



### Quarterly Economic Development Report - Q1 2023

During the first quarter of 2023, Economic Alliance Snohomish County (EASC) made significant progress towards its contract deliverables. The EASC team facilitated multiple business retention and expansion (BRE) visits, attracted new companies to the county, and collaborated with partners to support the growth of the local economy.

**Business Retention and Expansion (BRE):** The EASC team facilitated several BRE visits during the quarter, including visits to Integrity Machining, Integrated Marine Systems, Providence Medical Center, Process Solutions, Sea-lect Plastics, Ironwood Industries, and Magnix. These visits helped identify opportunities for collaboration and addressed workforce challenges faced by local businesses. EASC also facilitated three BRE visits with the City of Bothell and UW Bothell. The team met with FujiFilm Sonosite, Bristol Meyers Squibb, and Nanostring to discuss their workforce needs and potential collaboration opportunities.

To secure a long-term retention of hydrogen-electric aircraft developer, ZeroAvia, EASC secured an additional \$350,000 in Strategic Reserve Funds from the Department of Commerce. This funding will provide capital for tenant improvements at Hangar C5 at Paine Field.

In addition, EASC worked with partners from the City of Everett and Marysville, and Paine Field to identify a potential site for Modern Electron, a growing sustainable heat and hydrogen company looking to relocate from Bothell. Three sites in Snohomish County are in the final site selection process.

**New Company Attraction:** During the quarter, EASC received the great news that No Meat Factory was awarded \$200,000 in Strategic Reserve Funds from the Dept. of Commerce, approved by Gov Inslee. This new FDI will significantly boost the local economy, creating 30 million in CAP EX and 350 jobs by 2024 in the Stanwood area. Additionally, the recruitment project led by Snohomish County and supported by EASC resulted in Mill, an innovative system to remove food waste from landfills, signing a lease in Mukilteo. This project is expected to provide roughly 100 additional jobs in 2023.

EASC also worked with various companies and organizations, including Jag Artworks, to support their business needs and help them find new warehouse space.

**New Company Attraction Leads:** EASC received and began working on six new company attraction leads during the quarter. The first is seeking 20,000 sqft. for a food recycling service, the second is seeking 40 acres for a Life Science campus. We submitted a detailed RFI report for Project Proton, a lead the Department of Commerce provided. The project represents a hardware manufacturing company in the energy sector.

**Education and Workforce Development:** The EASC team attended the PNAA Conference, where they learned about aerospace suppliers' critical workforce challenges. Here are some of the takeaways:

- Similar to what was expressed at the Farnborough Air Show, suppliers are desperate for Boeing to develop the next single-aisle airplane.
- Boeing and Airbus's 120-day payment terms hurt Tier 2 and 3 suppliers. (We've been contacted by a Coastal Community Bank rep asking EASC to help get a local supplier paid sooner). These terms have suppliers carrying the weight of the cost of materials, production, and labor for four months.
- Airbus has a backlog of 7,200 airplanes. (6 1/2 years) Airline customers who would prefer to purchase the next Boeing airplane - purchase from Airbus because there isn't another option. ~Richard Aboulafia, Aero Dynamics
- Workforce is a critical issue. More STEM programs are desired for the next generation of workers. ~Andrea Laskow, Blue Origin
- Suppliers would move to other states with lower living costs for their workers if Boeing wasn't here. ~Stated by Tool Gauge and Valence Surface Technologies
- "It used to be that demand was the driver of purchase; now, it is the supply chain." ~Kevin Michael, Aero Dynamics

EASC also worked with Worksource Snohomish on their Maritime Trade Up Event for high schoolers considering careers in the maritime industry. The team provided introductions to maritime businesses and helped facilitate connections between students and potential employers.

**Department of Commerce Grants:** EASC submitted six applications for the new Department of Commerce Evergreen Manufacturing Growth Grant. EASC's recommended applicant, IonQ, received a **\$200,000 award** to expand into Bothell, WA, and develop its new R&D facility for developing quantum computers.

EASC played an essential role in disaster relief efforts. Commerce's Statewide Disaster Relief Grant resulted in **\$360,483.00** for Snohomish County businesses impacted by the Bolt Fire and other natural and man-made disasters. Nine Snohomish County companies were reimbursed for their losses, with EASC assisting in reconciling reimbursable receipts and distributing the reimbursement on behalf of the Department of Commerce.

**Other Accomplishments:** EASC created an app to track incentives for business and coordinated 8 bi-weekly BRE Partners meetings. The team also met with US Ambassador to Poland, Marek Magierowski, and US Ambassador to Taiwan, Bi-kihm Hsiao. We are actively coordinating the Select USA Seattle Spinoff "Fam tour" for 30 CEOs visiting the Puget Sound region on April 27th & 28th.

During the first quarter of 2023, EASC achieved significant milestones in various areas, such as business retention and expansion, workforce development, and disaster relief. As a result, we remain committed to driving economic growth in Snohomish County and are enthusiastic about the opportunities and challenges that await us.

## **Snohomish County Report Q1**

### **1. Business Retention & Expansion Technical Assistance Program**

Deliverable: Conduct 20 visits to local businesses with a focus on advanced manufacturing companies, to better understand the opportunities and obstacles for job creation and investment to support expansion that those companies in Snohomish County.

#### **Key Performance Indicators (KPIs):**

- Number of visits conducted: 38
- Number of Advanced Manufacturing companies visited: 12

#### **Business Retention and Expansion Visits**

1. **Helion Energy, Everett** is a clean energy company that is developing a fusion energy technology that has the potential to revolutionize the energy industry by providing a safe, reliable, and sustainable source of power. Want to invest in the community – and is looking to EASC for help with Diversity, Equity and Inclusion.
2. **FujiFilm Sonosite, Bothell**, the leader in portable ultrasound technology, credited for advancing medicine by bringing ultrasound to the point of care. 350 employees (130 manufacturing, 130 engineering, 70 across HR, sales and marketing). Current turnover rate in manufacturing – 20 – 25%. Need additional 35,000 sq.f. Will work with UW Bothell on engineering and STEM to fill pipeline.
3. **Bristol Meyers Squibb, Bothell**, global biopharmaceutical company whose mission is to discover, develop and deliver innovative medicines that help patients prevail over serious diseases. Currently 700 employees, expanding the Bothell campus. Need additional 90 employees in 2023/2024. Also, utility assistance – not enough power.
4. **Nanostring, Bothell**, a pioneer in the field of spatial biology, NanoString enables scientists across the globe to envision molecular interactions in three dimensions. Currently expanding and will hire 30 – 40 employees across manufacturing and R&D. Looking for assistance with transit options for employees. Also, Utility assistance – not enough power. When loss of power – compromised fragile medical material.
5. **Integrity Machining, Marysville** with AMTEC Director Herman Calzadillas. Herman is going to recommend some of his students for employment, provide a site tour for his students to visit Integrity, and create an intern program.
6. **Jag Artworks, Everett**, a local area art store. Looking to expand - needs warehouse space.
7. **ZeroAvia, Everett** with Stacey Baird, Senior Policy Advisor to Maria Cantwell, and Dan Tappana & Alex Scott from the Dept of Commerce. Working on submitting for The Evergreen Fund and trying to secure SRF.
8. **Magnix, Everett** with Stacey Baird, Senior Policy Advisor to Maria Cantwell, and Dan Tappana & Alex Scott from the Dept of Commerce. Will lead a new tour for higher learning leaders to discuss workforce challenges.

9. **Integrated Marine Systems, Mukilteo**, with Mayor Joe Marine, Nick Nehring (Mayor's assistant) and Brian Doyle. No issues at this time.
10. **Providence Medical Center, Everett**. Providence is Snohomish County's 2nd largest employer with 3,500 employees. Workforce challenges are significant. They are hiring in every department.
11. **Process Solutions, Stanwood**, Established in 1987, Process Solutions is the Northwest's largest control systems integrator. With a focus on providing industry leading quality and service, Process Solutions offers a wide range of control system solutions, including UL 508A control panel design and manufacturing, PLC and HMI programming, SCADA integration, refrigeration control systems, and machine monitoring software. On the tour, Ty Reed from Workforce Snohomish, Sarah Cho and Patricia Love from the City of Stanwood. No issues at this time.
12. **Sea-lect Plastics, Everett** with Everett School District CTE Director, Breanna Younger, Anthony Anderson and School Board Member Jen Hirman and STEM Manager, Savannah Daniels.
13. **Ironwood Manufacturing, Arlington**, Ironwood produces high end toilet partitions for commercial properties. They have 23 employees – with annual revenue of 5 million. They want to expand and need 10 additional employees to meet growth demands.

## 2. Business Retention and Expansion Ecosystem Strengthening Deliverable Q2

Deliverable: Hold quarterly meetings starting in Q2 with economic and workforce development partners to discuss the results of the business retention and expansion program to date, types of technical assistance provided to companies, state of the advanced manufacturing industry, county-wide business climate, and lead a brainstorming session to discuss how the economic development and workforce partners can work together more effectively and identify additional technical assistance services to support businesses.

3. **Business Retention & Expansion Technical Assistance Program - Conduct county-wide survey – Deliverable Q3**
4. **Business Retention & Expansion Technical Assistance Program - Identify two businesses for export assistance Deliverable Q4**
5. **Business Retention & Expansion Technical Assistance Program - Deliverable Q1**
6. **Develop and analyze options for a financing mechanism to support local business expansion.**