

Business Plan
September 1, 2015 – August 31, 2019
Urban Center for Innovative Partnerships
Innovation Partnership Zone (IPZ)

1. MISSION:

The mission of the Auburn **Urban Center for Innovative Partnerships** is to support the vital economy of the City of Auburn, our local region and the State of Washington. Encouraging the adaption of warehouse districts to mixed use, market-affordable technology clusters and facilitating collaborative partnering among private sector employers, research partners, with workforce development, the IPZ will implement a multi-phased plan across a variety of business sectors. These collaborative clusters will realize new businesses and products; expand existing knowledge based middle-wage jobs while creating new higher paying employment opportunities for the citizens of our City. Through new partnerships and the clustering of entrepreneurs, ideas will flourish, manufacturing efficiencies will be developed and the business community will expand through the creation of investment opportunities, new technologies and the general growth of our economy.

2. GOALS:

Historically, Auburn was developed as a manufacturing center and hub for supply/distribution warehouse space. Currently, the IPZ's existing business clusters surround advanced technology/high-wage employment manufacturing; with a large percentage of Auburn's industry made up of solid, well established manufacturing that employs a significant number of knowledge-based middle-wage workers. A goal of the IPZ is to capitalize on the diverse manufacturing technology clusters through the introduction of research partners and encouragement of expansion and development. With a second goal to maximize efficiencies within our supply chain warehousing/distribution industries by organically growing business to business synergy within the IPZ. While at the same time working with Auburn property owners to not only encourage the conversion of warehouse inventory to support new market-affordable, mid to high-wage manufacturing jobs, but also foster building revitalization to enhance Auburn's live, work, play culture.

Ultimately, the IPZ will focus on the formation of new business partnerships, ones that cross traditional business lines, in an effort to create business retention and expansion that will lead to the creation of marketable products. The City of Auburn's goal is job creation for our citizens and general economic development of our City as a regional center for business enterprise and technology.

3. LEADERSHIP/GOVERNANCE:

A. Administrator

The IPZ Administrator shall be the Economic Development Manager for the City of Auburn. As Administrator he/she will be responsible for day-to-day implementation of this business plan including its Mission, Goals, as well as the general overall success of the IPZ program. The

Administrator shall work with the Management Team to promote the economic sustainability of the IPZ and its partners. Furthermore, the Administrator shall actively work to assist existing business organizations within the zone, foster new partnerships, encourage creativity, the sharing of ideas, and promote Auburn as a destination for new businesses and clusters.

B. Management Team

By title, the Auburn IPZ Management Team will include the following:

1. Mayor
2. Economic Development Manager / Zone Administrator
3. Director of Community Development & Public Works

C. IPZ Advisory Board

The Management Team shall select representatives to serve as an IPZ Advisory Board. The Board shall consist of members representing the following categories:

- 2 members City of Auburn, City Council
- 1 member Auburn Area Chamber of Commerce
- 1 member Washington State University
- 1 member Green River College
- 1 member Auburn School District
- 1 member Enterprise Seattle
- 1 member King County Executive or Representative
- 1 member Private Sector, Biotechnology & Medical Device
- 1 member Private Sector, **Aeronautics Technologies**
- 1 member Private Sector, **Alternative & Green Energy**
- 1 member Private Sector, **Construction Tech Materials**
- 1 member Private Sector, **Ecosystems**
- 13 members

The role of the IPZ Advisory Board is to aid in providing oversight to the Management Team in the successful implementation of this Business Plan, and general operations of the Urban Center for Innovative Partnerships (IPZ). It is with purpose that this Board is formed to help strengthen the IPZ's commitments, partnerships, controls, communications and overall sustainability. In its fulfillment of duties, the Board shall meet periodically to review performance and progress within the IPZ, and verify success in achieving the stated purposes of promoting; collaboration, research, new technologies, marketable products, company formation/expansion and job creation. The Advisory Board shall formulate a review of operations upon meeting and if needed, present suggestions for improvements to the Management Team for implementation.

The IPZ Administrator shall preside over all meetings and serve as secretary to the Board. The Board shall meet no less than annually; except that any member of the Advisory Board may make a request to the Management Team for consideration of an additional meeting; and the Management Team may direct the Administrator to convene a meeting of the group.

D. Partnership Involvement/Investment

Just as diversity exists within our community, the same is true of our business community. Auburn celebrates its diversity and views it as a cornerstone of the community's strengths. The Urban Center for Innovative Partnerships is by design, built on the diversity that exists within it. Our industries are strong and we are committed to encouraging the growth of all of them. The IPZ Administrator will actively work to make introductions among our businesses. We will encourage meaningful relationships and partnerships, and we will monitor and report on the progress of those relationships via the annual reporting process to the Department of Commerce as required.

E. Sustainability plan (4 years)

To achieve sustainable success the Urban Center for Innovative Partnerships has already taken, or will take the following steps within and/or around the IPZ Zone:

i. Completion of the public / private infrastructure investment in the Auburn Station District project (6 blocks of downtown redevelopment, planned for multi-story mixed use office, retail, & residential) featuring cutting edge design concepts brought to the City through the WSU – IDEX project to include: storm water vaults, relocation of utilities out of alley ways, fiber optic infrastructure, installation of green materials, impervious sidewalks and the creation of public plazas.

ii. Implementation of a Store Front Improvement program (referred to as the Façade Program, with funding of \$100,000 in 2015 and another \$100,000 in 2016).

iii. On-going support to create "streamline transactions" between the civilian interface and support services such as permitting, inspections, etc. in relation to new development, redevelopment, and tenant/business improvements.

iv. IPZ will continue to recruit, encourage, track and leverage private sector improvements to maximize the benefits to all IPZ stakeholders. As evident by the completion and opening of the TREK five-story multi use apartments and the ground breaking of the five-story Merrill Gardens multi-use facility. Along with the potential relocation of GSA which would relocate 800 jobs to a transit oriented site located within the IPZ boundary, and open up 130 acres of green space for redevelopment within the IPZ boundary.

The IPZ Administrator will explore and execute incentives to encourage the mission and goals of this business plan. This effort will include:

v. A policy review by City Council to ensure that all Council actions forward demonstrate a consideration of alignment and with the facilitation of this IPZ's mission and goals. This will include a requirement that all Ordinance and Actions taken by the City Council will include a section in the staff report which summarizes the "Business Impacts" of the Action under consideration for Council review.

vi. Ensure Ordinance (ACC 3.60.035) remains active and available. This ordinance provides a reimbursement of the City's portion of Sales & Use Tax up to \$100,000 to encourage opportunities for the conversions of warehouse space to manufacturing; expansion of existing manufacturing space; and the development of new manufacturing facilities within the IPZ.

vii. The Administrator will work to move an Ordinance forward to City Council for the exemptions of requirements for the undergrounding of aerial utility lines which are upgraded or installed as part of the infrastructure improvements within districts of the Auburn IPZ.

viii. The City will explore incentives for the reduction of System Development Charges and Fee Rates for low impact development techniques.

F. Marketing and Commercialization:

The vision, mission and goals of the Auburn IPZ will be clearly communicated out in a variety of means to the zones stakeholders, to our local community and to potential new clients or industries. Communication methods will include:

- i. Identify and secure funding of at least \$10,000 annually for the IPZ.
- ii. Continue and enhance networking and business assistance programs.
- iii. Launch proprietary cloud based website for IPZ.
- iii. Complete 10 year strategic plan for the IPZ as part of the city's 10 year economic development strategic plan.
- iv. Review and reaffirm IPZ clusters by January 2017. Make adjustments if necessary based upon the finding of the 10 year economic development plan.
- v. Establish an incubator location for business startups by January 2018.

4. IPZ STRENGTHS:

The Urban Center for Innovative Partnerships has numerous strengths:

- This business hub has several existing and well established business clusters and a strong foundational workforce of knowledge-based middle-wage jobs from which we can and will continue to build upon.
- A strong entrepreneurial spirit with an equally impressive eagerness among the business community to talk, share idea, and consider new opportunities..
- A significant amount of warehouse space which is easily converted to market-affordable manufacturing clusters.
- A City Government which is ready, willing and eager to welcome new business enterprise. Our Mayor, City Council and City Staff are fully prepared to consider new innovative solutions to old problems.
- A diverse, well balanced workforce; ranging from well-trained middle-wage earners to highly educated professionals.
- An established well developed basic infrastructure and a commitment on the part of the City and partners to add high tech improvements to our established urban environment.
- A strong team of partners, who are well prepared and willing to make structured investments.

5. LONG TERM MARKET GROWTH:

The Auburn IPZ has a significant amount of design and fabrication facilities which offer an opportunity for the formation of new business partnerships including the diversification of manufactures across traditional business lines. These creative partnerships offer the opportunity to bring new ideas, methods and products to market. As well as the opportunity to bring upgrades in our knowledge-based middle-wage jobs and through established, quality, training and workforce development programs, encourage business growth and the growth of high-wage technology type employment for our citizens.

Our IPZ is also home to many suppliers to the aerospace industry. Through partnering, and the creation of strategies for workforce development, we will assist our Aeronautics Technologies cluster to meet the workforce and production demands of the future. As such, we are confident that industry growth will continue to materialize do to the development of Green River College's aviation and aerospace manufacturing programs (currently under construction on the south end of the Auburn Municipal Airport), and the newly approved FAA master plan that includes new

commercial hanger space as part of the airport. The IPZ will actively recruit aviation related companies within the rotary and fixed wing sectors.

The introduction of nano-technologies from our private technology developers, as well as from our research partner (WSU) is already beginning to show promise within the diverse industries of our IPZ. Opportunities for improvements to epoxies, resins, plastics, paper, concrete, and glass have all recently surfaced as areas of significant interest and promise. When we consider the ability which exists here in Auburn to connect cutting edge research and next generation manufacturing techniques with the above referenced materials, the opportunities for growth within our IPZ are staggering. By actively connecting business to businesses, partnerships are formed and real life consumer products are being brought to market.

A new cluster of medical technologies has begun to emerge, as it relates to biomedical and medical device research, development and manufacturing. This industry has taken advantage of the IPZ's connect-ability of research and production, as well as the lower cost of doing business do to warehouse conversions into light manufacturing [conversion of warehouse to light manufacturing was identified as a goal of the IPZ at the time of certification].

6. IPZ ENTREPRENEURIAL CLIMATE:

There exists organic growth of an entrepreneurial spirit within Auburn. If properly cultivated the IPZ will create unstoppable synergy among Auburn's business, research and training industries. Such cultivation has steadily become visible through an increase in weekly attendance of 3NoNetworking meetings. These meetings are promoted as business mixers, where any members of the business community and interested citizens are invited to drop in and meet each other in an informal setting. It is an open forum to share thoughts, collaborate on ideas, create synergy, combined efforts, talk about your business's needs, find resources, and leverage neighboring assets (skills, education, training, research). Additionally, the IPZ, in conjunction with the Chamber of Commerce and the Auburn Downtown Association are hosting monthly business assistance workshops. Topics range from Workforce Development and Insurance, to Marketing and Promotions. Both activities foster communication and cross-pollination one would hope to see on a regular basis within an active IPZ.

7. COMMERCIALIZATION PLAN:

The IPZ will serve as a bridge to tie cutting edge research and development with private sector industries to invigorate low cost manufacturing districts into robust centers of market rate and high paying workforce employment.

As an Economic Development Model, the Auburn IPZ works with a variety of well-established industry clusters to foster partnerships between businesses, research, education, and workforces capabilities of Washington State University (WSU), Green River College (GRC), and the Auburn High School (AHS).

The IPZ has, and will continue to, proactively use public projects to introduce private research, investment and development such as its outreach and commitment to CenturyLink and there investment into public/private fiber-optic development within the downtown IPZ district and throughout our manufacturing districts to encourage high-tech re-development of existing low-rent warehouse districts.

The IPZ is currently developing and budgeting for participation in industry specific trade shows to showcase local businesses. Furthermore, with the implementation of a robust searchable supply chain database, we hope to capitalize on business to business connections and keep local revenue within the boundaries of the IPZ.

8. PERFORMANCE MEASURES & REPORTING :

The Administrator will collect and report annual performance criteria which will include:

- Number of trained workers added to state workforce as a result of training provided within IPZ
- Number of potential business sites added (commercial and industrial building developed, redeveloped or newly occupied) attributable to IPZ innovation, research, and commercial application
- Number and type of other assets developed (to retain, grow and attract business)
- Dollar value of infrastructure and other investments completed
- Evidence of commercialization of IPZ research (licenses, patents, trademarks, etc.)
- Descriptions of research being conducted within the IPZ and potential commercial applications
- The IPZ will track private sector investment and will provide information as to how that investment is leveraged for the benefit of the IPZ mission and its stakeholders
- Other reasonable performance criteria that may be developed by Commerce.

I certify that the IPZ will:

- Participate in the annual conference of IPZs, convened by Commerce, and share lessons learned and best practices for technology transfer and accelerated commercialization.
- Place the IPZ logo where practical (web, signage, stationery), and market the zone as a State- designated IPZ.
- Notify Commerce of any news events, special events, major changes, innovation activity, new commercialization, or other information that would be of interest to Commerce and the IPZ program.

Attachment F