETS, beginning of year	<u>\$ 2,258,797</u>	<u>\$ 7,500</u>	<u>\$ 2,266,297</u>
NET ASSETS, end	<u>\$ 2,193,758</u>	<u>\$ 1,984,736</u>	<u>\$ 4,178,494</u>

STATEMENT OF CASH FLOWS

CASH FLOWS USED IN OPERATING ACTIVITIES

Change in net assets	\$ 1,912,197
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Provisions for allowance and discounts of contributions receivable	291,726
Depreciation	13,920
Loss on disposal of fixed assets	
Change in assets and liabilities	4,570
Accounts receivable - government contracts	(2,160,750)
Contributions receivable	(22,000)
Prepaid expenses	11,631
Accounts payable	18,496
Accrued expenses	<u>7,097</u>
Net cash used in operating activities	<u>76,888</u>

CASH FLOWS USED IN INVESTING ACTIVITIES

Purchase of fixed assets	(12,927)
Certificates of deposit redeemed	(411)
Net cash used in investing activities	<u>\$ (13,338)</u>

INCREASE IN CASH AND CASH EQUIVALENTS 63,550

CASH AND CASH EQUIVALENTS, January 1, 2021 \$ 1,493,372

CASH AND CASH EQUIVALENTS, December 31, 2021 \$ 1,556,922

EDB INVESTORS & BOARD OF DIRECTORS

Thank you to our 2021 - 2025 EDB Investors!

2021 Board of Directors

TOP PRIVATE

MultiCare Health Systems Cal Portland - NW Division
Virginia Mason Franciscan Health Catalyst Workplace Activation
Health Comcast NBS Universal
Columbia Bank Coordinated Care Corp.
Milgard Manufacturing, Inc DaVita
The Benaroya Company Gordon Thomas Honeywell
KeyBank Harborstone Credit Union
Wells Fargo Innova Architects
Heritage Financial Corp. James Hardy Building Products
General Plastics Mfg Corp. John Korsmo Construction
Puget Sound Energy JP Morgan Chase
Kaiser Permanente
Kidder Mathews
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
State Farm
Tacoma Arts Live
TOTE Maritime Alaska
Trouves Health Care
True Blue, Inc.
Tucci & Sons Inc.
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
HERB SIMON
Simon Johnson, LLC
Vice- Chair
BRIAN MARLOW
KeyBank
Immediate Past Chair
GREG UNRUH
Trouves Health Care Corporation
BRUCE DAMMEIER
Pierce County Executive
MARY RAGSDALE
Virginia Mason Franciscan Health
VICTORIA WOODARDS
City of Tacoma Mayor
ERIC JOHNSON
The Port of Tacoma
LISA GOODMAN
The Benaroya Company
JACKIE FLOWERS
Tacoma Public Utilities
BRUCE KENDALL
Economic Development Board

ALLAN BELTON
Pacific Lutheran University

ANDREW FRY
UW Tacoma - School of Engineering and Technology

BETT LUCAS
Seaport Sound Terminal

CHRIS TUBIG
Tacoma Arts Live

DANIEL SMITH
Brown & Brown

DAVID HUANG
SeaTac Packaging

DAVID MOORE DEVINE
Columbia Bank

DEANA PARKER
Absher Construction

DON CLARK
Sound Credit Union

DON MEYER
Port of Tacoma Commissioner

DOUG OBERST
BCRA

ELIZABETH PAULI
City of Tacoma

ERIK HYNES
Wells Fargo

GREG BIRSACK
Reach Dental Equipment

JEFF LYON
Kidder Mathews

JIM BEATTY
MultiCare

JOHN CAULFIELD
City of Lakewood

JOYCE LOVEDAY
Clover Park Technical College

KATIE CONDIT
WorkForce Central

LISA SIMMONS
TOTE

LORI FORTE HARNICK
Goodwill

MARKISS COOPER
CoopaSims Transportation & Logistics

MARTY CAMPBELL
Pierce County Council

MATT PERRY
Puget Sound Energy

MIHIRA DE ALWIS
Bourbon St Creole Kitchen

NIGEL ENGLISH
Heritage Bank

PATTY ROSE
Central Labor Council

SCOTT JONES
Newland Communities

SHELLY ANDREW
Gordon Thomas Honeywell

STEPHANIE PEDERSEN
The News Tribune

STEPHANIE PLOOF
Catalyst Workplace Activation

STEVE SUGG
City of University Place

TOM PIERSON
Tacoma Pierce County Chamber

EDB STAFF

BRUCE KENDALL
President & CEO

SARAH BONDS
Vice President Business Recruitment

DEBORAH KELLY
Director of Operations

JAIME LOMBARDINI
Accountant

MADDIE MERTON
Vice President Business Retention & Expansion

JACQUELINE MOFFO
Vice President Business Development

(253) 383-4726
choosetacomapierce.org