

Business Plan
'Auburn Center for Emergent Business'
Innovation Partnership Zone (IPZ)

1. Mission:

The mission of the Auburn Center for Emergent Business is to support a vibrant vital economy for 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, and programmed workforce development, the IPZ will implement a multi-phased plan across a variety of business sectors beginning with Ecosystems and Rainwater Management. These collaborative clusters will realize new businesses and products; expand our 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 our diverse business community will expand, creating investment opportunities, new technologies and the general growth of our economy.

2. Goals:

The focal point the State's overall IPZ program is as a resource development tool for general economic development within this zone, the City of Auburn and throughout the State of Washington. Specifically for the City of Auburn our primary goal is job creation for our citizens and the general economic development of our City as a regional center for business enterprise and technology.

Historically, Auburn has developed as a manufacturing center and as a hub for supply/distribution warehouse space. Some of this IPZ's existing businesses and clusters surround advanced technology / high-wage employment manufacturing; the greater percentage of Auburn industry is made up of solid, well established manufacturing clusters employing a significant number of knowledge-based middle-wage workers.

A certain goal of this Innovation Partnership Zone is to capitalize on our diverse manufacturing technology clusters and through the introduction of research partnering, encourage their expansion and development; another goal will be to maximize efficiencies within our supply chain warehousing/distribution industries; and a third and critically important goal will be to persuade our Auburn property owners to encourage the conversion of warehouse inventory to new market-affordable, mid to high-wage employment technology clusters.

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In addition, our overall goals also emphasize the creation of marketable products, business retention and expansion, the formation of new business partnerships (including the diversification of manufactures across traditional business lines) and the creation of new technological advances.

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. Further, the Administrator shall actively work to assist existing business organizations within the zone, introduce new partnerships, encourage creativity and fresh ideas, and to promote Auburn as a destination for new businesses and clusters.

b. Management Team

The Management Team (MT) of the Auburn IPZ will include a representative of the following:

1. Mayor
2. Economic Development Manager / Zone Administrator
3. Director of Planning and Development
4. Director of Public Works
5. Economic Development Planner

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 Community College
 - 1 member Auburn School District
 - 1 member Enterprise Seattle
 - 1 member King County Executive or Representative
 - 1 member Private Sector, **Ecosystems & Rainwater Management**
 - 1 member Private Sector, **Aeronautic Technologies**
 - 1 member Private Sector, **Construction Technologies & Materials**
 - 1 member Private Sector, **Green Technologies**
 - 1 member Private Sector, **Alternative Energy/Green Technologies**
- 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 Auburn Center for Emergent Business (IPZ). It is with purpose that this Board is

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formed to help strengthen the IPZ's commitments, partnerships, controls, communications and overall sustainability.

In its fulfillment of duties, the Board shall meet to 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 initially convene by March 30, 2012 and meet not less than annually thereafter; 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 it exists within our community, Auburn celebrates its diversity and believes that it is a cornerstone of our community strength. The same is true within our business community. The Auburn Center for Emergent Business is by design, building on our diversity of technology clusters.

Our diverse industries are strong and we are committed through the formation of this IPZ to build on that strength and to encourage growth within and between its various segments. To this end, Auburn has chosen a governance structure that will allow representatives of the various technologies participating through the Advisory Board as equal parts of the whole.

The Auburn IPZ will encourage active partnerships; partnerships where investment in the relationships is done willingly and where involvement comes from our collective good.

As Administrator, Auburn 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.

e. Sustainability plan (4 years)

To achieve the sustainability and success of the Auburn Center for Emergent Business the following steps have been, or will be taken:

1. Investment into numerous 'existing' sustainability efforts have been accomplished in the recent past within and around the Auburn's IPZ Zone.

Examples of those efforts include:

- i. Public / private infrastructure investment into the Auburn Junction project (6 blocks of downtown redevelopment, planned for multi-story mixed use office, retail, & residential) featuring cutting edge design concepts brought

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to the City through the WSU – IDEX project, including storm water vaults; relocation of utilities out of alley ways; fiber optic infrastructure; the installation of green materials; impervious sidewalks and plazas; and the creation of public plazas.

- ii. Creation of a Store Front Improvement program.
- iii. An Ordinance (ACC 3.60.035) authorizing the reimbursement of the City's portion of the Sales and Use Tax for construction materials and services up to \$100,000 to encourage retail business expansion and location within Auburn.
- iv. The creation of cultural improvements among employees within the City's Development Departments which instills client/customer friendly approaches to development review.

It should be noted that as was done with the infrastructure improvements in our downtown redevelopment, the IPZ will encourage, track and leverage private sector improvements to maximize the benefits to all IPZ stakeholders.

2. The City as IPZ Administrator will explore and execute incentives to encourage the mission and goals of this business plan. This effort will include:
 - i. 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.
 - ii. The City will consider expansion of its existing Ordinance (ACC 3.60.035) to provide 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.
 - iii. 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.
 - iv. The City will explore incentives for the reduction of System Development Charges and Fee Rates for low impact development techniques.
3. 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. The Administrator will provide a verbal presentation announcing the creation of this Innovative Partnership Zone and reviewing the vision, mission and goals to all relative City of Auburn Departments. Each such

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presentation shall be co-presented and supported by the appropriate Department Director or Manager.

- ii. Investment of \$30,000 dollars will be made into a marketing campaign in 2012 which will include advertising for this Auburn Center for Emergent Business. This campaign will include brochure which will be used as a mailer to potential client or industry partners; displayed prominently within City Hall; the City Permit Center; and within the Auburn Area Chamber of Commerce.
- iii. Print ads and announcements will be displayed within the Auburn Reporter and/or other news advertising sources. These announcements will include IPZ branding; new business recruitment; the creation of new partnerships; announcements regarding new technologies; general policy and mission statements, and educational opportunities for business retention, training and development.
- iv. An education and information forum will be presented; and invitation will be sent to each and every licensed business within the Auburn IPZ.
- v. A web presentation of the IPZ will be developed and taped and made available for viewing on the City's Economic Development Web Page and Channel 21.
- vi. Signage will be created and posted prominently throughout the IPZ and City announcing the presence of a State of Washington Innovation Partnership Zone.
- vii. The City will commit to the physical branding of the IPZ and using each and every event (where appropriate) to discuss, display and advance the vision, mission and goals of the Auburn Center for Emergent Business.

4. Strengths of the Auburn IPZ:

The Auburn Center for Emergent Business has numerous strengths. Among those strengths are:

- a. 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 build upon.
- b. An eagerness among the business community to talk, share idea, and consider new opportunities. A strong entrepreneurial spirit.
- c. A significant amount of warehouse space which is easily converted to market-affordable manufacturing clusters.
- d. 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.
- e. A diverse, well balanced workforce; ranging from well trained middle-wage earners to highly educated professionals.

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- f. 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.
- g. A strong team of partners, who are well prepared and willing to make structured investment.

5. Long Term Market Growth for Technologies:

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 Tiers I, II & III suppliers to the aeronautics industry and the Boeing Company. Through partnering and strategies for workforce development we will assist our Aeronautics Clusters to meet the workforce and production demands of the future. In addition we are confident that industry growth will materialize and that our Tier II & III suppliers will be developed into more profitable Tier I suppliers.

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 this cutting edge research; its introduction to material manufacturing to create lighter and stronger materials; and then the further connection to industries also located within Auburn which are manufacturing real life consumer products, the opportunities are staggering.

6. Entrepreneurial Climate of the Auburn IPZ:

In addition to those outlined in Section 5 above as “Long Term Market Growth for Technologies”; there exists in Auburn an entrepreneurial spirit which has been growing organically, but which is waiting to be cultivated in a more formal way as through the creation of this IPZ and more importantly through the links the IPZ will create between the business, research and training industries.

Auburn’s Office of Economic Development in partnership with the Auburn Area Chamber of Commerce recently held its first business retention, expansion and educational opportunity on “Import / Export Forum”. The day’s forum brought political, economic, business, and community entrepreneurs’ together to discuss the opportunities for Auburn Manufacturers to expand into the world of Importing and Exporting their goods and services.

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This well attended event provided outstanding presentations and panel discussions by many of the State's leading Business Persons and experts from the Dept. of Commerce, World Trade, Port Authorities, Economic Development, etc. and much was gained; but a really amazing Observation was the interactions, communications and deals that were made during the forums intermissions and break periods.

Local Chocolate manufacturers made connections with World Wide Exporters and now are selling their products in Asia; the same hold true for another manufacturer of Coffee Syrups. A nano scientist made introductions with an Epoxy manufacturer and gained permission to work with their chemists in their lab. An experienced company who imports Foods provided mentoring guidance to a young hydraulics manufacturer who is having trouble navigating the State Department regulations. Representative David Reichert discussed how when he was a young man growing up in Auburn, that he always knew this City would grow as a regional hub of business and how happy he is to be a part of that growth.

These are real life examples of the entrepreneurial spirit that exists here within the Auburn Center for Emergent Business.

7. Commercialization Plan:

As an Economic Development Model, the Auburn IPZ through a phased approach, works with a variety of well established industry clusters and is unique as it offers growth through the dynamic facilitation of partnerships within these working clusters and the Research capabilities of Washington State University (WSU) as well as the workforce development capabilities of Green River Community College (GRCC) and the Auburn High School (AHS) districts.

Our industry clusters and the products they produce are ever-changing and every sector has well established commercialization plans for their goods and services. The IPZ will support research and development within these sectors through design projects such as the WSU - IDEX project which offers creative new approaches to public and private development projects. Ideas from these projects are and will continue to be used to spur fresh new markets and products.

The IPZ will proactively use public projects to introduce private research, investment and development such as its outreach and commitment to Century Link 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 Auburn Center for Emergent Business will serve as a bridge to "tie-in" 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.

8. Performance Measures and Reporting:

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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.