

**ADAMS COUNTY DEVELOPMENT COUNCIL**

**A BLUEPRINT FOR ACTION REPORT**

**The Boyd Company, Inc.**

*Location Consultants*

Princeton, NJ



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## **BACKGROUND AND OBJECTIVES**

### **Introduction**

The Boyd Company, Inc., of Princeton, NJ, has been retained by the Adams County Development Council (ACDC) of Othello, WA, to provide independent, third-party marketing recommendations and national promotion support to help it attract new business and jobs to the Adams County area. This task included the preparation of one target industry cost study along with the identification of other sectors showing sound locational fit and timely marketability for Adams County. National promotion support leveraging the completed target industry study: *Comparative Distribution Warehousing Costs in Port and Intermodal-Proximate Cities* is already underway.

A dominant trend in the corporate site selection field is the overriding influence of comparative economics. Cost containment is the dominant trend today in the boardrooms of Corporate America due to free trade, a tepid economic recovery and companies taking a global view of their competition. Cost structures in the Adams County area are attractively low by regional and national standards and are an important advantage for ACDC's industry attraction activities. The completed target industry cost study, scaled to the distribution warehousing industry and to a Ritzville/I-90 Corridor location, shows an attractive operating cost position for Adams County. Comparative, city-by-city economics from this target industry study are included later in this report.

Boyd's work for ACDC got underway in November 2014 and included two separate field trips to the Adams County area in December 2014. A series of informative interviews, site inspections and community tours were carried out during these field research investigations.

Boyd extends thanks to those business, civic and government officials taking time out of their schedules to meet and discuss matters important to ACDC and this report. All share in any benefits coming out of this project. None, however, share with Boyd any mistakes,

omissions or faulty judgments. The Addendum of this report contains the Letter of Introduction used by Boyd during its field investigations.

### **About Boyd**

Founded in Princeton, NJ, in 1975, The Boyd Company, Inc. is one of the nation's most experienced corporate site selection firms. Boyd provides independent location recommendations to leading U.S. and overseas companies in a range of manufacturing, distribution and service industries. Boyd clients include the likes of Pratt & Whitney, HP, Dell, PepsiCo, JP Morgan Chase, Post Cereal, Progressive Insurance and numerous other Fortune 500 and up and coming companies.

Over the years, a number of successful economic development organizations have retained Boyd for independent research and target industry marketing support. Boyd development clients are a diverse group. A sample includes such organizations as: the Investment Properties Division of the Mormon Church in Salt Lake City; the port city of Savannah, GA; private developer The Howard Hughes Corporation in Las Vegas; the Government of the District of Columbia; the Provinces of Alberta and New Brunswick; the States of Indiana and Tennessee, the World Bank and in Eastern Washington State, the Port of Quincy.

### **About ACDC**

The Adams County Development Council based in Othello is a public-private partnership formed to retain and attract new economic activities and jobs throughout the county's cities and towns. Devoted to helping facilitate well-planned growth, its activities include working with regional educational institutions to enhance workforce development, working with local businesses to assist in their continued growth within the county, actively market Adams County for new corporate investment as well as working with local organizations to help preserve the natural attributes, agriculture, history and rich cultural influences.

### **About Adams County**

Located in southeastern Washington, Adams County is the 14th largest county in the state, covering some 1,925 sq. miles. It is bounded by Lincoln County on the north, Whitman to the east, Franklin to the south and Grant on the west. Its population is approximately 18,000. The county was formed out of Whitman County in 1883 and is named for the second President of the United States, John Adams.

The economy of Adams County is largely an agricultural one with the major cash crops being wheat, corn, apples, potatoes and livestock. The western portion of the county is in the Columbia Basin Project and is irrigated while the eastern portion of the county is largely dryland.

In manufacturing, food processing is the largest employment sector. In particular, French fry production currently provides most of the county's manufacturing jobs. Key employers here include McCain's and Simplot with a combined workforce of almost 1,000.

The transportation and warehousing sector is another important economic driver which supports the county's agricultural and food processing employers. On the logistics front, the Adams County Development Council is currently working on a project with the Railroad Coalition that would expand local rail access and services.

The county seat is at Ritzville and its largest city is Othello. Statistically, Adams County comprises the Othello, WA, Micropolitan Statistical Area, which is also included in the Moses Lake-Othello, WA, Combined Statistical Area. Other communities in the county include Lind, Washtucna and Hatton.

In terms of tourism, Adams County has some unique national draws, including Othello's hosting of the annual Sandhill Cranes Festival in March. The popular event began in 1998 and is sponsored by the Greater Othello Chamber of Commerce and the Columbia

National Wildlife Refuge (U.S. Fish & Wildlife Service). The festival attracts thousands of bird watchers from around the nation and around the globe.

The Sandhill Cranes Festival takes place at the Wildlife Refuge, an area encompassing over 23,000 acres immediately downstream from Potholes Reservoir and another 6,000 acres in and around the Columbia River. The Refuge is a popular haven for wintering ducks, geese and other varieties of waterfowl.

In addition, Boyd toured and was impressed by the development potential of the historic and well-preserved downtown area of Ritzville, the county of seat of Adams County. The Ritzville Historic District is listed on the National Register of Historic Places, encompasses three blocks of the city's main business district and housing 27 contributing properties, most of which were built between 1889 and 1920.

## **COMPARATIVE ECONOMICS**

### **Introduction**

A dominant trend today is the overriding impact of comparative costs in the corporate site selection process. That said, Boyd has carried out a detailed comparative operating cost analysis documenting certain economic advantages of Adams County. The comparative economic analysis is modeled and scaled to Boyd's initial target industry recommendation for the County: the distribution warehousing industry. Favorable economics, coupled with over-the-road and rail transportation advantages of the County and access to global markets via Puget Sound ports, are considered by Boyd as compelling advantages on which to initiate and sustain a successful national marketing program.

In the Boyd economic analysis, overall costs were scaled to a hypothetical 500,000 sq. ft. distribution warehouse facility employing 150 workers. The cost simulations are designed to provide an independent, third-party point of reference for the assessment of relative operating cost levels in Adams County and a select series of alternate warehouse locations throughout the U.S.

Total annual operating costs in the Boyd analysis range from a high of \$15.0 million in Stoughton, MA, to a low of \$11.2 million in Chesterfield, VA. Costs for Adams County – keyed to a Ritzville/I-90 Corridor location - show very well in the comparative analysis at \$11.3 million per year, second-lowest among the 25 surveyed warehouse cities.

### ***Port and Intermodal Proximate Trend***

For purposes of comparative economic analysis, major geographically-variable operating costs have been projected by Boyd for a series of 25 U.S. locations. Most cities, including Ritzville, are proximate to both Class I rail intermodal terminals and major deep water container seaports (within a three to four-hour drayage of both) and are situated on major interstate highways.

Surveyed locations are consistent with national site selection trends favoring cities with linkages to the global marketplace and access to growing intermodal transportation services and major U.S. deep water container ports. Listed below alphabetically by state are 25 surveyed warehouse locations, including Ritzville, considered by Boyd to be well-positioned to capitalize on these port and intermodal-related national transportation trends.

### **COMPARATIVE WAREHOUSE LOCATIONS**

- Casa Grande, Arizona
- Kingman, Arizona
- Apple Valley, California
- Hesperia, California
- Mira Loma, California
- Patterson, California
- Tracy, California
- Victorville, California
- Miramar, FL
- Cordele, Georgia
- Idaho Falls, Idaho
- Stoughton, Massachusetts
- Fernley, Nevada
- Mesquite, Nevada
- Bordentown, New Jersey
- Meadowlands, NJ
- Newburgh, New York
- Springfield, Oregon
- Bethlehem, Pennsylvania
- York, Pennsylvania
- Greer, South Carolina
- Humble, Texas
- Chesterfield, Virginia
- Kent, Washington
- Ritzville, Washington



***Comparative Nonexempt Labor Costs***

Annual costs for nonexempt labor, including material handling, order filling, clerical, maintenance and other typical warehouse functions, have been projected for Ritzville based on Boyd's Adam County field research along with the 24 other regional and national warehouse cities. Annual costs are based on a representative mix of warehouse job descriptions for the model 150-worker distribution warehouse.

***Comparative Electric Power Costs***

Comparative annual electric power costs have also been analyzed by Boyd. Annual costs reflect industrial rate schedules of the respective utilities serving each of the surveyed areas. Ritzville costs assume power being provided by Big Bend Electric Cooperative.

***Comparative Land Acquisition and Construction Costs***

Comparative costs for the purchase of industrially-zoned land and the construction of new distribution warehousing space in each of the 25 surveyed locations have also been analyzed by Boyd.

***Comparative Ad Valorem and Sales Tax Costs***

Boyd's economic analysis also includes comparative ad valorem (property) tax costs in each of the 25 surveyed sites scaled to the land and building specifications of the model warehouse. Comparative local and state sales tax costs based on a fixed annual purchase of warehouse supplies, furnishings, equipment, and other taxable goods are also surveyed.

***Comparative Shipping Costs***

Transportation costs from each of the 25 surveyed warehouse sites to proximate port and Class I intermodal rail facilities are also included in Boyd economic analysis. Ritzville figures reflect over-the-road shipments in truckload lots from a Ritzville warehouse

location to port facilities in Seattle and Class I intermodal rail terminal operations in Spokane operated by BNSF.

***Total Annual Operating Cost Ranking***

Summarized in the following table is an overall cost ranking of the 25 surveyed distribution warehouse locations, including Ritzville in Adams County.

<b>Distribution Warehouse Location</b>	<b>Total Annual Operating Costs</b>
Stoughton, MA	\$15,018,230
Meadowlands, NJ	\$14,631,975
Idaho Falls, ID	\$14,576,733
Bordentown, NJ	\$14,273,497
Newburgh, NY	\$13,660,758
Tracy, CA	\$13,302,372
Patterson, CA	\$13,104,947
Hesperia, CA	\$12,937,809
Apple Valley, CA	\$12,923,646
Victorville, CA	\$12,913,886
Mira Loma, CA	\$12,912,925
Bethlehem, PA	\$12,894,630
Casa Grande, AZ	\$12,694,040
Miramar, FL	\$12,573,879
Kent, WA	\$12,490,728
Mesquite, NV	\$12,490,074
York, PA	\$12,120,409
Kingman, AZ	\$11,936,644
Springfield, OR	\$11,935,905
Fernley, NV	\$11,899,135
Columbia, SC	\$11,728,259
Humble, TX	\$11,661,803
Cordele, GA	\$11,450,594
Ritzville, WA	\$11,351,481
Chesterfield, VA	\$11,289,491

**SUMMARY COST EXHIBITS FOR THE 25 SURVEYED PORT AND  
INTERMODAL-PROXIMATE WAREHOUSE CITIES**

<b>SERIES I</b>						
<b>COMPARATIVE ANNUAL OPERATING COST SIMULATION SUMMARY(1)</b>						
	<b>Casa Grande AZ</b>	<b>Kingman AZ</b>	<b>Apple Valley CA</b>	<b>Hesperia CA</b>	<b>Mira Loma CA</b>	
	<b>Metro Area</b>	<b>Metro Area</b>	<b>Metro Area</b>	<b>Metro Area</b>	<b>Metro Area</b>	<b>Metro Area</b>
Nonexempt Labor						
Weighted Average Hourly Earnings	\$13.90	\$12.55	\$16.42	\$16.70	\$16.85	
Annual Base Payroll Costs	\$3,969,840	\$3,584,280	\$4,689,552	\$4,769,520	\$4,812,360	
Fringe Benefits	\$1,349,746	\$1,218,655	\$1,594,448	\$1,621,637	\$1,636,202	
<b>Total Annual Labor Costs</b>	<b>\$5,319,586</b>	<b>\$4,802,935</b>	<b>\$6,284,000</b>	<b>\$6,391,157</b>	<b>\$6,448,562</b>	
Electric Power Costs	\$581,892	\$655,200	\$837,888	\$837,888	\$837,888	
Amortization Costs	\$3,143,710	\$3,121,886	\$3,984,366	\$3,994,324	\$4,072,557	
Property and Sales Tax Costs	\$1,662,052	\$1,596,576	\$1,234,805	\$1,237,025	\$1,260,146	
Shipping Costs	\$1,986,800	\$1,760,047	\$582,587	\$477,415	\$293,772	
<b>Total Annual Geographically-Variable Operating Costs</b>	<b>\$12,694,040</b>	<b>\$11,936,644</b>	<b>\$12,923,646</b>	<b>\$12,937,809</b>	<b>\$12,912,925</b>	
NOTES:						
(1) Includes all major geographically-variable operating costs for a 150 worker distribution center.						

<b>SERIES II</b>						
<b>COMPARATIVE ANNUAL OPERATING COST SIMULATION SUMMARY(1)</b>						
	<b>Patterson CA</b>	<b>Tracy CA</b>	<b>Victorville CA</b>	<b>Miramar FL</b>	<b>Cordele GA</b>	
	<b>Metro Area</b>	<b>Metro Area</b>	<b>Metro Area</b>	<b>Metro Area</b>	<b>Metro Area</b>	
Nonexempt Labor						
Weighted Average Hourly Earnings	\$16.99	\$17.00	\$16.52	\$15.05	\$14.13	
Annual Base Payroll Costs	\$4,852,344	\$4,855,200	\$4,718,112	\$4,298,280	\$4,035,528	
Fringe Benefits	\$1,649,797	\$1,650,768	\$1,604,158	\$1,461,415	\$1,372,080	
<b>Total Annual Labor Costs</b>	<b>\$6,502,141</b>	<b>\$6,505,968</b>	<b>\$6,322,270</b>	<b>\$5,759,695</b>	<b>\$5,407,608</b>	
Electric Power Costs	\$702,000	\$958,368	\$837,888	\$520,788	\$477,360	
Amortization Costs	\$4,212,951	\$4,245,771	\$3,992,332	\$3,721,880	\$3,075,686	
Property and Sales Tax Costs	\$1,208,857	\$1,292,371	\$1,236,581	\$1,584,364	\$1,123,754	
Shipping Costs	\$478,998	\$299,894	\$524,815	\$987,152	\$1,366,186	
<b>Total Annual Geographically-Variable Operating Costs</b>	<b>\$13,104,947</b>	<b>\$13,302,372</b>	<b>\$12,913,886</b>	<b>\$12,573,879</b>	<b>\$11,450,594</b>	
NOTES:						
(1) Includes all major geographically-variable operating costs for a 150 worker distribution center.						

<b>SERIES III</b>					
<b>COMPARATIVE ANNUAL OPERATING COST SIMULATION SUMMARY(1)</b>					
	<b>Idaho Falls</b>	<b>Stoughton</b>	<b>Fernley</b>	<b>Mesquite</b>	<b>Bordentown</b>
	<b>ID</b>	<b>MA</b>	<b>NV</b>	<b>NV</b>	<b>NJ</b>
	<b>Metro Area</b>	<b>Metro Area</b>	<b>Metro Area</b>	<b>Metro Area</b>	<b>Metro Area</b>
Nonexempt Labor					
Weighted Average Hourly Earnings	\$14.55	\$16.81	\$14.66	\$13.41	\$17.67
Annual Base Payroll Costs	\$4,155,480	\$4,800,936	\$4,186,896	\$3,829,896	\$5,046,552
Fringe Benefits	\$1,412,863	\$1,632,318	\$1,423,545	\$1,302,165	\$1,715,828
<b>Total Annual Labor Costs</b>	<b>\$5,568,343</b>	<b>\$6,433,254</b>	<b>\$5,610,441</b>	<b>\$5,132,061</b>	<b>\$6,762,380</b>
Electric Power Costs	\$433,620	\$1,186,032	\$613,944	\$769,080	\$819,420
Amortization Costs	\$3,043,862	\$4,071,260	\$3,539,033	\$3,679,813	\$4,317,009
Property and Sales Tax Costs	\$1,357,378	\$3,023,624	\$986,122	\$1,105,588	\$1,974,829
Shipping Costs	\$4,173,530	\$304,060	\$1,149,595	\$1,803,532	\$399,859
<b>Total Annual Geographically-Variable Operating Costs</b>	<b>\$14,576,733</b>	<b>\$15,018,230</b>	<b>\$11,899,135</b>	<b>\$12,490,074</b>	<b>\$14,273,497</b>
NOTES:					
(1) Includes all major geographically-variable operating costs for a 150 worker distribution center.					

<b>SERIES IV</b>					
<b>COMPARATIVE ANNUAL OPERATING COST SIMULATION SUMMARY(1)</b>					
	<b>Meadowlands NJ</b>	<b>Newburgh NY</b>	<b>Springfield OR</b>	<b>Bethlehem PA</b>	<b>York PA</b>
	<b>Metro Area</b>	<b>Metro Area</b>	<b>Metro Area</b>	<b>Metro Area</b>	<b>Metro Area</b>
Nonexempt Labor					
Weighted Average Hourly Earnings	\$18.07	\$16.61	\$14.52	\$15.31	\$15.68
Annual Base Payroll Costs	\$5,160,792	\$4,743,816	\$4,146,912	\$4,372,536	\$4,478,208
Fringe Benefits	\$1,754,669	\$1,612,897	\$1,409,950	\$1,486,662	\$1,522,591
<b>Total Annual Labor Costs</b>	<b>\$6,915,461</b>	<b>\$6,356,713</b>	<b>\$5,556,862</b>	<b>\$5,859,198</b>	<b>\$6,000,799</b>
Electric Power Costs	\$819,420	\$725,112	\$516,528	\$745,452	\$565,092
Amortization Costs	\$4,645,952	\$3,994,517	\$3,633,687	\$3,774,887	\$3,520,664
Property and Sales Tax Costs	\$2,180,334	\$1,861,296	\$596,070	\$1,881,983	\$1,506,914
Shipping Costs	\$70,808	\$723,120	\$1,632,758	\$633,110	\$526,940
<b>Total Annual Geographically-Variable Operating Costs</b>	<b>\$14,631,975</b>	<b>\$13,660,758</b>	<b>\$11,935,905</b>	<b>\$12,894,630</b>	<b>\$12,120,409</b>
NOTES:					
(1) Includes all major geographically-variable operating costs for a 150 worker distribution center.					

<b>SERIES V</b>					
<b>COMPARATIVE ANNUAL OPERATING COST SIMULATION SUMMARY(1)</b>					
	<b>Columbia SC Metro Area</b>	<b>Humble TX Metro Area</b>	<b>Chesterfield VA Metro Area</b>	<b>Kent WA Metro Area</b>	<b>Ritzville WA Metro Area</b>
Nonexempt Labor					
Weighted Average Hourly Earnings	\$15.06	\$16.21	\$15.61	\$16.29	\$14.16
Annual Base Payroll Costs	\$4,301,136	\$4,629,576	\$4,458,216	\$4,652,424	\$4,044,096
Fringe Benefits	\$1,462,386	\$1,574,056	\$1,515,793	\$1,581,824	\$1,374,993
<b>Total Annual Labor Costs</b>	<b>\$5,763,522</b>	<b>\$6,203,632</b>	<b>\$5,974,009</b>	<b>\$6,234,248</b>	<b>\$5,419,089</b>
Electric Power Costs	\$610,044	\$455,304	\$426,888	\$561,060	\$392,736
Amortization Costs	\$2,907,264	\$3,240,773	\$3,283,973	\$4,150,148	\$3,280,151
Property and Sales Tax Costs	\$1,526,920	\$1,595,486	\$784,077	\$1,391,160	\$1,097,414
Shipping Costs	\$920,509	\$166,608	\$820,544	\$154,112	\$1,162,091
<b>Total Annual Geographically-Variable Operating Costs</b>	<b>\$11,728,259</b>	<b>\$11,661,803</b>	<b>\$11,289,491</b>	<b>\$12,490,728</b>	<b>\$11,351,481</b>
NOTES:					
(1) Includes all major geographically-variable operating costs for a 150 worker distribution center.					



## **Boyd Target Industry Recommendations for ACDC**

### **Introduction**

The attraction of new business, jobs and tax revenue streams to Adams County is a fundamental goal of ACDC. This economic development mission must proceed on a selective and businesslike fashion, targeting industries considered to have strong locational fit for Adams County and be able to work *with*, not *against* regional and national corporate site selection trends.

Based on field research in the Adams County area and Boyd's national corporate location insights, we have identified a select group of target corporate audiences for ACDC considered to have superior fit and timely marketability for the County. These recommended target industries are detailed below.

### ***Distribution Warehousing: Port and Intermodal Proximate Trends***

Today, not just the domestic economy but also the global economy is having a profound effect on the location of distribution centers. The expansion of the Panama Canal, free trade, risky and over-extended supply chains to Asia are all having an impact. The cities that are especially well-positioned to attract new distribution projects are those that link to the global economy through ports, intermodal centers, airports or access to defined trade corridors like the Puget Sound-to-Asia gateway.

It used to be that communities were resistant to new warehousing projects and viewed them with skepticism due to more limited job opportunities and truck traffic. This "Not in My Backyard" attitude is no longer the case nationally as many communities are now actively courting warehousing operations because the economic benefits are clear and

compelling. Large warehouses on extensive acreages translate into huge property tax revenues and enhanced job opportunities.



*Modern Distribution Warehouse*

In our Adams County economic analysis, comparative distribution warehouse locations are consistent with site selection trends favoring those cities with linkages both to the global marketplace as well as close-in access to growing intermodal transportation services. Each

year, the U.S. moves over \$20 trillion in goods weighing over 17 billion tons between hundreds of cities, towns and regions. An increasing percentage of these shipments are being made through our nation's ports and intermodal rail facilities. Ritzville, situated on I-90 and the mainline of BNSF, enjoys good access to major international container port operations in Seattle/Tacoma three and a half hours to the west as well as to Class I intermodal rail facilities in Spokane, an hour to the east.

Over 25 million containers and trailers are being moved annually using intermodal transportation, the fastest growing mode of shipment in the U.S. supply chain. Food, electronics, paper products, clothes, appliances, textiles, auto and aerospace parts are increasingly turning to intermodal rail networks. International container shipments are likewise projected to increase tremendously at West Coast ports like Seattle/Tacoma over the next several years fueled by a recovering global economy, new U.S. trade agreements and growing U.S. exports, especially to China and Southeast Asia's growing middle class.

Note that most cities included in our Adams County cost analysis are all proximate to both Class I rail intermodal terminals as well as major deep water container seaports (within a

three to four-hour drayage of both) and are situated on major interstate highways. Detailed below are these cities and their proximate ports and intermodal centers.

	<b>Proximate Port</b>	<b>Proximate Class 1 Rail Intermodal Terminal</b>
<b>City</b>		
Casa Grande, AZ	LA/Long Beach, CA	Glendale, AZ/BNSF
Kingman, AZ	LA/Long Beach, CA	Las Vegas, NV/UP
Apple Valley, CA	LA/Long Beach, CA	San Bernardino, CA/BNSF
Hesperia, CA	LA/Long Beach, CA	San Bernardino, CA/BNSF
Mira Loma, CA	LA/Long Beach, CA	San Bernardino, CA/BNSF
Patterson, CA	Oakland, CA	Stockton, CA/BNSF
Tracy, CA	Oakland, CA	Stockton, CA/BNSF
Victorville, CA	LA/Long Beach, CA	San Bernardino, CA/BNSF
Miramar, FL	Port Everglades, FL	Winter Haven, FL/CSX
Cordele, GA	Savannah, GA	Atlanta, GA/BNSF
Idaho Falls, ID	Seattle, WA	Salt Lake, City, UT/UP
Stoughton, MA	Boston, MA	Worcester, MA/CSX
Fernley, NV	Oakland, CA	Sparks, NV/UP
Mesquite, NV	LA/Long Beach, CA	Las Vegas, NV/UP
Bordentown, NJ	New York, NY	Philadelphia, PA/CSX
Meadowlands, NJ	New York, NY	Kearny, NJ/CSX
Newburgh, NY	New York, NY	Mechanicsville, NY/NS
Springfield, OR	Seattle, WA	Portland, OR/UP
Bethlehem, PA	New York, NY	Philadelphia, PA/CSX
York, PA	Baltimore, MD	Chambersburg, PA/CSX
Columbia, SC	Charleston, SC	Greer, SC/NS
Humble, TX	Houston, TX	Pearland, TX/BNSF
Chesterfield, VA	Norfolk, VA	Portsmouth, VA/CSX
Kent, WA	Tacoma, WA	Tacoma, WA/BNSF
Ritzville, WA	Seattle, WA	Spokane, WA/BNSF

In years past, the typical warehouse labor force was dominated by lower-skilled and lower-paid material handling workers and a small clerical pool. Today's highly automated and computer-driven warehouses, however, depend on a wide range of both blue-collar employees and well-compensated white-collar employees who manage such sophisticated technologies as radio-frequency identification technology (RFID),

automated storage and retrieval systems (AS/RS), mobile robotics, inventory tracking, and software driven pick-and-pack systems. Amazon in Kent, Bellevue and DuPont, WA, Costco in Sumner, WA, Ace Hardware in Moxee, WA, Walmart in Grandview, WA, Zappos in Las Vegas, Newell Rubbermaid in Victorville, CA, and are just a few examples of modern and highly automated distribution centers in the West.

Warehouses and distribution centers are increasingly being viewed as good employers, in part because a growing number of them are opting to relocate other value-added functions to the lower-cost warehouse environment. These functions typically include final assembly and quality control, customer service, accounting, call center operations, regional sales, information technology and other "back office" functions that traditionally were carried out at the more expensive head office location.

Distribution warehousing is a growth sector in many Western markets, including Salt Lake City, Las Vegas, Phoenix and California Inland Empire cities like Riverside, San Bernardino, Victorville and Apple Valley. California's difficult business climate will continue to spark an exodus of some warehousing projects to alternative locations in the West.

In addition to global linkages through the Port of Seattle and BNSF intermodal and mainline rail transport, a Ritzville distribution center has the potential to serve any combination of key Western U.S. markets like Spokane, the Tri-Cities, the rich Puget Sound market of Seattle/Bellevue, Portland and Big Sky regional cities like Missoula, Butte and Coeur d'Alene.

Climate controlled fresh and frozen warehouses in the food sector, e.g., have the potential to take advantage of attractive power rates from Big Bend Cooperative based in Ritzville as well as close-in access to the output of Washington State's vast agricultural economy. Rich soils, diverse climates and Columbian Basin irrigation make the state one of the most productive growing regions in the world facilitating the production of some 300 different crops each year. The state's deep-water ports and its proximity to growing Asian

markets also provide natural advantages for global trade and distribution in ag and food-related sectors.

A word on Canada here. As the Canadian economy continues its recovery, many Canadian companies are developing a keen interest in establishing U.S.-based distribution facilities. With a Canadian dollar up from historic lows and with U.S. real estate prices still at attractive post-recession levels, the economics are very attractive for Canadian companies that are looking to establish a physical presence in the U.S. Most often this initial entrance into the U.S. comes in the form of a new distribution center. For many growing Canadian companies, establishing a U.S. presence is a rite of passage.

A good example is Montreal-based flash-sale retailer Beyond the Rack which recently located a new distribution center near Las Vegas. The Canadian company sells discounted apparel items from 5,000 brands in the U.S. and Canada via the internet. Canadian-based McCain's major presence in Othello and long-standing business ties between aerospace industry interests like Boeing and Bombardier in Washington State and Canada both help to make a sales pitch to Canada that much easier for ACDC.

## **Food and Beverage Processing Industry**

### **Introduction**

In 2014, U.S. consumers spent some \$2.0 trillion on food and beverages, or nearly 10 percent of GDP. Some 16.9 million people are employed in the nation's food and beverage industry -- an industry not prone to off-shoring, somewhat recession-proof and a target corporate audience already well-established in agricultural-rich Adams County.

The food & beverage processing target represents a distinct area focused on leveraging Adams County's economic assets with numerous new subsector opportunities driven largely by the industry's response to changing customer demands. The food & beverage processing sector is in the midst of significant upheaval and presents substantial

opportunities for industry attraction. Consumer demand divided across a wide range of eating preferences is rapidly fragmenting the industry. Product innovation is being driven largely by evolving consumption desires in variety, health, and convenience. A sample of the developing food categories demonstrates the immense variety in the sector ethnic, fresh, organics, restaurant quality frozen, meal kits, hand-held entrees, fortified and gluten-free. Growth of the beverage market, characterized in the breweries, soda and wineries subsectors, demonstrate the rising appeal of craft and unique local offerings.

In the U.S., some 32,000 companies are defined as food and beverage processors. Company rosters continue to grow, although total employment due to automation and innovative production processes has fallen since 2010. Boyd conferences with current food processors in Adams County underscored the automation trend and the importance of workforce training in advanced manufacturing techniques, both in-house and through cooperative arrangements with institutions like Big Bend Community College in nearby Moses Lake.

The ability to recruit necessary talent required in any automation or re-engineering of current operations will go a long way towards ensuring the Adams County's current food processing base prospers and grows. As the industry continues to take on a more advanced manufacturing profile, the County is in a constant under the radar screen competition with other cities housing sister plants of those Adams County food processors with national, indeed, global footprints. Staying on top of labor issues, including recruiting, training, labor-management relations is an especially important industry retention task for ACDC. One Boyd interview with a local food processor, e.g., already facilitated a new dialogue with ACDC regarding continuing education programs and capabilities at Big Bend Community College.

The food processing sector represents a target sector that Adams County cannot afford to exclude from its economic development game plan given fundamental strengths and national trends it is very well-positioned to capitalize on. Boyd is confident that ACDC

can make a credible case for Adams County vis-à-vis many competitive locations throughout the U.S. However, proximate California represents the primary marketing target where that state's difficult tax, regulatory and labor climate and epic drought are forcing many companies in the food sector to look at alternative locations in the West.

California is the leading state in the food and beverage processing sector, with over 3,500 companies. (Washington State ranks 10<sup>th</sup>, with some 950 companies). Hundreds of California food companies will be opportune and timely targets for ACDC, including those companies in the Los Angeles area, the Bay Area but especially in the ag and food processing-rich Central Valley of Modesto, Fresno, Stockton, Fairfield and Sacramento. Energy bar company Clif Bar is an example of one California company in the booming energy and nutrition segment that has looked outside of the state for expansion.

The Emeryville nutritional snack bar firm has announced a major new production facility in Washington's neighboring state to the east in Twin Falls, ID. In the fruit and vegetable sector, NJ-based Campbell Soup has closed its iconic tomato processing plant in the Sacramento area. These are but two examples of what Boyd sees as a growing regional relocation trend that ACDC would be well-positioned to capitalize on.

As key a market California is, Boyd recommends ACDC take a multi-regional approach and extending its marketing activities well beyond California enabling it to reach key corporate decision-makers in other major centers of the North American (and Canadian) food processing industry. Including these comparative points of reference in any future marketing initiatives targeting the food sector, e.g., will no doubt pay important dividends for ACDC. Opportunities to access the ports of Seattle and Tacoma and to serve booming middle class markets in China and Asia would distinguish any Adams County production site.

A sample of some of the locations outside of California that should be included in any food processing marketing initiative are: Chicago (Kraft, Wrigley, Mondelez International, Tootsie Roll, TreeHouse Foods, ADM); Minneapolis (General Mills, Cargill, Michael

Foods, MOM Brands); Omaha (ConAgra); St. Louis (Anheuser-Busch, Post, Ralston-Purina); Kansas City (Hostess Brands); Cincinnati (Proctor & Gamble, Smuckers); “Pennsylvania Dutch Country” & the Lehigh Valley in Pennsylvania (“salted snack food capital” of the U.S.); New York/northern New Jersey (PepsiCo, Mars, Goya Foods, Dannon, Pinnacle Foods); Dallas (Frito-Lay, Dr. Pepper Snapple Group, Dean Foods); Atlanta (Coca Cola, Flowers Baking); Battle Creek (Kellogg); Pittsburgh (H.J. Heinz); Cherry Hill/Camden, NJ (Campbell Soup, J&J Snacks); Charlotte (Snyders-Lance Snacks); Baltimore (McCormick); Toronto (Maple Leaf Foods, Cott, George Weston Foods, Laura Secord) and other food-centric cities to be determined.

Further distinguishing Adams County as a food processing location include its favorable year-round climatic conditions and ready access to a wide range of raw material fruits, vegetables, grains, botanicals, mint oils, additives like health-promoting nutraceuticals and a variety of other ingredients. Many of these products are already or could be grown in Washington State while others can be sourced in California. Both power providers in Adams County, Big Bend and Avista, provide power at significantly lower rates than California, which has some of the highest power costs in the nation.

Savings in power and raw material sourcing – not to mention labor and real estate – should resonate especially well within the hyper cost-sensitive food and beverage processing industry – a sector now faced with added compliance costs associated with the new Food Safety and Modernization Act (FSMA) now being rolled out by the Food and Drug Administration - this the most extensive and far-reaching update of federal food safety laws since 1938.

Organics and naturals, specialized beverages, ready-to-eat, private label brands, health and wellness, age awareness/portion control products and ethnic foods are especially strong sectors of today’s food processing industry. Sectors showing especially well for ACDC marketing and promotion initiatives include those emphasizing health-conscious eating and physical fitness --- a philosophy having important branding value in today’s



processed food marketplace. This sector focus also provides interesting, on-point promotion and national PR opportunities for ACDC. One such example is hummus production.

**Target Sector: Hummus Production** -- Many public health organizations—including the American Diabetes Association, the American Heart Association and the American



Cancer Society—recommend legumes such as garbanzo beans (also called “chick peas”) as a key food group for preventing disease and optimizing health. Plentiful amounts of antioxidant nutrients are critical for the support of our body systems and garbanzo beans are a remarkable food in terms of their high antioxidant composition.

remium garbanzo beans – a staple of salad bars throughout the country – are currently being grown in Eastern Washington. Hummus (an Arabic word meaning “chick peas”) is made from garbanzo beans and is a high-growth segment of the U.S. dips and spreads market. Other ingredients of hummus, including olive oil, lemon juice and garlic, could also be sourced regionally.

Acreage devoted to chickpeas has exploded in the past decade in Washington and Idaho, which grow some two-thirds of the nation's supply. Chickpeas require relatively little water which is a major plus in the dryer parts of the Palouse Region, the geography of rolling hills which straddles both Southeastern Washington and Idaho and includes portions of Adams County.



*Rolling Hills of Eastern Washington's Palouse Region*

In the Palouse Region, there are more than 150,000 acres producing chickpeas, up from only about 12,000 acres in 2000 according to figures of the USA Dry Pea and Lentil Council, the trade group for the nation's growers. Chickpeas, also known as garbanzo

beans, are also grown in California, Montana, North Dakota and several other states. Historically, about 70 percent of the region's chickpea crop was exported each year. This ratio is changing quickly due to the rising domestic popularity and demand for hummus.

Today, more than 20 million Americans consume hummus on a regular basis. Hummus became a popular staple in American restaurants with the Armenian migration from Lebanon to Southern California and the East Coast after the Lebanese Civil War. It was further popularized in the United States by Jews returning from visits in Israel and by Israeli expatriates.

Hummus consumption in the United States is increasing at a pace in excess of 20 percent per year. Current sales are approaching \$625 million. Industry analysts attribute the growth of Hummus to America's embrace of healthy foods along with experimentation with exotic ethnic foods.

Sabra Dipping, Inc., a joint venture between PepsiCo (a Boyd Co. client) and the Strauss Group of Israel, is the nation's largest producer of hummus. Sabra currently holds approximately sixty percent of the refrigerated flavored dips category in the US. The company operates a silver LEED certified hummus factory in Chesterfield County, Virginia. It also operates a salsa plant in Oceanside, California. The Sabra joint venture draws heavily from synergies with PepsiCo's Frito-Lay Division (which operates a major production facility in Casa Grande, AZ).

Boyd expects hummus to get even more popular as more school-aged children are introduced to the food. The Farm Bill includes a pilot program in which the U.S. Department of Agriculture will spend \$10 million over five years to purchase pulse crops to use in school breakfasts and lunches. U.S. Sen. Maria Cantwell, D-Wash., was a key player helping to push the Farm Bill provisions on chickpeas.

The Farm Bill also provides \$25 million per year over five years to study the health benefits of pulse crops. Once those health benefits are established, look for Washington state and the Palouse Region to vastly increase the acreage devoted to dry peas, lentils and chickpeas over the next decade.

**Target Sector: Energy Bar and Snack Sector**



Another opportunistic sector of the food and beverage industry for ACDC is the snack and energy bar sector. The overall snack food sector is a huge \$36 billion industry and growing. Energy bars sales are estimated at \$6.3 billion and (like hummus) riding the coattails of America's growing interest in nutritious and

healthy eating.

In addition to the Clif Bar example noted previously (the industry leader in the energy bar sector) another energy bar company that manufactures organic fruit bars under the Trader Joe's brand is leaving Corona, CA, and relocating its head office to Henderson, NV, and building a manufacturing plant there.

The company, Living Ecology, Inc., manufactures products that meet standards for foods and beverages sold in California public schools. The company also manufactures U.S. Department of Agriculture-certified organic, kosher and gluten-free products. Efforts are underway to bring the company's products to Nevada public schools under the encouragement of Governor Sandoval who helped woo the company to Henderson.

Health-conscious Living Ecology also sells its proprietary fruit bars at Whole Foods stores. The company's formula puts two servings of fruit in one packaged bar, blending apples, blueberries, mangoes and coconuts, among other fruits.

The top 15 best-selling nutrition bars are: Clif, Kashi, PowerBar, Slim-Fast, Luna, Pure Protein, Atkins Advantage, Balance Bar, Zone Perfect, Gatorade Energy Bar, Snickers Marathon, Glucerna, Tiger's Milk, Advantedge and Myoplex.

Snack foods may have once been regarded as a vice, but consumers have also embraced this industry as a way to maintain energy levels throughout the day. The average American consumer snacks two to three times a day, and some have even taken to snacking more often and foregoing the standard three daily meals.



Research by *Advertising Age* puts the snack bar market sales at over \$6 billion, more than double its size of just a decade ago. That's a growth rate far outpacing chips and pretzels, which admittedly has a larger base to grow. That latter segment has grown just 3.5 percent during the past 10 years but has sales of \$34 billion.

According to its 2013 report on salted snacks, *Packaged Facts* reports that there are 50 million consumers who often snack between meals and agree that "salted snacks are my favorite snack." Within this group, 14.2 million are "healthy" salty snackers, preferring salty snacks and also usually only snack on healthful food. They exercise frequently, seek out foods with healthful ingredients and "do not see a conflict between craving salty snacks and pursuing a healthy snacking diet."

Fueled by the introduction of baked and gluten-free chips, this segment is expected to be a high growth one over the next several years. One company, Maya Kaimal based in Rhinebeck, NY, has even introduced Chickpea Chips, a lightly salted, crispy chip made from chickpeas and rice.

Potatoes, once the ruler of the salted snack world and certainly well-represented in Eastern Washington agriculture, will continue to face growing competition from snacks made from an ever-growing panoply of vegetables and legumes, like chickpeas.

One of the biggest ingredient trends in snacks, and an ingredient that could be easily sourced from California suppliers, are nuts like almonds and pistachios. When used in moderation as part of a well-balanced diet, these high energy foods can supply more than just taste. Almonds and pistachios contain the essential linoleic and linolenic fatty acids, dietary fiber, phytochemicals, vitamin E, and are an excellent source of protein and important minerals such as calcium, iron and zinc.

Besides the traditional use of chopped, diced and sliced almonds in cereals, granolas and bars, almonds have also been introduced as core ingredients in popular snack foods and bars. Two examples of snacks using nuts as a base ingredient delivering taste and crunchy texture are Nut-Thins and Nut Chips. They are baked snacks and have several marketing advantages, such as zero grams saturated fat, no trans fats and being gluten-free.

Demand domestically for almonds in snack bars, fiber bars as well as mixed nuts and granola mixes is growing. A specialty ingredient recently developed by California growers and generating increasing interest from the food industry is almond bran. Almond bran is 100 percent almond skin, and is also gluten-free. Because many healthful benefits of almonds are in substances found in the outer skin, almond bran was created to provide a product with these healthful benefits, and without the calories and fat.



*California Almond Trees*

Farmers in California, the source of 80 percent of the world's almonds, are rescuing the nut from drought this year by diverting water used for vegetable crops and drilling more wells to keep trees hydrated.

### **Private Label Marketing Channels for ACDC**

Private label manufacturers are becoming major players in the healthy snack field, as they are in most other food and beverage sectors. TreeHouse Foods, e.g., targeted healthy snacking last year with the acquisition of Flagstone Foods, a maker of private label fruit and nut mixes. Private label or store brand products generated \$120 billion in sales during the past year and continue to increase market share as retailers such as Costco, Walmart and Target continue to expand selections of dry, dairy and frozen foods.

The private label sector is a well-defined food sector, served well by a national trade association based in New York, the Private Label Manufacturing Association (PLMA). It represents some 3,500 member food companies and could be an important marketing channel for ACDC to reach prospect companies *in a wide range of food and beverage processing sectors.*

In the mammoth supermarket industry, one of every four products sold last year was a private label brand and \$1 of every \$5 of sales was generated by private label brands. These store brands are enjoying robust growth in the country's drug chains, too. As a result, store brands continue to set record dollar and unit market share levels year after year.



*Growing Private Label Food Sector*

During financially pinched times many consumers had turned for the first time to store brands. Some expected that as the economy improved that shoppers would return en-masse to the big name brands, but this did not happen. Consumers had used store brands and they had come to like, even love, them. It soon became clear that a large segment of shoppers were not going back to national brands for all the special marketing campaigns, celebrity endorsements, cents-off coupons and brand iconography in the world. In recent *U.S. Consumer Reports* tests, Costco, Walmart and Target offered products that achieved a higher rating than the top-branded comparable product.

Trader Joe's, with sales over \$12 billion, is a major private label success story. The specialty supermarket chain based in Monrovia, CA, has been one of the best performers in U.S. grocery retailing despite stocking a very limited range of goods – about 4,000 skus vs 50,000 skus in a typical grocery store. Over 80 percent of Trader Joe's stock items are private label and is also a major retailer of Washington State wine.



With the private label industry's emphasis on costs and undercutting the price of nationally advertised brands, Adams County's narrative of supply chain efficiencies, ready access to raw materials and attractive operating cost levels should resonate especially well with the private label sector of the food industry. Again, the New York City - based Private Label Manufacturing Association (PLMA) represents a convenient marketing vehicle for ACDC to identify and reach key players in the private label market.

### **Issaquah, WA-Headquartered Costco as a Marketing Tool**

Costco Wholesale Corporation, headquartered 162.8 highway miles from Othello in Issaquah, WA, is a hugely successful membership-only warehouse club that sells a wide selection of food and non-food merchandise. As of 2014, Costco ranks as the second largest retailer in the U.S. and the third largest in the world.



*Costco Headquarters, Issaquah, WA*

Today, Costco has a total of 671 warehouses, spread throughout the United Kingdom (26), Australia (7), Canada (88), Mexico (34), Taiwan (10), South Korea (11), Japan (20), Spain (1) and the U.S. (474). The

history of Costco began with Sol Prince and his brother, Robert, opening the first Price Club warehouse in 1976 in San Diego giving birth to a totally new concept: the retail warehouse club. The two brothers opened their first Price Club warehouse inside a series of old airplane hangars previously owned by Howard Hughes.

In 1993, Costco and Price Club agreed to merge operations after Price Club declined an offer from Sam Walton and his Walmart company to merge Price Club with its Sam's



Club. Costco's business model and size were similar to those of Price Club, which made the merger easier for both firms. Costco opened its first warehouse in Seattle in 1983.

Highly successful, Costco was the first company to grow from zero to \$3 billion in sales in under six years. Like Walmart, retail shelf space at Costco warehouses is highly coveted by manufacturers both in and out of the food processing industry. Unlike Walmart which has dedicated itself to being a one-stop shopping destination, Costco clings tightly to the narrow-selection, high-demand portion of the sales curve. Costco offers somewhere in the ballpark of 4,000 items per store compared to 150,000 in a typical Walmart. That is a huge difference and that difference translates into fierce competition among manufacturers for coveted shelf space at Costco warehouses here in the States and off-shore. Successful pilgrimages to Issaquah to meet with Costco buyers can make all the difference for a growing company.

At minimum, Boyd sees this Costco narrative as an intriguing public relations vehicle for ACDC to tell the Adams County story and to help convey the case for new food processing industry investment by current and future suppliers to Costco.

As a provocative point of reference, here are some of the food items, mostly in the snack segment, currently on the shelves at Costco.



*Coveted Costco Shelf Space*

### Functional Foods and Nutraceuticals

Rising awareness among consumers towards the health benefits of foods and their nutritional value for disease prevention is driving the global market for functional foods and nutraceuticals. It is a booming sector - especially in the Asia-Pacific region - that has important synergies with Washington State agriculture and has a successful

precedent in the region in the form of one of the nation's largest corporate players in the nutraceutical field.

Functional foods are designed to allow consumers to eat enriched foods close to their natural state, rather than by taking dietary supplements manufactured in liquid or capsule form. Growing interest of consumers and widespread understanding of how proper diet can improve immune power are some important factors driving the functional foods market.

Nutraceutical, a combination of nutritional and pharmaceutical, refers to food that can have benefits to human health beyond their nutritional value. They include products like food supplements, which can sell for as much as \$100 a pound. Dairy products, cereal and infant formula, e.g., often contain such supplements.

Functional foods and nutraceutical products are also helping to reduce health care costs and to support economic development in many rural and agricultural-rich areas like Adams County. Growing demand for functional foods is also helping the producers to diversify their agriculture and marine based crops.

The worldwide market for functional foods and nutraceutical products is growing at a tremendous rate, far outpacing the traditional processed food market. There is growing global demand for functional foods, especially among Asia's growing middle class due to increasing awareness towards health benefits of functional foods and increase in disposable incomes. Major groups comprising the functional foods sector include: bakery and cereals, confectionery, functional drinks, fortified dairy products and frozen and chilled food.

Some of the major players in the global functional foods and nutraceutical market include: Abbott Laboratories; Arla Foods; BNL Food Group; Coca-Cola; Dean Foods; Dr Pepper Snapple Group; General Mills; Glanbia Plc; GlaxoSmithKline; Groupe Danone; Kellogg;

Kirin Holdings; Kraft Foods; Mars Inc.; Meiji Group; Murray Goulburn; Nestlé; Ocean Spray Cranberries; PepsiCo; Raisio Group; Red Bull GmbH; Royal FrieslandCampina; Sanitarium Health & Wellbeing; Unilever and many others.

One of the largest nutraceutical companies in the U.S., Ada, Michigan-based Amway, operates a 50,000 sq. ft. botanical concentrate manufacturing plant in Quincy. Built on 12 acres Amway purchased from the Port of Quincy, Amway processes botanicals from the company's nearby Trout Lake Farm operations, the largest certified organic herb farm in North America.

Processed botanicals such as blueberry, Echinacea purpurea, Echinacea angustifolia, oregano, peppermint and nettle, will be supplied to Amway global manufacturing operations. These plant concentrates are used in some of the company's top products, including NUTRILITE® DOUBLE X® Vitamin/Mineral/Phytonutrient, NUTRILITE Daily Multivitamin Multimineral and NUTRILITE Concentrated Fruits and Vegetables tablets.

The Quincy facility opened in 2014 and was part of Amway's \$185 million U.S. manufacturing expansion aimed at meeting growing global demand for its top-selling NUTRILITE® brand of vitamin, mineral and dietary supplements. Nutrition product sales account for about half of Amway 2014 sales of some \$12 billion. The Quincy plant replaced a similar processing facility in Lakeview, CA, and created important global supply chain efficiencies for Amway. Plant concentrates produced in Quincy are shipped to other Amway manufacturing facilities, including those in high growth nutraceutical markets for the firm in China, India and Vietnam.

Asia-Pacific is a huge market for the industry, especially Japan where one-half of the Japanese population consume nutraceuticals on a daily basis. The world market is expected to reach \$250 billion by 2018 signifying an evolution in consumers' attitudes towards their health and appearance spurred by goals in weight loss, anti-aging, heart health, muscle building and immune system boosting.

Functional foods and nutraceuticals are not regulated by rigorous regulations as compared to pharmaceuticals. As a result, more Big Pharma companies are entering the nutraceutical sector right along with major food processors due to high growth rates and attractive profit margins.

On the research front, promising work at Washington State University in Pullman aims to harness agricultural waste as a food source for algae, which can then be used to produce not only biofuel but also products that may be marketable as food supplements. Shulin Chen, head of the Bioprocessing and Bioproducts Engineering Laboratory at WSU, is a world-class leader in the field.

Algae are one of Chen's main projects. The low-impact organisms have a high lipid content, making them prime candidates for biofuel production. Biofuels made from algae are "drop-in" fuels, nearly identical in structure to petroleum-based fuel, which means they can utilize the same pipelines and pathways. Engineers at the Department of Energy's Pacific Northwest National Laboratory in Richland have already created a continuous chemical process that produces useful crude oil minutes after they pour in harvested algae.

If Chen were planning solely to make biofuel, his ideas might not seem very promising as it is tough to compete with cheap oil. But algae can be processed to produce far more than lipids for biofuel. The proteins, polysaccharides and pigments that make up the remainder of the algal structure have other uses. Some of the co-products present in algae are well-suited to tap into the high-value global nutraceutical product market.

Chen has been experimenting with growing high-lipid algae on cull potatoes, those that are too small to sell. Eastern Washington State is the leading potato producing region in the country, making potato waste a reliable feed source for Chen's algae.

**Target Sector: Craft Soda**

An opportunistic sector within the beverage industry and one also consistent with more health-conscious branding lies within another rising new brew – not a specific beverage but an entire new industry – namely the craft soda industry.

As craft beer takes the nation by storm -- making giants out of once-small brewers like Boston Brewery -- the same trends that are driving sales of the alcoholic beverage may soon drive sales of its non-alcoholic counterpart: craft soda. Washington state is already a major player in the beverage industry, ranking second in the nation in both wine production and in the number of craft breweries in the state.

The craft soda industry has emerged on the same formula that brought craft beer to the forefront of American interests. Namely, the product's high-quality, natural ingredients give it a richer, more flavorful finish than the mass-produced, high fructose corn syrup-laden sodas made by Coke and Pepsi. Besides being a better-tasting drink, craft soda is also much healthier. Instead of using high fructose corn syrup, craft sodas use cane sugar -- a natural ingredient. Just as patrons walking into corner bars and restaurants around the country expect to see one or more craft beers on tap, many are also looking for at least one craft soda to be found on tap as well. Craft sodas, largely defined as being manufactured in smaller batches with more natural ingredients, is still a fraction of the overall soda market but craft soda companies' products are transitioning from being a specialty item to finding a greater demand from a mainstream audience. The popularity of home soda-maker Sodastream has given the craft soda industry tremendous exposure and a tailwind for future growth.



*Seattle-based Jones Soda*

Jones Soda of Seattle and Reed's of Los Angeles, craft soda's two largest players, have had space in the major grocer shelves since the 1990s. Now even smaller companies such as Harrisburg, PA-based Appalachian Brewing Co. are bringing local, artisanal sodas to the masses, striking broader distribution deals with companies such as Wal-Mart. Its line of craft sodas includes root beer, birch beer and ginger beer. The company brews in small batches and uses as many natural ingredients as possible.



*Reed's Soda of Los Angeles*

Reed's stock took a hit recently when a large fund pulled out of the company, but it still remains at the forefront of its industry. Reed's, distributed nationwide in stores, has seen its sales double since 2009, and experienced a 10 percent revenue increase, to nearly \$9 million, and a 15 percent gross profit increase, to nearly \$3

million, from the first quarter of 2013 to the first quarter of 2014, according to its latest earnings report.

The company, founded 25 years ago in Los Angeles, anticipates revenue growth of 15 to 25 percent in 2014. Earlier this year, it launched its first national TV commercial and is currently expanding its sales efforts beyond grocery stores to restaurants, bars and convenience stores.

### **Target Sector: Freshwater Aquaculture**

Another food sector impacted greatly by the epic drought in California is the fish farming industry. Today, most fish populations in the wild are being harvested at or beyond their maximum sustainable rates. Fish stocks are declining, and seafood prices are climbing.

Farming of fish and shellfish—called aquaculture—has become increasingly important in feeding the world.

The aquaculture industry is producing a constant supply of many products previously seasonal, expensive or scarce. The value of regular fish consumption to a heart-healthy diet is also fostering the demand for seafood and the growth of the fish farming industry. On a global scale, aquaculture is growing in importance as sustainable means of increasing seafood supply to meet the food needs of the world's growing population.



*Freshwater Aquaculture*

Aquaculture fits well with water management goals in the Columbia River Basin considering its intensive nature (small area required), the burgeoning demand for exports of high grade protein to the Pacific Rim, the availability of quality fish food produced locally within Eastern Washington, dependable water supplies from the Columbia River and the potential to

economically apply wastes to nearby agricultural areas as fertilizer.

Aquaculture is one of 12 subject areas eligible for federal grants from the Small Business Innovation Research program. Applicants can receive between \$70,000 and \$100,000 for research and development projects. Aquaculture enterprises are also eligible for grants from the USDA's Agriculture and Food Research Initiative. The initiative aims to combat hunger by using sustainable farming to increase food production. The USDA awards grants to nonprofit and for-profit entities that want to develop programs that meet the AFRI's goals. The grants are worth up to \$10 million.

Freshwater aquaculture produces species that are native to rivers, lakes, and streams. U.S. freshwater aquaculture is dominated by catfish farms located primarily in the Southeast but also produces trout, arctic charr, tilapia, bass among others. Freshwater aquaculture takes place primarily in ponds and in on-land, manmade systems such as



recirculating aquaculture systems. Central Valley of California fish farms produce a wide variety of fishes for local, regional and global consumption (Asia, in particular) as well as for recreational and water garden markets. Among the high end fish that are produced there include cavier- producing sturgeon.

Aquaculture in Washington State is still a relatively small industry when compared with the neighboring industry in British Columbia. That said, it is home to one of the industry's larger players: Sumner, WA-based Troutlodge. In operation since 1945, Troutlodge specializes in Rainbow trout eggs, Silver steelhead eggs and Coho salmon and Artic Charr eggs. Troutlodge also serves as both a wholesaler and retailer of live fish for pond stocking and as a supplier of fish for bioassay testing across the country.

Troutlodge operates 10 freshwater facilities in the Pacific Northwest. Its farms in Washington are located near Sumner, Tacoma, Hoodspport, Rochester, Ephrata and Soap Lake. The proximity of the spawning and incubation facilities to Seattle-Tacoma International Airport enables the company to ship eggs as well as live fish to destinations around the globe in a secure and cost-effective manner. The company has additional freshwater facilities in Chile and the Isle of Man in Europe.



**GAA's Advocate Magazine**

Major domestic and global players in the aquaculture industry are members of the Global Aquaculture Alliance, an international trade association dedicated to advancing environmentally and socially responsible aquaculture. Its website is: <http://www.gaalliance.org.>, Tel. (425) 582-0372. Headquartered in St. Louis, the trade group also maintains a West Coast Office in Lynnwood, WA. It publishes a bi-monthly magazine called *The Advocate* which features timely articles on production, marketing and new technologies. The

*Advocate's* blend of content from commercial producers, processors, vendors and researchers makes it a useful aquaculture resource for ACDC.

Another aquaculture resource for ACDC is the Washington Fish Growers Association located in Rochester, WA. Its website is: [contact@wfga.net](mailto:contact@wfga.net) Its director is Dan Swecker. Tel. (360) 489-4532.

**Target Sector: Medical Devices & Supplies Industry**

The Affordable Healthcare Act and its excise tax on medical device sales is encouraging companies to seek lower-cost areas for their manufacturing operations. The dominant site selection trend within this sector is the move towards smaller, lower-cost production sites, largely owing to 2.3 percent tax on medical device sales imposed by the Affordable Healthcare Act. The tax is considered onerous by the industry.

This target industry has a healthy future ahead, as our nation's aging population will continue to require medical devices and supplies. Furthermore, rising obesity and diabetes rates have boosted the need for devices that address these health issues. Additionally, increased spending on health from public and private sectors will bolster industry demand.

The medical devices & supplies industry has been relatively resilient to economic downturns and the recession of 2009 was no different. While the recession slowed medical device spending, the industry maintained sales growth through 2009. In 2015, Boyd estimates that revenue will grow over five percent and reach the \$100 billion mark,



*Some Medical Devices & Supplies*

indicating a continued recovery as hospitals restock supplies and tend to more insured patients who can afford healthcare services again. This industry primarily researches, develops and produces non-electronic medical, surgical, dental and

veterinary instruments and apparatus, such as syringes, anesthesia apparatus, blood transfusion equipment, catheters, surgical clamps and medical thermometers.

Major players in the medical devices & supplies industry include Boyd clients Hospira, Philips, Mayne Pharma and Sorin, along with the likes of Johnson & Johnson, Medtronic, Baxter, Covidien, Cardinal Health, Stryker, BD, St. Jude Medical, 3M Healthcare, Siemens, Bayer, Boston Scientific, Smith & Nephew, Danaher, Abbott Labs, C.R. Bard, Dentsply and others.

In recent years, the medical devices & supplies industry has found a major new home in off-shore locations like Mexico and in Costa Rica. However, not all companies have the wherewithal to consider leaving the States. We see potential for Adams County to make a case for selected segments of the medical devices & supplies sector, especially in the cost-sensitive, labor intensive supplies field. Adams County can be positioned as an attractive, lower cost, on-shore alternative to Mexico and Costa Rica.



While Mexico, principally the states of Sonora and Baja, has become a major destination for cost-conscious companies in the medical devices & supplies industry, the country's rampant crime and gang violence are giving some companies pause and prompting them to more thoroughly examine low cost alternatives in the States, locations previously under their radar screen – like Eastern Washington State.

Another cautionary note that we have recently conveyed to medical devices & supplies companies considering offshore manufacturing in Costa Rica is the changing political landscape in that central American country. On April 6, 2014, the long run of the National Liberation Party, the architect and watchdog of the country's decades-old foreign investment attraction program, came to an end with the election of the opposition party

candidate, Luis Guillermo Solis, an academic who has never before been elected to office. The Solis victory marks another triumph for center-left parties which have gained ground in much of Latin America in recent years.

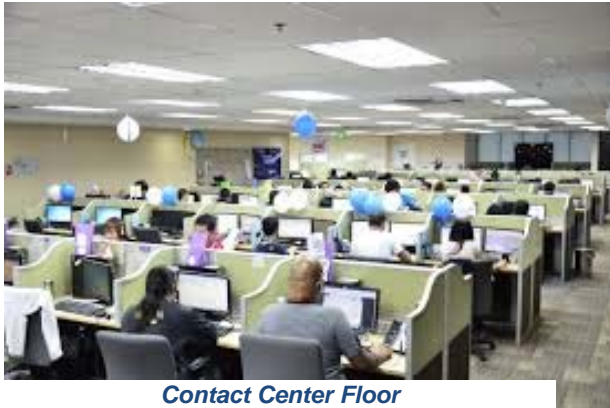
Accusations of corruption, rising unemployment and leftist winds in Latin American politics all helped to spell defeat for the party of former Costa Rican president Anabelle Chinchilla and her high profile Foreign Trade Minister Anabel Gonzalez. Boyd has had dealings with both of these individuals during their just-ended tenure. The socially conservative, pro-business Chinchilla hailed from the party of former president Oscar Arias, a Nobel Peace Prize winner for his work in the 1980's to end Central America's civil wars. Chinchilla's landslide election victory in 2010 was widely seen as a vote for continuity in a politically stable country that enjoyed one of Central America's highest success rates in attracting new corporate investment from the U.S.

Just days after the election of Solis one of the country's largest U.S. employers, Intel, announced a major cutback in its Costa Rica assembly operations eliminating some 1,500 jobs. With anti-big business policies and social spending, credit analysts are also closely watching government debt under Solis that already totals more than half of the country's gross domestic product.

Regionally, the Tri-Cities area is home to the Pacific Northwest National Laboratory which employs a number of workers in the biotech and medical technology fields and can be viewed as a recruiting source. Commercial awareness and spin-off opportunities are being encouraged throughout the federal laboratory system, including at the PNNL campus in Richland. The Tri-Cities area houses several med tech companies that were spawned by research conducted at the national laboratory. The Spokane area has seen impressive growth in biotechnology and medical device activity in recent years and represents another regional source for recruiting and support services for the medical devices industry.

**Target Sector: Contact Center Industry**

Contact centers also referred to as “call centers”, “help desks” “customer service centers” are re-shoring back to the U.S. and are well-positioned to leverage the Adams County workforce - especially bi-lingual workers. The Hispanic market is the fastest-growing consumer market in the U.S. and call centers are actively seeking labor markets with Spanish-speaking capabilities and attractive operating cost profiles. Available space, including former retail sites in the Othello area and upcoming space availability at the high profile corner of Main Street and First Avenue in downtown Othello (now occupied by the Othello Family Clinic) show well here.



*Contact Center Floor*

Targets would be both inbound customer service centers in fields like travel & hospitality, ecommerce and healthcare as well as outbound centers in fields like financial services and direct marketing. The contact center industry has a huge third-party component termed “service bureaus” that should also targeted by ACDC. Many

of these service bureaus are privately-owned companies that would be good candidates for establishing a smaller scale center in Adams County. Companies with current operations in Western cities with mature and increasingly expensive call center operating environments like Seattle, Portland, Spokane, Salt Lake City, Boise and Phoenix should be given special focus. Canada, which houses a sizeable contact center industry, should also be targeted.

Boyd has extensive experience in the contact and help desk industry. The company has been bestowed the coveted “Pioneer Award” by *Call Center Management Magazine* in New York in 2000 for the firm’s body of work in the industry. Some Boyd call center clients with operations in the West include Pitney Bowes (Spokane call center); JP Morgan Chase, (Vancouver, BC, center); Royal Caribbean Cruises (Springfield, OR, center); TD

Canada Trust (Edmonton, AB, center); Sun Life (Lethbridge, AB, center); Progressive Insurance (Phoenix center); HP (Colorado Springs, CO, center) and Convergys (Wilsonville, OR, and Salt Lake City centers).

**Target Sector: Drones for Crop Management/Environmental Surveys**

The Federal Aviation Administration is moving to allow commercial drones that weigh less than 55 pounds to be flown in the U.S. under new regulations that were just released on February 15, 2015. The proposal, which has been highly anticipated, will greatly increase the domestic use of drones in a long-sought victory for advocates of the technology.

Drones are a hot-button issue today whether related to the war on terror, tracking felons on the run or monitoring illegal immigration from Mexico. Reminiscent of George Orwell's "1984," legislators on both sides of the political isle have also been weighing in on privacy concerns — the idea of government spying on its citizens.

Often overshadowed by these discussions is the huge economic development potential of the drone industry — with applications ranging from agriculture to engineering, law enforcement, oceanography, conservation and to things we haven't even thought of yet — to create attractive new research, manufacturing and service jobs.

The use of remotely piloted aircraft was pioneered by the military, but the potential economic development impact from commercializing drone technology is staggering. The Association for Unmanned Vehicle Systems International based in Arlington, VA, has estimated the industry could generate more than \$13.6 billion in activity in the first two years after the FAA sets ground rules for their use which it just did.

In linking the nascent UAV industry to Adams County - ACDC would do well by focusing heavily on agricultural applications of drones given the East Washington State's vast farming acreages and long history in the ag sector. It is already well-established that

using drones for crop surveillance can drastically increase farm crop yields while minimizing the cost of walking the fields or airplane fly-over filming.



*Crop Monitoring Drone*

Crop health imaging via drones, e.g., can also gauge the true health of a field in a color contrast that allows the farmer to see how much sunlight is being absorbed by the crop canopy. The use of drones in agriculture, environmental surveys and weather forecasting is already an emerging commercial sector and one largely dominated by small, privately held companies, including

many start-ups that would find Adam County's climate, regional ag and wine industry markets and low operating cost profile very attractive for manufacturing and product development. The aerospace industry is heavily represented throughout Washington State, including in Moses Lake where important composite skillsets are also being developed at SGL Automotive, the main supplier of carbon fiber to automaker BMW.

In 2013, a coalition of agencies and organizations in the State of Washington bid to create the Pacific Northwest Unmanned Aerial Systems Flight Center at the Grant County International Airport in Moses Lake. The airport is the former Larson Air Force Base and has been used by the military and the Boeing Co. for flight training and testing.

The 2013 bid made to the federal government was part of the nationwide competition to be named an official UAV test site for the FAA. While the bid fell short, it underscored a number of advantages Eastern Washington State has for the emerging drone industry. The state coalition bidding for testing was led by the Pacific Northwest National Laboratory at Richland. Drones currently are built in the state by a Boeing company, The Insitu Group, which has operations along the Columbia River Gorge in Bingen.

Sen. Maria Cantwell (D-Wash.), who is the top ranking Democrat on the Senate Subcommittee on Aviation Operations, Safety and Security, has issued a number of supportive statements on the new drone initiative and what the industry could mean for Washington State. On the regulatory front, a measure that would have restricted the use of drones by state and local agencies died in the Washington Legislature in 2013 without a vote. It was opposed by Boeing.

Aside from a number of defense contractors getting into the civilian drone market, SZ DJI Technology Co. has become the world's biggest consumer drone maker by revenue, selling thousands of its 2.8-pound, square-foot devices for about \$1,000 each. In the process, it also has become the first Chinese brand to pioneer a major new global consumer-product category.

Major players in the agricultural drone market include: Oregon-based HoneyComb; Indiana-based Precision Hawk; Delair-Tech of Toulouse, France; Minnesota-based Farm Intelligence2; Swiss-based SenseFly; Oregon-based Aerial Technology International and Orbital Corp. of Perth, Australia. The Association for Unmanned Vehicle Systems International based in Arlington, VA, would be a good resource for ACDC to identify other candidate companies in this emerging, high growth industry.

### **Coffee Shop Target: Tim Hortons**

One of our lifestyle field findings in Adams County, was the repeated comment for the need for a local coffee/breakfast shop serving the Othello area. One interesting and appealing candidate on the national franchise front, is Tim Hortons. We referenced Canada earlier in this report and the growing shift of Canadian investment to the States.

Tim Hortons (purchased by Burger King last year for \$11 billion) is currently in an expansion mode in the U.S. It would be an attractive target for the community and a local investor. Its Canadian roots, hockey connection and its newness to Washington State, would be welcomed by tourists as well as by local Adams County clientele.





The chain's first store opened in 1964 in Hamilton, Ontario, under the name "Tim Horton Donuts"; the name was later abbreviated to "Tim Horton's" and then changed to "Tim Hortons" without the possessive apostrophe. The business was founded by Miles G. "Tim" Horton, who played in the National Hockey League from 1949 until his death in a car accident in 1974.

Over the past several years, Tim Hortons has been working on implementing a structured and long-term economic development partnership with Canada's Aboriginal community. Tim Hortons' economic development focus includes an initiative centered on building restaurants on Tribal lands as well as encouraging the inclusion of Tribal restaurant owners. Washington State is home to 29 federally-recognized native American tribes.

### **Some Key Field Findings: Utilities, Housing and Education**

#### **Utilities**

For many industrial users, a standby or backup fuel system is an imperative for maintaining continuity of operations whether to supplement an inconsistent fuel supply or in cases where there is a risk of fuel supply interruption. For those using **natural gas** fuel, synthetic natural gas (SNG) or also called liquefied petroleum gas air (LPG-air) is a backup fuel system of choice. Synthetic natural gas is created by blending vaporized LPG with compressed air. It is a system highly suited for manufacturing companies operating in rural counties where service from the natural gas utility is not yet available or limited. We understand current four inch supply lines of natural gas supplier Avista coming into Adams County is limiting pressure to current industrial users. Boyd understands ACDC is studying this issue and is working with Avista and third-party suppliers to find remedies.

Note that standby fuel systems also provide the opportunity for large gas users to reduce natural gas costs by as much as 30 percent or more by utilizing interruptible service gas service rates from natural gas providers like Avista. During times of high demand or low supply, customers with interruptible rate contracts will allow their supply to be curtailed by their utility, during which time they will switch over to their LPG-fed standby system. Discounted rates are generally provided whether or not service is interrupted, so the savings delivered by a standby system continue to regardless of how often it is put into use.

**Electric power** provider Big Bend Cooperative, Inc., is a major economic development asset for Adams County. Founded in 1939, BBEC has grown into a financially sound cooperative serving some 8,500 accounts in rural Adams and Franklin counties. Currently, about 60 percent of the electricity used by BBEC members is for agricultural purposes. The remaining 40 percent is for residential accounts and a variety of business accounts. BBEC's attractive power rates and green, hydro power provided by the Bonneville Power Administration (coveted by site-seeking corporations) puts ACDC in good stead to attract new industry. BBEC has already provided assistance to Boyd and its economic research and we convey our thanks here.

Regarding **water**, a rule of thumb in site selection is if there is a successful precedent for the industry, then the community is worthy of consideration for a new entrant. Rules of thumb, however, do come with caveats and Boyd field interviews with several Adams County food processors indicated such a caveat, namely, concern over future **water and wastewater treatment** service capabilities in the Othello area. Water is a major utility component for food processing companies, utilized as an ingredient, a sanitizer agent, a cleaning tool and as a mover of materials.

Within Othello, the City's Water Division currently provides water supplies to its residential and commercial customers. The City sources its water from a series of eight wells (a ninth slated for construction) that pump water from the Wanapum Aquifer. The storage

volume is in three stand-pipe reservoirs within the City for protection against power outages and high water use periods. The City's Sewer Division handles wastewaters through a grid collection system that transports the wastewater to its treatment facility comprised of a series of lagoons that eventually release treated water to Owl Creek.

As it has in the case its natural gas supply/backup investigations, ACDC needs to undertake a similar inquiry in order to assess current and planned capacities of the Othello's Water and Sewer Divisions as well as to further the overall discussion of Pollution Prevention Programs (PPP) among local industries in order to reduce waste and effectively manage water use. PPP is the approach held by most food processing companies in developing their water and waste reduction programs.

The concept of PPP is to attack pollution at its source by reducing the amount of waste created rather than trying to correct the problem through wastewater treatment. J.R. Simplot, reportedly the largest city water user in the region at some 2.0 million gallons per day, pumps its wastewater nine miles away to holding ponds, later to be used as fertilizer on Hutterite farmlands. McCain's, another major water user in Othello, was reported to source the majority of its water from deep wells.

### **Housing and Education**

Interviewees at Adams County's major employers consistently reported to Boyd a lack of available housing, both for purchase and rent, throughout most of the County. The question was framed within the context of their ability to recruit technical and management talent from outside the region. The lack of housing options was a key reason hampering their recruiting abilities. New hires for the most part choose housing options in the Tri-Cities area and in Moses Lake.

Public education was asked about as well as a recruiting issue and the public school districts serving both the Othello area and Ritzville were generally given good grades by

the interviewees. Attracting a modern discount/business class hotel chain property was also cited by several interviewees as a desired and needed tool for their businesses as well as for the overall long term development of the County.

**A SELECTIVE AND BUSINESSLIKE APPROACH  
FOR ACDC TO ATTRACT NEW BUSINESS & JOBS**

**Target Audience**

In this report, we have identified a total of eight Target Industries for solicitation by ACDC. Adams County cannot be all things to all industries. By focusing its program on those sectors showing growth and locational fit for the area, ACDC will be able to maximize its resources – staff, budget, time and the credibility of its message. In summary, the eight Target Industries – listed alphabetically – are as follows:

- Contact Center Industry
- Distribution Warehousing
- Drones for Agricultural & Environmental Management
- Food and Beverage Processing
- Franchise Target: Tim Hortons
- Freshwater Aquaculture
- Functional Foods and Nutraceuticals
- Medical Devices & Supplies Industry

### **Boyd Target Industry Cost Reports**

As noted previously, quantitative costs are trumping more qualitative factors in today's corporate site selection arena. Our recommended marketing strategy for ACDC reflects this cost-centric mentality of today's corporate site-seeker and provides a platform for conveying Adams County's economic advantages to corporate decision-makers throughout U.S. - and around the globe – given the power of today's internet and social media sites.

Our current six-month engagement with ACDC calls for the preparation of one Target Industry Cost Report. This initial report – targeting the Distribution Warehousing Industry - has been completed. The modeling and detailed, factor-by-factor format of Boyd's Target Industry Cost Reports are unique in the economic development field and are researched and presented in the manner of a corporate site selection study. Our firm's proprietary BizCosts® data bank – developed over five decades of site selection casework -- is considered a definitive benchmark by corporations worldwide. The preparation of additional Target Industry Cost Reports upon completion of our current engagement with ACDC is under already being discussed.

### **National Publicity and Prospect Generation**

Leveraging our authorship of the Target Industry Cost Reports prepared for ACDC and our unique access to the North American business press, Boyd is well-positioned to engage with influential business editors in the national media in order to tell the Adams County story and to position it as an up-and-coming, cost-effective location for new corporate investment and jobs. National promotion of the Distribution Warehousing Target Industry Report is already underway.

Most importantly, the companies that step forward after reading the national news articles and request copies of our Target Industry Cost Reports or ask for additional information about Adams County will all represent new and valuable corporate prospects for ACDC.

These coveted leads that our national publicity generates will be unique to our program and would not have been generated by any other source.

Unlike what public relations firms are able to do, given the often cynical nature of the press, Boyd can gain clear access to business editors and do so with an authoritative standing. Bringing even heightened value to our ACDC initiative is today's digital media and 24-hour news cycle. The newspaper and magazine articles that we generate for Adams County will live forever in online search engines like Google and others and will take on a life of their own to corporate decision-makers researching industry location factors and opportunities in the Pacific Northwest. All of this will have tremendous, incalculable marketing value for ACDC and Adams County.

### **Program Support Tasks**

There will be a series of support activities and prospect servicing tasks that will need to be carried out during the course of Boyd's program by ACDC's Stephen McFadden, Joey Hansen and selected board members. Chief among these is travel to attend target industry trade shows identified by Boyd and to meet with qualified prospects generated by the program. Note that our program recommends no use of paid space advertising by ACDC since our editorial approach – well-grounded in our independent target industry cost reports - will carry the Adams County message in an infinitely more credible and compelling manner.

**ADDENDUM**

**(ACDC Letter of Introduction Used During Adams County Field Research)**



425 E. Main St., Ste. 300, Othello, WA 99344 (509) 331-2042  
[www.adamswadevelopment.com](http://www.adamswadevelopment.com)

December 8, 2014

To Whom It May Concern:

This letter will introduce a representative of The Boyd Company, Inc., a nationally-known corporate site selection firm headquartered in Princeton, NJ.

Boyd has been retained by the Adams County Development Council to carry out independent research into location factors associated with attracting new industry and jobs to Adams County.

All discussions will be oral, on a confidential basis and not intended for publication or individual disclosure. They will, however, contribute greatly to the Boyd Co.'s research and to this important project.

In order that the greatest good can be derived from this research, we respectfully ask for your cooperation and complete frankness in discussing matters with Boyd.

Permit me to thank you for your cooperation and assistance.

Very truly yours,

Ken Johnson,  
Chairman, Adams County Economic Development Council

Stephen McFadden,  
Adams County Economic Development Director

The goal of the Adams County Development Council is to attract, enhance, and retain commercial development, industrial development and agricultural growth within Adams County, its cities, towns and ports. The Council is working to create areas of service for local businesses regarding Business Start-up activities, Business Retention, Expansion, Business Recruitment and Workforce Development and training.



