



**EVALUATION OF JOB CREATION OPPORTUNITIES
FOR PIERCE COUNTY GOVERNMENT**

PHASE I FINAL REPORT:

**STAKEHOLDER INTERVIEW FINDINGS
AND RECOMMENDATIONS**

PREPARED BY:



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PROJECT OVERVIEW AND INTRODUCTION

This summary report was undertaken as the first phase of a multi-phased project to enhance Pierce County government's economic development program and performance. The project is designed to assess how Pierce County government can be the most effective economic development agency possible – "to put our own house in order." The project has three objectives:

- To first understand, and then to help improve the economic development climate in the County;
- To facilitate job growth and economic growth in the County; and
- To assist in making Pierce County government the best, most highly performing economic engine that it can be.

The project was designed to be accomplished in several phases. In Phase I, which is the subject of this report, an initial environmental scan and stakeholder assessment was conducted to identify key strengths, challenges and opportunities for Pierce County government. The Phase I effort was conducted from August to December 2003, and comprised a series of telephone and in-person interviews with key stakeholders in the County. Interviewees included elected officials and senior staff; representatives from the Port, cities, utilities, industry associations and the economic development community; property owners, realtors and brokers; and small, medium and large businesses. Small group meetings were held with the Master Builders Association, the Economic Development Board (EDB), the senior staff team of the Planning and Land Services (PALS) Department, staff from the Economic Development Division (EDD) and others. Interview questions posed are presented in Attachment A, and a complete list of interviewees is shown in Attachment B.

Phase II of the project will focus on a comprehensive economic analysis of the regional economy, including recommendations of key sectors for the County to focus on in future economic development efforts. Phase III will be development of a Countywide Economic Strategy and Action Agenda.



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Phase I Stakeholder Interview Findings: What This Report Is and Is Not

It is important to be as clear as possible about the purpose and scope of the findings summarized below.

The Report Is:

- A factual summary of the perspectives and perceptions of approximately 70 business and community leaders in Pierce County.
- A representation of broad community understanding – even consensus – around the themes summarized.
- A summary-level document, rather than a full compendium of the dozens of pages of interview notes developed by the interview team.

The Report Is Not:

- An analysis of all economic development factors in the County – many of which are outside the control of Pierce County government.
- An analysis of organizational performance or effectiveness of County agencies.
- A strategy or recommendations for addressing many of specific economic development issues identified in the stakeholder interviews.

KEY INTERVIEW FINDINGS: ECONOMIC DEVELOPMENT STRENGTHS AND CHALLENGES

Between August and October 2003 more than 70 Pierce County stakeholders and opinion leaders were interviewed for this project. Interviewees were asked to describe the economic outlook and trends for their industry; to assess factors which would argue for or against locating or expanding a business in Pierce County; to assess the County's infrastructure needs and funding situation, and the relative quality, cost and availability of the labor force in the County; and to comment on their experiences with the County as an economic development agency, including the organization's business retention activities, permitting and pre-development processes.

The following summary highlights key themes resulting from the interviews conducted, with group interviews reported as one response. In all, 54 interviews (including group interviews with Chamber staff, EDB staff, EDD staff, PALS staff, and the Master Builders) were tallied to provide the following summary of findings and frequency of those findings.¹

Pierce County Government's Economic Development Strengths

Pierce County is viewed by interview participants as having many economic development assets. Given the wide range of stakeholder perspectives, few strengths were cited with high frequency or unanimity. In several cases, strengths cited by some were referred to as challenges by others. For example, because of the diversity of industries represented, interview participants characterized the Pierce County labor force as both good for low-skilled labor and as inadequate. The following strengths were cited most frequently and with little disagreement among the stakeholder community:

¹ Values will not sum to 100% because interview participants cited multiple issues.

Strategic Location

Pierce County's location was viewed as an asset. Several key characteristics were cited most frequently with regard to the benefits of the County's location:

- Proximity to economic drivers such as the Port of Tacoma.
- Access to key transportation facilities and corridors such as I-5, rail, airport and other key regional transportation corridors.
- Presence of the military – both from an expansion of bases perspective and because of insulating effects from economic downturns.
- A large asset base and inventory of developable property, available at lower cost than in neighboring jurisdictions.

Benefits of Proximity to King County

Many favorable comparisons were made to King County, including:

- The cost of doing business is lower than in King County (lower land costs and no B&O tax).
- There is an environment of encouraging business development, of being better to business – more so than in King County. Pierce County is perceived as more effectively able to “get the job done” quickly, including a commitment to working with new businesses.
- Proximity to King County jobs.
- Increasing difficulty with the transportation system and in getting to Seattle/King County has led to increased development in the South Sound.

Leadership and Responsiveness

- The County Executive is viewed as proactive; willing to discuss the issues; is seen as a strong leader and advocate for business and economic development.
- There is praise for the County's economic development ombudsman and individual EDD staff members, i.e. “they are great, responsive people.” EDD Staff generally are praised for being accessible, helpful and hard-working, especially when there is a problem.
- The County has plans in place to respond to transportation problems in some areas, and there are plans for sewer expansion projects to rectify some problems.

Pierce County Government's Economic Development Challenges

Interview participants agreed on many of the major issues facing Pierce County. The most frequently cited issue for Pierce County to overcome is that of transportation and congestion. These issues are summarized below in order of frequency stated.

Transportation Issues

Transportation was the most frequently cited challenge for Pierce County, with mention in 72% of the interviews. Access to Fredrickson (“a regional site without regional infrastructure”), congestion and creating an adequate road infrastructure to move goods and provide services were frequently cited as

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the most critical needs for the County. Other issues of concern noted were connecting available land to the transportation system, a perceived inability to complete major transportation improvement projects, and the need to make strategic investments in road infrastructure.

The following key strategic areas for transportation investment were mentioned:

- South Hill and Puyallup
- SR-167
- Cross Base Highway
- Canyon Road
- Meridian Corridor
- Pacific Avenue

The County is engaged in planning efforts in each of the above-mentioned corridors. To be successful in economic development, the Economic Development Division should continue to work with transportation planners to ensure that existing plans are implemented.

Planning, Permitting and Regulatory Control

This group of related issues was cited frequently by interviewees. Permitting was referenced as a key issue in 54% of the interviews and issues associated with County planning and regulatory environment were cited in 43% of the interviews.

- **Permitting.** The most frequently cited issues with regard to permitting were the perceived lack of timeliness and lack of clarity or reliability in the development process. Interview participants felt that the permitting process should be streamlined, and that more coordination was needed within the various permitting agencies of Pierce County, particularly with the Public Works Department. Several also felt that permitting needed more capacity – through additional staff and funding. One interview participant stated that the focus on permitting “may be necessary but not sufficient” to solve the County’s economic development issues.
- **Planning & Regulatory Environment.** Many of those interviewed stated that the County could be planning and investing in a more strategic and proactive way in its infrastructure and development. One interview participant mentioned that the County “seems to recruit businesses and then build the infrastructure” when it should do the opposite. The regulatory environment was viewed as a deterrent for development – this issue, however, was usually referenced as an issue affecting the State as a whole. One interview participant felt that the County could help to negotiate the combination of all (city, county, state) regulations.

Coordination Among Functions, Departments & Jurisdictions

A perceived lack of coordination across County planning functions, among Departments (between Public Works and Planning, in particular), among economic development actors, and across jurisdictions was cited as a key issue in 31% of the interviews. Several interview participants recommended greater coordination between advanced, long-range and current planning functions to increase the efficiency of the permitting and development processes. Others felt that better coordination among County agencies could help facilitate planning and strategic investments in infrastructure development. The various functions and responsibilities of the economic development entities was unclear to several interview participants, and greater coordination was articulated as a benefit for the County with regard to economic development, transportation and communication materials.

Utilities & Access to Utilities

Utilities were cited as a key issue in 26% of the interviews. Some interviewees stated that the land available for development is not well served by infrastructure. Others noted that water and sewer issues can be problematic when considering expansion. Sewer availability and costs was cited as a key issue for some unincorporated areas.

Raising the Profile of Economic Development in Pierce County

In 22% of the interviews, participants stated that the County's Economic Development Division should be moved within the County's organizational structure, to create a higher profile for the Division and for economic development efforts in general.

Other Key Issues Facing Pierce County

- **Jobs/Housing Balance.** Issues relating to the jobs/housing balance in Pierce County were referenced in 17% of the interviews. Some interviewees noted that there should be more middle-income housing and a greater diversity of housing in the County, because the existing housing stock does not match needs of residents.
- **Military Presence/Technology Opportunity.** The presence of the military in Pierce County, in addition to being viewed by many as a strength or insulator from economic decline, was referenced as a missed opportunity in 17% of the interviews. It was suggested that a focus on the military and technology transfer opportunities would be a good strategy for Pierce County.
- **Telecommunications Infrastructure.** Concerns regarding the lack of a telecommunications infrastructure in the County were referenced in 6% of the interviews. Primary concerns are the pockets of land in the east County where broadband service is not available, and a lack of information in the economic development community about availability (i.e. some are not aware of the scope of the problem because there is no map charting availability), which makes negotiations with prospective businesses difficult.

STRATEGIC THEMES AND KEY OPPORTUNITIES

1. Leadership Support For Economic Development Is In Place – And Is Being Well-Received In The Community

- Broad support was expressed for County Executive John Ladenburg's efforts to enhance and elevate the importance of economic development and transportation improvements in the County.
- Many interviewees shared the perspective that the County has great potential ("a window of economic expansion is open") for economic growth, if current barriers and challenges can be effectively addressed.
- Creation of the new ombudsman position (Executive Assistant to the Executive for Business Services) and the new business retention specialist were particularly lauded.
- At their January 2003 retreat, the County Council determined that economic development would be their #1 priority. In individual interviews, all seven Councilmembers expressed support for enhancing the County's role and activities in economic development, including improving the visibility and effectiveness of the EDD by moving it out of the Department of Community Services.
- Several Councilmembers also noted that the Division is under-resourced, given the business growth and retention needs in the County.

2. The County's Demographics And Economy Are Evolving, And Need To Be Well Understood

- The County's economic base and profile has changed in recent years. Greater supply and lower land costs compared to King County, combined with business growth at the Port of Tacoma has resulted in increases in the warehouse and distribution sectors as was others.
- Residential growth and development has been an important component of the County's economy in the last several years.
- The military continues to be a strong presence in the economy, although personnel levels, on-base activities, investments and civilian workforce requirements are reportedly in flux, as federal defense policies and investment decisions evolve. Several interviewees identified the military-related business growth as an important potential opportunity for the County.
- The County's evolving economy – and the outlook for the future – needs to be analyzed and well understood, to inform an effective economic strategy. In particular, economic analysis to identify specific industry sectors with potential for growth would be helpful; allowing staff to proactively recruit within the most promising strategic sectors.

3. The Economic Development Division Suffers From A Low Profile And Misalignment Within Pierce County Government

- There was considerable consensus among interviewees within the County and in the economic development community that the EDD is doing a good job with very limited resources.
- The Division received several kudos for their hard work, enthusiasm and persistence, e.g. "I can't say enough good things about the group – they are articulate, responsive and focused."
- Within this knowledgeable community, there was unanimity that the Division's effectiveness is compromised by its physical isolation and organizational location. It was noted that if the County wishes to promote economic development, then it needs to clearly convey that message. The EDD's organizational location was particularly commented upon, with several people noting that the current structure has real-world, negative consequences for the group's ability to meet its mission and perform optimally.
- Likewise, the group's physical location was criticized as inaccessible and inappropriate for a business-focused organization. Options suggested for the Division's relocation included the County City building, and co-location on Pacific Avenue with the Economic Development Board.
- The EDD's profile was also a source of significant comment, with several people noting that the group "has next to no profile." Many businesses and business leaders in the community are reportedly unaware that the County has an economic development organization. The consensus among interviewees, the bottom line -- was that the EDD needs "greater funding, greater support within the County and greater presence in the community."

4. The County Needs An Economic Strategy And Action Agenda

- Interviewees both inside and outside Pierce County government were asked about the organization's economic strategy, and most responded that the County needs, but does not have a strategy in place.
- This is most evident around issues such as departments – and divisions within departments – sometimes working toward apparently different objectives, or at least not working together toward a common purpose.
- Another issue identified where there was broad consensus is a lack of clear direction and priorities – across departments – regarding infrastructure investment choices and tradeoffs.
- This situation was identified as a major theme by both business and industry representatives, and County staff, as one of the organization's most significant impediments to facilitating job creation and business growth, and one that would need to be championed by County leadership.

5. The Permitting Process and the Department Of Planning And Land Services (PALS) Received Mixed Reviews And Needs To Be Analyzed and Benchmarked

- The greatest criticism of Pierce County's economic development climate is directed towards the permitting process, including inter-Departmental communication and coordination, and the customer service approach and performance of PALS.
- A number of interviewees provided critical comments on the performance of the Planning and Land Services Department. Issues identified included inconsistency in process and decisions rendered, timeliness of application processing, siloed activities and lack of coordination among the various staff functions within PALS, an overly bureaucratic approach to customer service and a lack of customer-focused processes and communication. All of these factors are perceived to increase costs and add to frustration with the development process in the County.
- From discussions with PALS staff, it appears that the organization is working hard to respond to a high level of demand, with limited staff resources.
- There is a lack of objective, analytical information regarding the Department's workload, resources and performance, particularly compared with peer jurisdictions. This information would shed light on the organization's actual performance – currently and over time – and its key challenges.

RECOMMENDATIONS

1. Increase The Visibility And Effectiveness Of Pierce County's Economic Development Division

- Shift the group organizationally from a Division to an Office within the Office of the County Executive.
- Physically relocate the group's offices from South Tacoma Way to a venue more appropriate for business recruitment and retention meetings and supporting activities.
- Increase the scale and reach of the group's limited business growth and retention activities, by adding two new FTEs to existing staff.

2. Develop A Pierce County Economic Strategy And Action Agenda: A Road Map For The County's Journey Towards Sustainable Economic Vitality And Growth

- Charter an Economic Strategy Team to develop a focused, intentional Economic Strategy, Action Agenda and goals for County government. The Strategy Team should be led by the County Executive and the Council, with the active involvement of key departments, cities and the economic development community. A group of 12-14 participants is recommended.
- The Strategy should be developed through a structured, facilitated six to nine month process. Stakeholder input from the broader community could be an element of the project's design.
- The Economic Strategy should encompass actionable, measurable and time-bound goals and action steps for prioritizing transportation, telecommunications and other infrastructure needs; business growth and retention; opportunities for leveraging investments by other governments including the military; workforce requirements and other issues.
- The Strategy should be rooted in a solid understanding of the County's economic and demographic situation, including an analysis of business and housing trends and metrics, and opportunities for new business growth.
- The Strategy should become the economic element of the County's updated Comprehensive Plan.
- As part of this initiative, the County should develop a Communication Plan and materials for use externally and internally within the County to inform clients and stakeholders about the County's Economic Strategy and the resources of the Economic Development Office.



3. Perform A Comprehensive Performance Assessment Of The County's Permitting Process

- Clearly define the scope and purpose of the assessment – what it is and what it is not.
- Involve customers and stakeholders directly in the assessment, through a customer survey and focus groups.
- Issues to be addressed in the Performance Assessment should include:
 - Analysis of activity levels by permit type, currently and historically. Trend assessment for a defined period;
 - Analysis of current and historic Planning and Land Use Department and other permitting agency staffing levels by activity type. Assessment of metrics for staffing levels by volume of activity;
 - Comparative analysis and benchmarking of Pierce County's activity volume, staffing and revenue against comparable jurisdictions;
 - Analysis and concise portrayal of the Planning and Land Use Department's revenue sources and uses, for a defined period;
 - Alternatives to the current fee-based system, and an analysis of benefits and costs of the alternatives to the County, permitting customers and other stakeholders;
 - Actions that permitting agencies could take to strengthen and ensure even-handed approaches to enforcement;
 - Alternatives and options for managing the Land Use Advisory Committees;
 - Alternatives and their implications for taking in applications;
 - An assessment of the physical layout of the agency's office space, from a customer service perspective;
 - An assessment of the out-sourcing program to determine whether time savings offset the costs;
 - The efficacy of an ombudsman to manage permitting complaints;
 - Assessment of the Planning and Land Use Department's organizational culture and customer service approach; and
 - Assessment of the Planning and Land Use Department's communication approaches, strategies and tools and techniques.



**ATTACHMENT A
PIERCE COUNTY EVALUATION OF JOB CREATION
OPPORTUNITIES PROJECT
INTERVIEW PROTOCOLS**

I. Questions Asked Of Private Sector Representatives

Industry Outlook And Trends

1. What are the key issues for your industry right now?
 - What are the growth areas? What is declining and why?
 - How is your industry dealing with the impact of the economy? What have been the effects of the economic decline?
 - Where is the competition coming from – regionally, nationally, internationally?
2. What are the key factors affecting your business in the next three to five years?
 - What are the greatest challenges or threats in your industry?
3. What skills, required for your industry, are you in need of?
 - How do you usually find qualified employees?
 - Are there advantages or challenges to locating in Pierce County from a recruitment or labor perspective, e.g. plenty of skilled labor or challenges finding qualified employees or challenges getting recruitment prospects to move to Pierce County?
 - Does your company participate in off-site training programs? If so, which ones?

Pierce County-Specific Factors

4. What brought your business to Pierce County? What keeps you here?
 - Are you planning additional investment or expansion in Pierce County? In the Northwest?
 - Are there any reasons you would not consider expanding your business in Pierce County?
5. Please assess the County's infrastructure needs and funding:
 - What are the County's key infrastructure needs, e.g. – water, sewer, power, telecommunications, roads, rail, schools?
 - Is Pierce County spending its infrastructure funds strategically?
 - If not, what are specific examples of where things should be done differently?
6. What are the benefits or advantages to locating or expanding a business like yours (in your industry) in Pierce County?
 - Do you work together/collaborate/joint venture with any firms in your industry?



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- Where are your buyers and suppliers located? What kind of supply chain advantages or challenges do you experience in your industry?
7. What are some of the County's key strengths with regard to attracting, retaining and promoting job-creating businesses within its boundaries?
- What barriers to business growth do you see in this community?
 - What are some the greatest opportunities?
 - Are there specific business sectors that the County should be working to attract?
8. What are the top two or three actions the County could or should take to encourage growth within your industry or make Pierce County a better or easier place to do business?

Pierce County Services

9. Overall, what has been your business' experience of Pierce County?
- What is the County doing well?
 - What specifically could or should it be doing better or differently?
 - Do you have experience working in other jurisdictions that do things better? What are some specific examples?
10. Please describe your experiences with the permitting and pre-development processes. (Please detail any part of the process that went particularly well or that was particularly challenging.)
- Would you be willing to pay more to get better customer service and faster turnaround on obtaining permits, etc.?
11. Overall, what has been your business' experience of Pierce County staff? How would you assess their: Accessibility? Professionalism? Approach to customer service? Knowledge? Expertise? Effectiveness?
12. How would you assess the County's economic development efforts? What are the key issues?
- How effective is the effort?
 - What should be the primary focus the County's Economic Development Department?
13. Is there anyone else I should be talking to?

II. Questions Asked Of Public Sector And Industry Association Representatives

1. What are the top two or three actions the County could or should take to encourage growth or make Pierce County a better or easier place to do business?
2. What are some of the County's key strengths with regard to attracting, retaining and promoting job-creating businesses within its boundaries? [Barriers to growth, opportunities, specific business sectors PC should focus on?]
3. Please assess the County's infrastructure needs and funding (water/sewer/power/schools) infrastructure needs? Does Pierce County spend infrastructure resources strategically?

Pierce County Services

4. Overall, what has been your business' experience with Pierce County?
5. Please describe your experiences with the permitting and pre-development processes. (Please detail any part of the process that went particularly well or that was particularly challenging.) Willing to pay more for better/faster service?
6. Overall, what has been your business' experience of Pierce County staff? How would you assess their: Accessibility? Professionalism? Approach to customer service? Knowledge/Expertise/Effectiveness?
7. How would you assess the County's economic development efforts? What are the key issues?
8. How effective? What should be primary focus?
9. What would be the optimal outcome for this effort?
10. Is there anyone else I should be talking to?



**ATTACHMENT B
PIERCE COUNTY EVALUATION OF JOB CREATION
OPPORTUNITIES PROJECT
INTERVIEWS CONDUCTED**

Private Sector Representatives

- John Austin, Toray Composites
- Mike Avila, Pacific Rim Real Estate
- Ferdinand Boyce, Tacoma Guitars
- Rick Brunaugh, Pacific Resource Development & Master Builders Association Officer
- Bart Brynestad, Opus Northwest, LLC
- Steve Cofchin, Air Systems Engineering
- Dave Engebretson, Comfort Design, Inc.
- John Erickson, Erickson-McGovern Architects
- Dave Fisher, Intel Corporation Dupont
- Gary Gessel, Milgard Mfg., Inc.
- Frank Hawkins, Coldwell Banker Hawkins Poe
- Jim Herold, Rainier Veneer
- Donald Johnson, Simpson Tacoma Kraft Co.
- Val Kramer, Pacific Rim Real Estate
- Patrick Kuo, Cascadia Development Corporation
- Todd Lord, Northwest Home Designing, Inc. & Master Builders Association Officer
- Bruce Martin, Apex Engineering
- Paul Miller, Executive Council for Greater Tacoma
- Greg Moore, Weyerhaeuser Real Estate
- Frank Ruckman, Ruckman's Cabinets
- Catherine Rudolph, Board of Realtors
- Randy Rushforth, Rushforth Construction
- Matt Sweeney, Attorney – affiliated with Master Builders Association
- Jim Wilcox, Wilcox Farms
- Brian Winslow, Boeing

Public Sector Representatives

- Rob Allen, Pierce County Economic Development Division
- Gordon Aleshire, Pierce County PALS
- Jim Bacon, City Manager Puyallup
- Jeff Bishop, Port of Tacoma
- Paul Bocchi, Pierce County Council
- John Bolender, Pierce County Economic Development Division
- Shawn Bunney, Pierce County Council



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- Sheree Clark, Pierce County Economic Development Division
- William Crane, Ft. Lewis
- Mark Crisson, Tacoma Public Utilities
- Dennis Dean, Tacoma Rail
- Denise Dyer, Pierce County Economic Development Division
- Bob Emerson, Port of Tacoma
- Barbara Gelman, Pierce County Council
- Calvin Goings, Pierce County Council
- Tom Hilyard, Pierce County Community Services
- Debby Hyde, Special Projects, Habitat Protection and Restoration Pierce County
- Carol Johnson, Pierce County PALS
- Chuck Kleeburg, Pierce County PALS
- Steve Kline, Tacoma Power
- John Ladenburg, Pierce County Executive
- Terry Lee, Pierce County Council
- Ken Merry, Tacoma Water
- Harold Moss, Pierce County Council
- Andrew Neiditz, Sumner City Administrator
- Lyle Quasim, Office of Pierce County Executive
- Joe Phillips, Pierce County Economic Development Division
- Andrea Riniker, Port of Tacoma
- David Rosenkranz, Pierce County PALS
- Chip Vincent, Pierce County PALS
- Juli Wilkerson, City of Tacoma
- Kevin Wimsett, Pierce County Council
- Brian Ziegler, Pierce County Public Works

Industry Association and Economic Development Agency Representatives

- Casey Cochrane, Tacoma-Pierce County Chamber
- Paul Ellis, Tacoma-Pierce County Chamber
- Brian Flint, Audubon
- Theo Gideon, Master Builders Association
- Bruce Kendall, Economic Development Board
- Derek Kilmer, Economic Development Board
- Bruce Mann, University of Puget Sound
- Tiffany Spier, Master Builders Association
- Ruthie Reinert, Convention & Visitors Bureau
- Susan Suess, Economic Development Board
- Lynn Wallace, Chamber of Eastern Pierce County

