welcome board members
September 28, 2018
COMPETE
EVERY DAY
FOREVER
How to grow the economy

Primary Firms
Key firms exporting goods and services out of the region

Network of Supplier Firms
Firms supplying inputs, raw materials, parts, components and service

Economic Infrastructure
Human Resources  Technology  Finance & Capital  Business Climate  Physical Infrastructure
A team win!

Sumner plant expansion
934 retained jobs
30% job growth projection
Foreign trade works
Switching from bunker fuel to LNG reduces harmful particulates by over 90 percent.

TOTE’s “Tictacs” can been seen on its Northstar vessel in Commencement Bay, marking the completion of Phase 1.
New Family Wage Job Credit
Published on September 18, 2018

On Monday, September 17, Sumner’s City Council adopted Ordinance 2658, creating a Family Wage Credit Program for the City of Sumner. This program provides incentives to attract businesses to Pierce County and Sumner that provide family-wage jobs and thereby reduce the need to commute out of the area. Currently more than 100,000 Pierce County residents commute outside the County for work.
As makers and doers, we look to make where we live even better. We honor the place we live in and the past that has brought us to where we are today.

watch the new releases at bit.ly/seeSSPvideos
Staff Reports – in writing

CEO: Bruce Kendall
Business Recruitment: Sarah Bonds
Business Retention: Maddie Merton
Class A Office: Dan Trimble
Communications: Jenn Adrien
For your calendar

• **October 11**, Board Mini-Retreat, 2:00-5:30pm

• **October 17**, Investor Briefing, 12:00-1:30pm (*sold out*)

• **November 16**, Board meeting, 12:00-1:30pm
Call to order + minutes

Financial report

Legal matters

2019 budget, prelim discussion

2019 nominations, prelim discussion
2016-2020 Work Program

Where are we?

What’s been added?

What should be dropped?

What should be enhanced?
Priority board discussion #1

JBLM $9 billion economic impact

How do we maintain and leverage it?

Bill Adamson, SSMCP Program Director
This research project was a collaboration between SSMCP and the UW-Tacoma, Milgard School of Business, Center for Business Analytics that sought data and participation from targeted communities.
Military installations are key economic drivers and major employment centers at the local, regional, and state level.

Top Personnel Locations
Pierce County
#1
50,113

Top Defense Spending Locations
Pierce County
#2
$3.3B
Problem Statement
Determine the economic impact of the JBLM workforce on the South Sound

The study comprehensively explains JBLM’s economic benefits to local communities — a factor the Department of Defense weighs when making force restructuring decisions.
METHODOLOGY

- The economic impact analysis model used in this report is a static model, based on value from the **first quarter of fiscal year 2018**.
  - **Direct Impact** will denote the dollar value of spending steered into the local economy from the payroll and operating budget.
  - **Indirect Impact** denotes the subsequent growth in economic activity at local firms that supply goods and services necessary to the day-to-day operation (operating budget) of JBLM.
  - **Induced Impact** denotes the business activity that occurs when JBLM personnel and the civilian employees of the firms it contracts with spend their earnings.
### Total Economic Impact of Direct JBLM Expenditures on the South Sound Region

<table>
<thead>
<tr>
<th></th>
<th>Operating Budget JBLM</th>
<th>Operating Budget Madigan Hosp.</th>
<th>JBLM Personnel</th>
<th>Defense Contracts</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Direct Impact:</strong></td>
<td>$684,000,000</td>
<td>$600,200,000</td>
<td>$4,932,858,000</td>
<td>$659,742,000</td>
<td>$6,876,800,000</td>
</tr>
<tr>
<td><em>Federal spending on JBLM personnel and operating budget</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Indirect &amp; Induced Impact:</strong></td>
<td>$212,386,000</td>
<td>$258,086,000</td>
<td>$839,140,000</td>
<td>$204,520,000</td>
<td>$1,514,132,000</td>
</tr>
<tr>
<td><em>Economic activity generated as employees of JBLM and recipients of operating budget spend their income</em></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>Total Impact:</strong></td>
<td>$896,386,000</td>
<td>$858,286,000</td>
<td>$5,771,998,000</td>
<td>$864,262,000</td>
<td>$8,390,932,000</td>
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</tbody>
</table>
OVERVIEW OF ANALYTIC RESULTS

2017 JBLM REGIONAL ECONOMIC IMPACT

$8.3B - $9.2B

MAMC O&M $600.2M

OPERATING BUDGET $684M

PAYROLL* $4.9B

DEFENSE CONTRACTS $660M

SPIN-OFF JOBS 25,000 Indirect & induced

TAX REVENUES $110M-$147M

Healthcare $974.4M

Rental Housing $560M

Education $246M

Retail Spending $611.5M - $1.7B

Banking & Finance, Transportation
<table>
<thead>
<tr>
<th>PIERCE COUNTY</th>
<th>$ 655,870,520</th>
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<tr>
<td>ASHFORD</td>
<td>$ 225,855</td>
</tr>
<tr>
<td>BONNEY LAKE</td>
<td>$ 15,169</td>
</tr>
<tr>
<td>CAMP MURRAY</td>
<td>$ 5,153,404</td>
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<tr>
<td>DUPONT</td>
<td>$ 15,006,514</td>
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<tr>
<td>FIFE</td>
<td>$ 187,893</td>
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<tr>
<td>FIRCREST</td>
<td>$ 258,304</td>
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<tr>
<td>GIG HARBOR</td>
<td>$ 47,464</td>
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<tr>
<td>GRAHAM</td>
<td>$ 32,989</td>
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<td>LA GRANDE</td>
<td>$ 1,973,118</td>
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<tr>
<td>LAKEWOOD</td>
<td>$ 131,389</td>
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<td>PACIFIC</td>
<td>$ 9,797</td>
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<td>PUYALLUP</td>
<td>$ 16,350</td>
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<td>ROY</td>
<td>$ 84,612</td>
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<td>SPANAWAY</td>
<td>$ 40,013</td>
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<tr>
<td>SUMNER</td>
<td>$ 337,164</td>
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<tr>
<td>TACOMA</td>
<td>$ 437,531,105</td>
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<tr>
<td></td>
<td>Number of Contractors</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td><strong>TACOMA - Place Of Performance - All Recipients</strong></td>
<td>352</td>
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<tr>
<td><strong>TACOMA - Place of Performance - Recipient in TACOMA</strong></td>
<td>71</td>
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<td><strong>TACOMA - Place of Performance - Recipient in WA State</strong></td>
<td>71</td>
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<tr>
<td><strong>TACOMA - Place of Performance - Recipient Out of State</strong></td>
<td>209</td>
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<table>
<thead>
<tr>
<th>Contractors Receiving Greater Than $10 Million</th>
<th>Number of Contracts</th>
<th>Total Obligated per Contractor</th>
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<tbody>
<tr>
<td>ALUTIIQ GENERAL CONTRACTORS, LLC</td>
<td>4</td>
<td>$10,155,821.43</td>
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<tr>
<td>HUCKSTEP HOLDINGS CORP</td>
<td>1</td>
<td>$14,041,349.27</td>
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<tr>
<td>J &amp; J MAINTENANCE, INC.</td>
<td>2</td>
<td>$12,692,046.72</td>
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<tr>
<td>L-3 SERVICES, INC.</td>
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<td>$21,752,746.91</td>
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<td>LAKEVIEW CENTER, INC.</td>
<td>10</td>
<td>$23,756,891.89</td>
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<td>MEGEN CONSTRUCTION COMPANY, INC.</td>
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<td>$10,007,514.39</td>
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<tr>
<td>PEASE CONSTRUCTION, INC.</td>
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<td>$15,996,532.45</td>
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<td>SAFE BOATS INTERNATIONAL LLC</td>
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<td>$56,635,307.13</td>
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<td>SCIENCE APPLICATIONS INTERNATIONAL CORPORATION</td>
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<td>SKOOKUM EDUCATIONAL PROGRAMS</td>
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<td>$14,984,160.68</td>
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<tr>
<td>U S OIL &amp; REFINING CO</td>
<td>117</td>
<td>$96,509,844.35</td>
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JBLM AND COMMUNITY INFRASTRUCTURE SYNERGY

National Security Strategy
Asia-Pacific
South Sound Manufacturing
Industrial Council

How do we engage?

Meredith Neal, Director
Meredith Neal
Director, Manufacturing Industrial Council
Mission

To promote and enhance a healthy South Sound economy and our shared values of economic prosperity, social equity and environmental stewardship for manufacturing and related industries.
Why now?

Maritime and industrial industries in the South Sound deserve a unified voice

• Sub area planning
• Interim regulations
Economic Impacts

40,000 jobs on the tideflats

$2.4 Billion a year in personal income

$223 Million local and state taxes
Family-wage jobs

12,436 jobs at the Port of Tacoma

$715M a year in wages

$57,492 average wage

+31% than average wage in Pierce County
Our Tideflats

- Port of Tacoma Land
- NW Seaport Alliance
- Private Land
- Green Space
Organizational Structure

- Executive Committee
- Leadership Circle
- Members
- General Public
Join Us

MICSouthSound.com

MeredithN@MICSouthSound.com
The Voice for the Manufacturing, Industrial and Maritime Community in the South Sound
What is our role in econ-dev eco-system

Suzanne Dale Estey, Executive Director
Remember

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