



## WEDA SUCCESS STORIES

### PORT OF WALLA WALLA

Ste. Michelle Wine Estates, the Northwest's oldest and most acclaimed wine company, and Railex LLC, a pioneer in transcontinental perishable produce distribution, are teaming up to create the first rail-based system to transport wine efficiently and sustainably across the U.S. The project's cornerstone is a new Wine Services Distribution Center which will be built adjacent to Railex's existing transload center in Wallula, Washington. Railex will invest \$18-\$20 million to build and operate the 500,000 square foot bonded wine storage and distribution center. It is scheduled to open February 2013.

### BERK CONSULTING

#### **WSDOT Aviation Division, Aviation Economic Impact Study and Calculator**

BERK conducted an assessment of the economic contribution of Washington State's Aviation System to inform key policy debates at the state and local level regarding support for Washington's aviation system. The comprehensive study assessed the economic contribution of each of the state's 135 public-use airports; the many ways communities, businesses, and individual users derive value from aviation services; and the extent to which specific core state industries are dependent on the aviation system to maintain a competitive position in their respective markets.

In addition to a final report, the project resulted in profiles for each public-use airport in Washington and an online calculator tool that allows the public to estimate economic impacts of different "what-if" scenarios at airports.

### PNNL

#### **Imperium Renewables partners with PNNL on \$2M project**

Imperium Renewables, Inc., a next generation biofuel production company, collaborated with Pacific Northwest National Laboratory (PNNL) to develop a catalytic process that converts biomass-based alcohols into renewable drop-in jet fuels. Assistance through the PNNL Economic Development Office's Technology Assistance Program allowed for identification of high-value compounds that might be present in a side-stream generated during the refinement of crude glycerin product, which led to partnership on a Department of Energy award for \$2M for collaborative biomass research. The ultimate goal is to use the process at a commercial plant such as Imperium's Grays Harbor, Washington biodiesel refinery.

### **GleenGlass product validated through testing at PNNL**

GleenGlass 100% recycled glass surfaces compete in the market against natural stone and engineered surfaces. To educate the market on the environmentally-friendly product, GleenGlass, LLC of Vancouver, Wash. turned to the Technology Assistance Program (TAP) offered through Pacific Northwest National Laboratory's (PNNL) Economic Development Office. The TAP project allowed PNNL researchers to perform a series of comparison tests of material properties. Assessments were conducted comparing density, water absorption, flexure strength, and thermal shock, with results demonstrating that GleenGlass glass products have similar properties to natural stone alternatives. As a result of the data from PNNL comparing GleenGlass products to traditional products, the company was sourced and put into spec for a new casino in upstate NY.

### **Focused strategy leads to commercialization partners**

Working with a mentor assigned through the Pacific Northwest National Laboratory Economic Development Office's Mentor-Protégé Program, UNIBEST International of Walla Walla, Wash. transformed its corporate organization for improved customer and market focus. UNIBEST provides agricultural businesses with monitoring products and data suited for their own unique applications, such as optimizing crop management or understanding environmental contamination. A review of the company's business plan and strategies with the mentor led to the determination that a commercial approach would be more lucrative for the company than its current emphasis on educational markets. A renewed focus on the agriculture market resulted in additional commercialization partners such as Winfield Solutions—a Land O'Lakes company, and smaller partnerships such as the Michigan Center of Excellence.

### **Verification leads to startup**

Startup company Carbitex, LLC of Kennewick, Wash., formalized as a business after collaborating with researchers at Pacific Northwest National Laboratory (PNNL). Carbitex was developing a method for producing fiber composites. The composites would be used for creation of a soft post-process carbon fiber for potential use as a replacement for leather upholstery and other soft goods. Before proceeding, confirmation of the company's production method was necessary. Participation in PNNL's Economic Development Office Technology Assistance Program enabled PNNL researchers to test and confirm the feasibility of Carbitex's method, allowing the company to incorporate and begin production.

## **Agreement will lead to commercialization of batteries for renewable energy storage**

Startup company UniEnergy Technologies LLC incorporated after two entrepreneurial scientists from Pacific Northwest National Laboratory departed to license and commercialize an advanced battery technology they had developed while at the Laboratory. As a result of the licensing agreement, UniEnergy has secured a 27,000-square-foot manufacturing and design facility in Mukilteo, Wash. to further develop a “redox flow” battery that holds promise for storing large amounts of renewable energy and providing greater stability to the energy grid. The licensing agreement will lead to enhanced commercial products for utilities, power generators, and industry that will enable the energy grid to operate more reliably and efficiently, with better integration of renewable resources, such as energy produced by wind and the sun.

## **YAKIMA COUNTY**

Paragon Films, Inc., a plastic film manufacturer based in Oklahoma, will a new plant in Union Gap. The new facility is located on Bay Street next to Magic Metals and plans to be open and operational by April 2013. Paragon Films plans to hire 15-20 employees initially and the company ultimately expects to have approximately 50 employees at the Union Gap plant. Union Gap was selected for the company’s third manufacturing facility after a West Coast search was conducted and several communities were evaluated.

## **GRANT COUNTY**

Nutrilite, a division of Amway, broke ground in October for its new Botanical Concentrate Manufacturing plant in Quincy, WA. The \$38 million, 48,000 square foot plant is expected to be operational in 2014 and to create about 30 jobs for the local area. The Grant County Economic Development Council began working with Nutrilite and Amway on the project in 2010 and assisted the company with site selection, permitting, utilities, workforce development, tax incentives, and local connections for engineering and construction companies.

## **ECONOMIC ALLIANCE OF SNOHOMISH**

**Pacific Tank and Energy** fabricates truck trailers which are used in the oil and gas industry. Increased energy production in the US Midwest and Canada created demand for tanks to move product to market and Pacific Tank responded to the opportunity. The company imports the tanks from China and assembles them into highway trailers based on customer and US DOT specifications. Pacific Tank started with 30 employees in leased buildings that were previously a boat manufacturing facility in Arlington. EASC’s initial involvement was to identify available training programs and the associated number of annual graduates in welding and metal fabrication. We provided information on the tax incentive program and explored which applied and their estimated value.

EASC connected the company with the Public Utility District to discuss energy upgrades and incentives. They expect to have 100 employees by the end of 2013.

**Umbra Cuscinetti** is headquartered in Italy and supplies machined metal parts/assemblies to Boeing. The firm, with 80 employees, has had an Everett operation for several years but the facility was old, inefficient and restricted their ability to grow. They identified and purchased an existing building which gave them room to expand, which includes producing new products for non-aerospace markets. EASC assisted them during their due-diligence phase by:

- introducing them to the City to understand permitting processes and timelines for the necessary tenant improvements
- explaining the aerospace tax incentive package and the potential financial impact on their investment.
- introducing them to the Public Utility District to secure increased electrical service to the building and the available PUD energy incentives.

Umbra will occupy the new space in August of 2013 and expects their employment to be at 90 by the end of the year.

**B/E Aerospace** will be consolidating three business operations into a new 240,000 SF building under construction at Snohomish County Airport Paine Field. Employment is expected to increase from 320 to 550 by 2017. One of the three operations, which manufactures passenger oxygen units, was an EASC recruiting project in 2005. The second of the three, which does interior reconfigurations, has been a BRE client since 2006. For this consolidation, EASC supported Paine Field Airport's successful application for \$600,000 in CERB funding, provided information on the aerospace tax incentive program and also explored the establishment of a Foreign Trade Sub-Zone at the airport. Airport staff successfully negotiated a long-term land lease and, as the landlord, coordinated and expedited the development process through various county permitting and utility agencies. B/E will take occupancy the second half of 2013 as part of the on-going growth of the Aerospace Cluster at Paine Field.

Thanks to a CERB grant, **AMT** has confirmed their intention to expand in Arlington as has **Microgreen Polymers**. EASC provided significant support to the **City of Arlington** in their successful application for a \$1 Million CERB competitive grant. The funds will be part of a \$2.8 million upgrade to the storm sewer system in an industrial area home to multiple employers and several hundred jobs. During heavy storm events, undersized culverts flood the streets and inhibit the movement of people, the delivery of raw materials and the shipment of finished product. AMT, a metal fabricator and Boeing supplier with over 400 employees, had expressed hesitation with any further expansion given the potential for flooding. Microgreen, a neighbor firm with 30 employees, makes products from recycled plastic using technology developed at the University of Washington.

## **SKAGIT COUNTY**

Business is booming in the aerospace sector. Hexcel Corporation expects to nearly double their workforce with an expansion this year. The Economic Development Association of Skagit County recruited Hexcel Corporation, a global supplier of advanced materials, and the manufacturer of high-tech honeycomb material used in aerospace, wind energy, and automotive industries, in 1990. Hexcel opened their manufacturing plant at the Port of Skagit in Burlington, WA with a 50,000 sq. ft. facility and today employs 130 people. Currently they are under expansion to a 100,000sq.ft facility and expect to be completed mid- 2013. The success of their expansion required many hands, and it is the unselfish collaboration of so many organizations and



individuals that continues to be vital as we move forward to attract businesses to our communities.

## **SPOKANE COUNTY**

Pyrotek, Inc., a global leader in the development, manufacture, and sale of high-temperature materials for industrial applications, has announced their decision to relocate a manufacturing line from a plant in Mexico to Spokane Valley, Washington. The company considered proposals from several U.S. locations, including Idaho, Pennsylvania and Tennessee. Greater Spokane Incorporated assisted Pyrotek in obtaining \$150,000 in assistance funds from Governor Gregoire's Strategic Reserve Fund, which included \$75,000 in relocation assistance and \$75,000 in employee training assistance for the project.

## **PIERCE COUNTY**

EnCon Washington, LLC. a leader in providing engineered concrete products and services to commercial, multi-family residential, heavy highway, military and public works projects, is completing a multimillion dollar expansion at their manufacturing facility in Frederickson, Washington. The expansion, which will be complete in spring 2013, will produce concrete segments that are used to line the SR 99 Alaskan Way viaduct replacement tunnel in Seattle. When completed, the expanded EncCon plant in the Frederickson Industrial area will occupy 21.5 acres and provide space to store nearly 7,000 concrete segments prior to the mobilization of the customer's tunnel boring machine. The Pierce County Economic Development Department helped EnCon Washington obtain the necessary permits for the expansion which will result in over 100 new jobs.

## **City of Lynnwood**

Zumiez, a sports clothing and equipment retailer, was looking for a site to purchase that would accommodate their corporate headquarters and future expansion. Lynnwood worked closely with Zumiez to successfully address an ambitious project schedule; the characteristics of the site; expedited permit review and approvals, and the timing of fees. The project was completed in July 2012. The two-story facility is 63,000 square-feet and accommodates 150 jobs. Future expansion is proposed for anticipated job growth. Zumiez operates over 444 stores in 38 states with recent expansion into Canada and Europe.

## **Tri-Cities –Local Revitalization Financing (LRF) Projects and Economic Impacts**

The Tri-Cities community is benefiting from the establishment of LRF financing, the state of Washington's current version of tax increment financing. The projects have opened up developments in sport tourism, science and laboratory, industrial, as well as, commercial and retail. The following project examples are in the Cities of Kennewick and Richland; many of the developments are interrelated with a balance of uses that assist in the region's economic vitality and create a communities sense of place

**CITY OF KENNEWICK, adopted its Revitalization Area in 2009, LRF projects were established May, 2011** in an effort to open up new commercial and industrial development lands. Capital



projects include: Southridge Sports & Events complex, expansion of roads Southridge Blvd. to 27<sup>th</sup> and Southridge Blvd. to Hildebrand to Ridgeline.

These projects immediately resulted in the ground breaking for the new Kennewick General Hospital, Bob's Burgers & Brew, Z-Place, Canyon Chiropractic, Tri-City Lab, TrueBuilt Home, LLC, Smasne Cellars, Wine & More, LLC, Kimaura Salon, Fujiyama's.

- Estimate of 86 new jobs have been created (hospital not included still under construction)
- \$2.75M in wages & benefits paid in 2012 (\$7.2M 2010-2012)

Sales Tax Increments:

- Total - \$1.7M for 2012 (\$4M cumulative).
- State - \$1.3M for 2012 (\$3M cumulative).
- City - \$177k for 2012 (\$407k cumulative).
- Local Partners - \$38k in 2012.
- \$21M in taxable sales activity (\$48.2M cumulative).

Property Tax Increments (\$8.4M new AV):

- State - \$25k for 2012.
- City - \$23k for 2012.
- Local Partners - \$16k for 2012.
- Total AV increases to \$21.8M with 2013 levy.

\*source City of Kennewick

## **CITY OF RICHLAND**

\*Work funded under the Revitalization Area for Industry, Science and Education is divided into three project areas and is in partnership with Benton County and the Port of Benton. Project areas are as follows:

### **Horn Rapids Industrial Park**

The City awarded the bid for the development of the Logston Utility Corridor. The corridor includes sewer, water, power conduit and communications conduit. The sewer portion is being paid the City's wastewater utility while the remaining funding comes from LRF. The projected cost for the improvements based on the award of bid and design and engineering costs are \$3,304,000, with approximately \$1,307,000 being paid by LRF. Construction is starting in early 2013 with a dewatering program as much of the area is subject to high groundwater levels. The City started bid design on other Horn Rapids infrastructure projects that included the development of road and infrastructure improvements to support the development of an



automated cold storage warehouse by ConAgra. The City will not proceed with the improvements until it receives a notice to proceed from ConAgra. If ConAgra fails to build the proposed automated cold storage warehouse and expend at least a minimum of \$35,000,000 on the facility, then they will be obligated to pay 50% of the improvement costs. The facility is expected to cost more than \$35 million to build a will provide a significant share of the tax increment dollars that is needed to fully pay back the bonds that will be sold to pay for the infrastructure projects related to the Horn Rapids Industrial Park.

### **North Richland Fiber Optic Backbone**

On April 17, the Richland City Council passed Resolution 32-12, authorizing the construction of a \$2.3 Million fiber optic backbone owned by the City or Richland. The backbone will connect the north Richland Fiber Optic Backbone to multiple internet hubs north, east and south of the Tri-Cities. The north Richland Fiber Optic Backbone describes a more intensive fiber build that will be throughout the RAISE. Fiber will be available for lease to third party providers of internet service, reducing market entry costs, increasing competition and leading to better and less expensive high speed broadband for companies within the RAISE. Design and engineering is complete on both the Richland fiber backbone and the north Richland fiber backbone. The north Richland fiber backbone will be constructed utilizing funding from LRF and a Washington State IPZ grant obtained by the Port of Benton. Construction of the north Richland fiber backbone will occur in late spring.

### **Tri-Cities Research District, IPZ**

The City completed the rebuilding of Fermi and Curie Streets in the Research District. The work included rebuilding the roads, realignment of some utilities, and undergrounding overhead power lines. This rebuilding supported the creation of a new neighborhood commercial hub, referred to as University Square that will serve the 7,000 people who work in the Research District each day. This in turn will create additional tax revenues that will pay off the bonds that will pay for the improvements. The Innovation Center at TCRD completed construction of the interior roads, utilities and parking areas that will serve the commercial hub and started construction of two commercial strips, one of which will be anchored by a GESA branch. The total cost of construction for Fermi and Curie was \$797,623.44, which was entirely funded by LRF.

\*source City of Richland

## **GRANT COUNTY**

The direct benefits of LRF are being realized by the Tri-Cities region. Secondary developments that are also occurring are the Wine Science Center at WSU Tri-Cities, total of \$40m in 2011 and 2012 by private development of office, lab bay space and apartments with the Tri-Cities Research District, IPZ. The City of Kennewick Southridge area has seen over 100 million dollars of new development started within the LRF since 2009.

### **SGL Automotive Carbon Fibers**

This company was recruited to Washington State through a joint effort of the Grant County EDC and the Department of Commerce, plans to triple the capacity of its carbon fiber plant in Moses Lake, Wash. The expansion is funded by an investment of \$200 million, in addition to the



previously invested \$100 million. The site expansion, scheduled to be completed by early 2015, will make the plant in Moses Lake the world's largest carbon fiber plant. With the anticipated creation of 120 new jobs, the headcount at the joint venture in Moses Lake is going to rise from 80 to about 200 people. With the automated production processes, the expansion of the site in Moses Lake will make it possible for the BMW Group to apply carbon fiber material also in other model series in the future, at competitive costs and in large quantities.

**AstaReal Technologies, Inc** held a grand opening ceremony for its new production facility in Moses Lake, Wash. The new 59,000 sq. ft. factory will produce natural astaxanthin and is expected to begin production this summer, initially employing approximately 45 people. The Grant County EDC facilitated the companies site selection process in Washington State with strong support from the Department of Commerce and the Economic Development Council of Seattle and King County. Moses Lake was chosen after a global search and is a perfect match for AstaReal Technologies' new factory. Moses Lake offers a stable supply of pure water and renewable electrical energy, two resources that are critical to the success of the new facility.

#### **Mitsubishi Aircraft Corporations and AeroTEC**

This Seattle based flight test engineering company, has announced their partnership in conducting flight testing for the new Mitsubishi Regional Jet 90s. The testing begins in fall of 2015 at the Grant County International Airport in Moses Lake, Washington.

To accommodate the project, AeroTEC will invest nine million dollars to construct a new 65,000 square foot, wide body aircraft hangar at the airport. AeroTEC anticipates having 80 – 100 employees on the ground during the testing period. The Grant County EDC is providing support to the Port of Moses Lake on this project and is assisting in effort to secure funding for needed public infrastructure improvements to support the project.

#### **NIAGARA DRINKING WATER**

Niagara Drinking Water Inc, the largest private label bottled water supplier in the US built a 311,000 square foot new facility in Puyallup, which represents a \$50 million private capital investment. Eventually, the plant will operate three shifts and employ approximately 140 people. Niagara's corporate Human Resource Manager stated that she had opened twelve plants in the past 18 months and that WorkForce Central's partner event had the highest selection rate of all (36 selected from 76 attendees). She attributed this to the prescreening conducted by our recruiters and those of our partners. This project is a partnership of the Economic Development Board of Tacoma-Pierce County and WorkForce Central.

#### **AMAZON FULLFILLMENT CENTER**

The world's largest online retailer, based in Seattle, WA built a 1,000,000 square foot fulfillment center in DuPont representing an \$80 million private capital investment. So far, 126 workers have been hired as of June, 2014 - all through WorkForce Central's recruiting efforts. The Economic Development Board of Tacoma-Pierce County partnered with WorkForce Central on this project. The anticipated capacity for the facility is to employ approximately 350 permanent workers, although seasonal hiring (September through December) will increase to over 1,000 employees.



### **EXOTIC METALS FORMING COMPANY – SPOKANE COUNTY**

In December of 2007, Exotic Metals Forming Company contacted Greater Spokane Incorporated to discuss the possible expansion of their manufacturing footprint to the Spokane area. The main decision points were labor, real estate, transportation and quality of life. GSI prepared a proposal for the company, including presenting a number of sites that could accommodate a 150,000 sf manufacturing facility, with 150 employees. The company's site consultant began the process of vetting the sites, and requested additional information from the community.

Due to facility openings in Kent, the company was able to expand at their current location. In 2012, the company's growth required additional consideration of a secondary site, and they returned to look at the Spokane area. GSI assisted the company with analysis of labor availability, training programs, workforce demographics, and labor recruitment. The company selected a site located on Spokane International Airport, and the site acquisition process began. A broad coalition of partners worked together to bring this site decision to a conclusion, including Spokane International Airport, Community Colleges of Spokane, City of Spokane, Spokane County, Avista Utilities, City of Airway Heights, Department of Commerce, the Governor's Office and GSI.

A family-owned business that started in 1966, Exotic Metals Forming will invest \$25 million in a new 150,000 square foot facility, where they will manufacture machined sheet metal parts for 100 customers in the global aviation industry. The company spent six years searching internationally for a site before selecting Spokane for its expansion.