

**Three Rivers Community Roundtable
Annual Report 2004**

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Three Rivers Community Roundtable Annual Report 2004

Introduction

Mike Schwenk, Chair

The Three Rivers Community Roundtable (CRT) was created in April 2001. Its creation came from a series of three public meetings, involving 150 people, conducted during the preceding 6 months. Based on a similar community planning process conducted in the early 90s and the positive changes resulting from that effort, the theme of this more recent activity was to once again create a vision of our preferred future for the decade ahead. This time, however, the implementation of the plan would take a different form.

The CRT was conceived not as another economic development organization, but rather to serve as a forum where community leaders come together to communicate, coordinate, integrate, and facilitate their respective strategies for achievement of the regional vision. The CRT serves as the steward of this vision and holds itself accountable to the public by reporting annually on progress toward realizing that vision.

A simple economic development model has been used to provide the framework upon which the vision was built (see Figure 1). This model recognizes the importance and interdependence of starting new businesses, keeping and growing the ones we have, and recruiting new industry. The success of these rely heavily on the business climate and quality of life in our region. The vision drives these five elements with particular emphasis on technology, education, water, and "connectivity," which together become our competitive differentiators and the things that make our region great.

This Annual Report of the CRT presents the consensus regional vision developed by the participating community leaders and their respective "focus groups." It provides, in summary form, the vision's sub-elements, projected 10-year goals, measures of success, and past-year accomplishments for each of these groups. As you will discover, there is much to celebrate in the advancement of our community. There is much still to do, yet we see an exciting future ahead.

The effectiveness of the CRT lies in the willingness and intentions of community leaders to share their viewpoints, to seek consensus on the overall vision, and to engage with one another while working toward the desired economic future of our community. Consistent with this community spirit and motivation, the CRT participants are pleased to provide this report.

The Community Roundtable would like to acknowledge the contribution of Battelle for the preparation of this annual report.

Community Roundtable Vision

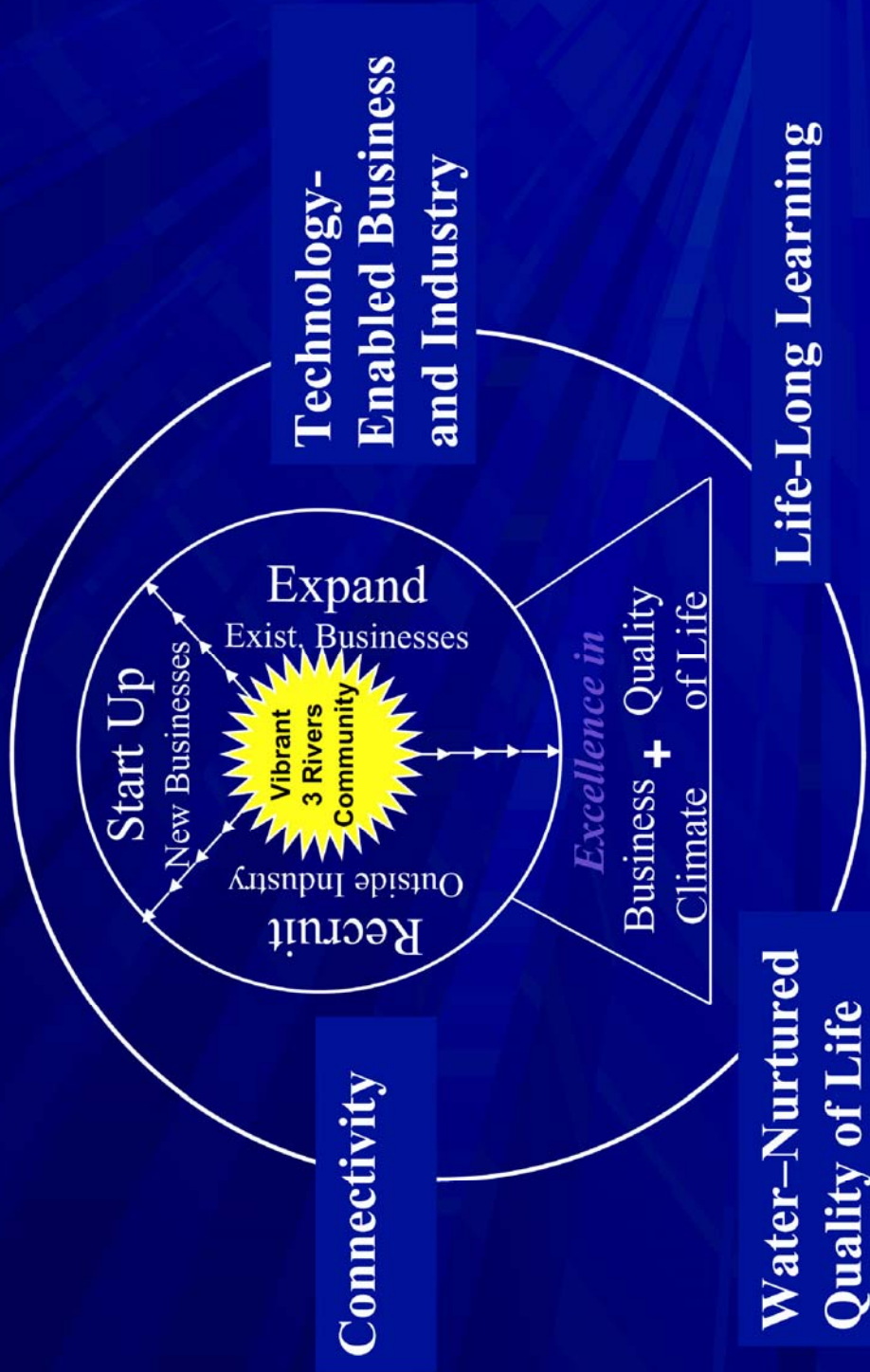


Figure 1. Three Rivers Region Economic Development Model

The Three Rivers Region: A Shared Vision

The Three Rivers region is a family-friendly place where quality living is achieved through energetic people, advanced technology, and a vibrant waterfront.

Technology-Enabled Business and Industry...

With a focus on starting new businesses, growing existing ones, and attracting new industry, jobs are readily available for citizens of every skill level. From the high-tech entrepreneur to the food-processing specialist, from the health care provider to the legal and business professional, and from the retailer to government and school staff, the Three Rivers region builds its job base by infusing technology into every single enterprise. As the Pacific Northwest National Laboratory (PNNL) and other research entities infuse new technologies into the community, the Three Rivers region is a place where those who desire to be on the leading edge choose to locate. New materials are manufactured based on the latest breakthroughs in nanoscience; bio- and micro-technologies break barriers to enable chemical production from agricultural feedstock; and microbial science is applied to environmental restoration. Sustainability is practiced as part of the model community. The Three Rivers region has become known for its energy efficiency and environmental stewardship.

New industry migrates and disperses more evenly throughout the Pacific Northwest, including into the Three Rivers region. Aerospace, distribution centers, computer hardware, and software are real contributors to local payrolls. Even the federal presence is transformed as the Department of Homeland Security, the National Science Foundation, and the National Institutes of Health establish major programs through investments at the Hazardous Material Management and Emergency Response (HAMMER) Training Center and PNNL. All of this is coupled with dramatic advances in new alternative energy technologies pilot-tested by Energy Northwest.

Agribusiness builds upon its phenomenal history of being the leading private sector industry in the region as it supplies diversified fruits, grains, and specialty produce. Capitalizing on good water supply, ideal climate, and excellent soil conditions, it expands into new technological frontiers via the world-class Bioproducts, Sciences, and Engineering Laboratory at Washington State University Tri-Cities (WSUTC). Sophisticated value-added processing, alternative bio-engineered products, and new crop development are commonplace. Ancillary businesses abound, such as manufacturers of farm-enhancing equipment, integrated global positioning field mapping with chemical and nutrient application, disease and pest-resistant crop development, and ultra-advanced irrigation systems. Building on the example of the Pasco Processing Center, state-of-the-art infrastructure systems attract and support high-tech agribusiness. The Three Rivers region is recognized as “the place to do business,” which is more than evidenced by our internationally acclaimed wine industry.

Life-Long Learning...

Behind the technology-driven basis of the community rests its people. In particular, a people inspired to educate its citizens from cradle to grave. The focus on education and training begins during the earliest years of life to ensure every child has the mental development necessary to enter school willing, able, and receptive to the opportunities presented. Learning continues

throughout the schooling process in a seamless system designed to guarantee every child's success. It culminates with alternative learning pathways for the adult choosing to pursue professional or technical training, higher education, or general enrichment. In the Three Rivers region, education is a holistic system. And it is the root that nurtures all other success.

Exceptionally well-qualified staff means high-caliber schools, innovative teaching approaches, and broad community support. Because of this, the best and brightest workers are attracted to the Three Rivers region as the place to have their children educated. Best of all, because of the emphasis on quality education and the very exciting nature of the technology-driven economy, students stay locally to continue their education. Whether taking advantage of the two-year, four-year, or even Ph.D.-granting capabilities at the Washington State University/Columbia Basin College (CBC) system, or the local industry-relevant training for ensuring an internationally competitive workforce, they are able to stay and work in an enriching environment. An environment which, by the way, attracts students from elsewhere to come for their graduate and even post-graduate education.

Water-Nurtured Quality of Life...

From the time of Ice Age floods until today, the Three Rivers region is all about water. The existing landforms and geography derive their existence from water. That people ever settled here was because of abundant water. That the community prospered first in agriculture and later from Hanford is because of available water. Once again, taking advantage of technology, the community practices recycle and reuse of water for domestic and industrial purposes. As use efficiencies increase, demands for additional water are dramatically curtailed. Advances in technology also result in new ways of applying and conserving water for irrigated agriculture.

The rivershore is a 22-mile aquatic playground of family-friendly activities. Tourists and business travelers from around the world flock to the shores to enjoy the same amenities it provides the community's citizens. Among these are the new Cultural Complex and gateway to the Hanford Reach National Monument, the Lewis and Clark Interpretive Overlook, and the Washington Wine Country Visitor Center. All of this is a key factor in the huge success of the Regional Convention Center, whose expansion is already on the drawing boards. And interestingly, the rivershore is a major reason young adults and retirees remain in the Three Rivers region given the wide variety of affordable places to congregate, socialize, and recreate. From all of this emerges unique retail and dining establishments. Whether looking for boutique shops or upscale shopping districts, or enjoying a variety of cuisine in pleasant surroundings, the Three Rivers region has it all.

Connectivity...

The Three Rivers region understands that connectivity plays a vital role in economic development. Strategic roadways, waterways, airways, and railways make the region a transportation hub. Such connectivity gives the region's agricultural products a competitive advantage on their way to domestic and overseas destinations. And it makes for convenient and affordable business and pleasure travel to all destinations. Superior bandwidth is a different kind of connectivity, as it transports knowledge to and from the region and underpins the entire technology agenda. Another form of connectivity, the community-built affiliations with political, educational, financial, social, and cultural influence centers of the region and nation, creates a backbone and rich resource base to tap for growth. All this is done to be part of the world scene – to be able to reach out and invite in.

The end result, at long last, is a vibrant region. By caring for ourselves through our health care system and active living lifestyles, and by caring for our safe clean environment, we have built an enduring place that brings out the best in all its people, while respecting and nurturing the land it occupies.

Three Rivers Community Round Table (2005)

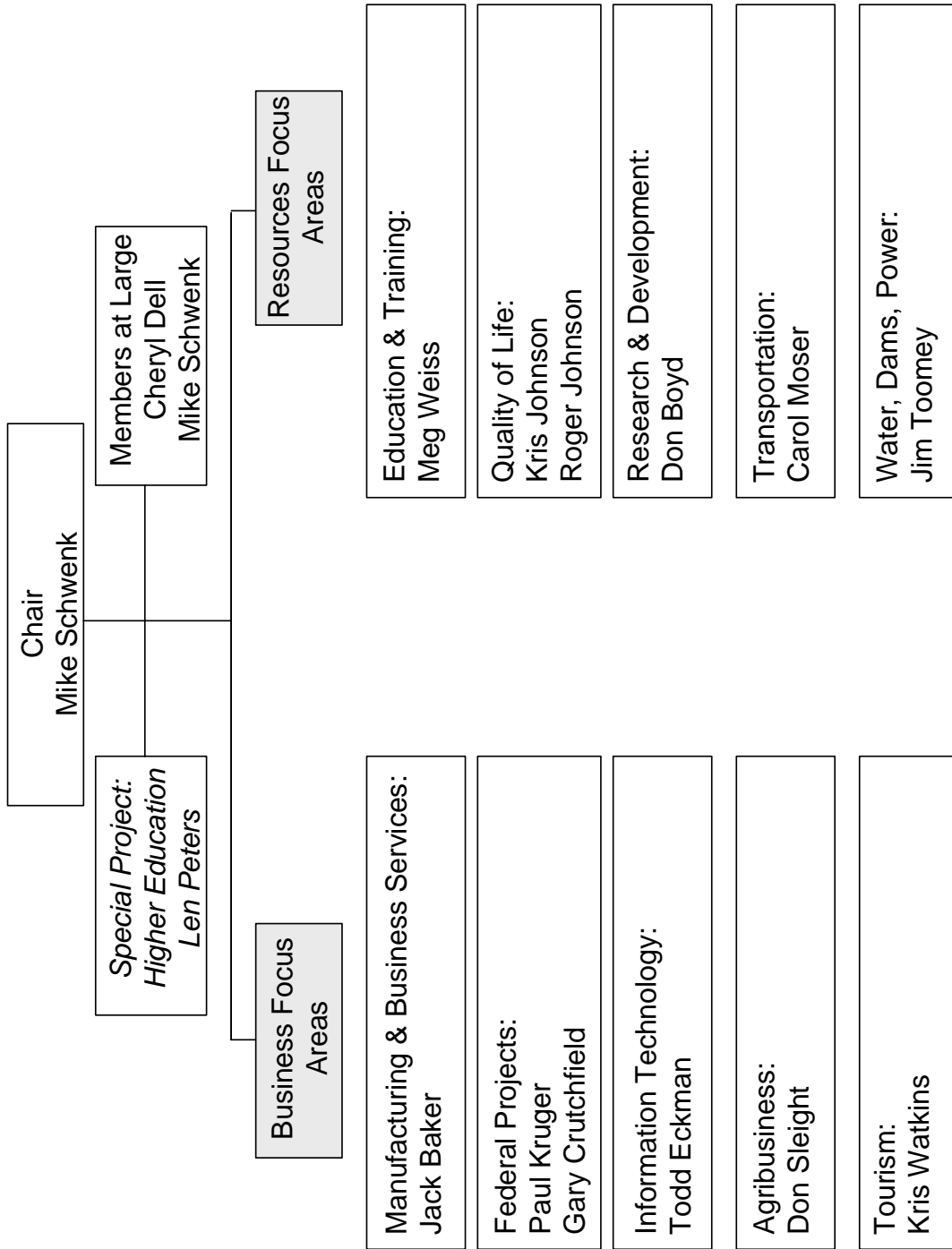


Figure 2. 2005 Champions and Community Roundtable

2004 CRT Focus Area Contacts

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CRT Focus Area Visions

Agribusiness: The Three Rivers region builds upon its history as the leading private sector industry to set a national example in new value-added agriculture processing, alternative and new crops, and alternative bio-source energy.

Federal Projects: The region is known as a place where solutions to the critical national problems of clean abundant energy, homeland security, and environmental management are solved.

Information Technology: A community with a growing and sustainable information technology industry that supports local and regional businesses.

Manufacturing and Business Services: The Three Rivers region enjoys a vital, high-value, technology-led export sector economy.

Tourism: The premier tourism and convention destination in eastern Washington.

Education and Training: A community system of learning and education that prepares students for fulfilling and productive lives, and significantly improves the region's quality of life and economy.

Quality of Life: A community enjoying a high quality of life for its diverse people:

- A variety of first-class **recreational** activities appealing to all ages.
- A **health care** system promoting healthy lifestyle and providing quality medical care for everyone.
- A sense of **security** prevailing in all neighborhoods/areas.
- **Social services** focusing on positive childhood experiences, prevention of social injustice, and serving the needs of the elderly.
- A community **education system** preparing students for productive lives and supporting life-long learning.
- **Art and entertainment** providing vibrant, frequent, and appealing leisure activity for our diverse people.

Research and Development: Regional R&D partnerships stimulate innovation, increase economic diversity, and improve the area's business infrastructure and quality of life.

Transportation: There is a progressive and efficient multi-modal transportation system that contributes to economic development and sustains a high quality of life.

Water, Dams, and Power: There are sufficient committed water resources to meet the economic and quality of life needs of the region.

Agribusiness

Vision for Agribusiness

The Three Rivers region builds upon its history as the leading private sector industry to set a national example in new value-added agricultural processing, alternative and new crops, and alternative bio-source energy.

10-Year Outcome and Goals:

- Maintain and enhance critical resources required by agriculture.
- Develop the region into the hub of the Washington State wine industry.
- Expand opportunity for value-added conversion of local agricultural production.
- Promote development of nontraditional or alternative uses for agricultural production.
- Develop a network of agriculture-related strategic business alliances.
- Enhance agriculture and food processing education and training.

Key Measures of Success over 10 Years

1. Complete significant new Yakima water storage.
2. Area recognized as a center for innovative agricultural technologies, which may include processing, irrigation, and utilization of by-products of agricultural production.
3. Hold a world-class event that promotes the agricultural production of our area.
4. The Tri-Cities will become known as a center for agricultural production, processing, and industry groups in the state of Washington.

Accomplishments during 2004

- The Third Annual Wine Expo was held in the Tri-Cities. The event continues to grow and gain popularity.
- TRIDEC was involved in discussions with the Washington Department of Ecology on meeting the water needs of the area and has been actively involved with the Columbia River Initiative.
- We are assisting the Visitor and Convention Bureau in attracting agricultural conferences and events to the Tri-Cities.
- We have worked to avoid having the Commute Trip Reduction law applied to Benton County and to prevent it from having a negative effect on rural food processors and agricultural producers.
- We hosted a potential new food processor to exploratory visits and discussions in the Tri-Cities.
- We have met with and discussed potential assistance for a group attempting to make Red Mountain a tourist destination emphasizing small wineries.
- We are continuing discussions with those promoting the construction of Black Rock Reservoir to evaluate its potential to grow the Tri-Cities' economy.

Federal Projects

Vision for Federal Projects

The region is known as a place where solutions to the critical national problems of clean energy, homeland security, and environmental management are solved.

10-Year Outcomes and Goals:

- Promote the future of PNNL and HAMMER.
- Encourage collaboration on clean energy pilots and demonstrations.
- Enhance the community small business base.
- Continue support for the Hanford Reach National Monument and a B-Reactor Museum.

Key Measures of Success Over 10 Years:

1. PNNL and HAMMER will continue to be a growing part of the economic base of the community with specific growth targeted in the areas of homeland security, energy, and fundamental science. HAMMER will continue to grow as a national asset focused on providing national and homeland security training for personnel working in law enforcement, the military, and national energy infrastructure.
2. PNNL will continue to work with DOE and industry clients to explore how to use resources in the most efficient and environmentally acceptable manner possible. At the same time, PNNL will focus on bridging the gap between today's energy systems and tomorrow's hydrogen economy. PNNL researchers will concentrate on new methods for controlling and protecting the national energy grid, future generation sources that transition into the use of hydrogen, solid oxide fuels cells, and the broad and safe use of hydrogen.
3. Energy Northwest (ENW) will work to increase the use of existing secure, affordable clean energy sources, such as wind energy, biomass, and hydrogen.
4. The DOE Richland Operations Office (DOE-RL) will set aside an increasing amount of the Environmental Management cleanup dollars for small businesses with a goal of having \$100 million in small business contracts in place by FY 2007.
5. Although not able to contribute direct funding to the Hanford Reach National Monument and the B-Reactor Museum initiative, the DOE, in concert with Three Rivers' communities, will provide appropriate support to the U.S. Fish and Wildlife Service (FWS) and the National Park Service in their work toward development of a fully functional Hanford Reach National Monument and B-Reactor Museum.

Accomplishments During 2004:

- PNNL selected to deploy radiation portal monitors to U.S. and international ports.
- PNNL leading radiological/nuclear countermeasures portfolio for Department of Homeland Security Science & Technology.
- PNNL selected to lead and manage the National Visualization and Analytics Center for DHS S&T.
- PNNL partnering with Lawrence Livermore National Laboratory on Threat Vulnerability Testing and Assessment portfolio.
- PNNL to lead two DHS S&T Regional Technology Integration Initiatives (RTII) Assessments.

- Successfully commercialized four PNNL technologies (MMW Holographic Imaging; Acoustic Inspection Device; Mozart – a software tool for performing web-assessments; and, Systems Administrator Simulation Trainer - SAST).
- PNNL and HAMMER are collaborating on establishing the National Hydrogen Safety Training Center for the DOE Office of Energy Efficiency and Renewable Energy.
- HAMMER completed development of the Emergency Support Function training course to support DOE responders deployed to national emergencies.
- HAMMER and DOE staff deployed to support DOE during the 2004 Hurricane Season as part of the National Response Plan.
- HAMMER continued to support the security training conducted by PNNL including (1) Second Line of Defense training primarily for U.S. Customers and Border Protection Officers and secondly for personnel from international countries, (2) Mega Port training for foreign seaport customs inspection personnel, and (3) Radacad training for customs officials and border guards from the former Soviet Union for the detection of all aspects of weapons of mass destruction
- Efforts to leverage the capabilities of HAMMER, PNNL, and Washington State University in areas of homeland security led to a number of notable developments with the Northwest Coalition for a Safer America, including (1) workshop on food/agriculture/water and (2) workshop on energy.
- ENW continues to explore potential wind sites in the northwest and is currently working with other business partners to bring additional wind generation.
- ENW is currently working with a local private contractor to determine the feasibility of commercializing electrical generation from a biomass project.
- ENW continues to perform business case analysis for the marketing and development of thermal generating resources in the Pacific Northwest.
- DOE-RL set aside and awarded the Decommission & Demolition of Fast Flux Test Facility to a small business, the largest small business set-aside in DOE's history.
- The River Corridor RFP requires that 30% of the contract work scope be sub-contracted to small businesses.
- Work has continued on the FWS Comprehensive Conservation Plan (CCP) and the Environmental Impact Statement (EIS) for the HRNM toward a release date for public comment in spring 2005.
- Hanford Reach National Monument Heritage and Visitor Center picks up momentum with PFD, FWS, ESTF, TCVCB, WDOP, Friends of the Hanford Reach, and numerous city, county, and tribal governments from throughout the region. Columbia Point south has been secured, site work has begun, and the nationally renowned firm of Jones and Jones and Hilferty Associates have been retained to finalize the design of the building and exhibits.
- The Hanford Reach National Monument received new entrance signs and information kiosks will be installed to direct the visiting public. A beautiful interim information brochure was created and disseminated to local elected officials and then the greater public.
- Congressman Hastings and Senator Cantwell introduced legislation to direct the National Park Service to study the feasibility of turning the B-Reactor into a museum.

Information Technology

The following reports reflect the progress made by the TRIDEC IT Taskforce and its committees in 2004 and include future plans and goals. The IT Taskforce has been very active in promoting growth and development of both IT industry and infrastructure for the benefit of local and regional businesses. Additionally, we continue to work with other community groups to better understand their challenges as they pertain to IT and educate them on progress being made.

Vision for Information Technology Taskforce

A community with a growing and sustainable IT industry that supports local and regional businesses.

10-Year Outcomes and Goals:

- A diverse group of carriers offering a robust communications infrastructure that provides low-cost, universal, high-speed access to and within the southeastern Washington region.
- Improved "last-mile" connectivity and increased available bandwidth built around one or more "meet-me-facilities" in the region.
- Regional internet traffic exchange operational for peering between local service providers in order to keep local traffic local and improve regional business-to-business and home-to-business connectivity to support virtual industry networks and enhance work-from-home capabilities.
- Tri-Cities point-of-presence established for a nationally recognized leading-edge research and education network to attract high-tech companies to the region and support growth in programs at WSUTC and CBC.

Key Measures of Success Over 10 Years:

1. Development of IT infrastructure in the region to support requirements for both existing and new business growth.
2. Growth in the IT-based industry over the 10-year period.

IT Taskforce Accomplishments During 2004:

- Support Bandwidth, Equity Capital, Marketing, and Education Committees
- Support small/large businesses in the region with their IT infrastructure needs
- Support to secure additional \$250,000 in federal funding for SWIFT Cyber Corp
- Support to obtain DOE resources for connectivity from City of Richland to APEL facility
- Held IT Taskforce summer planning/update meeting supported by subcommittee chairs and members
- Supported TRIDEC in marketing efforts for potential employers for region
- Supported SWIFT fiber build from Pasco to Richland

Bandwidth Committee Accomplishments During 2004:

- Held monthly planning meeting supported by technical specialists from Benton PUD, City of Richland, Educational Service District #123, Energy Northwest, Franklin PUD, Lockheed Martin, and PNNL
- Supported Design completion for SWIFT fiber build between west Pasco and downtown Richland
 - Fiber construction contract award pending environmental review
 - City of Richland has agreed to accept and maintain fiber
- Developed presentation to DOE to obtain access to DOE-owned fiber to complete the path between APEL and Franklin PUD CoLo facility
- Supported implementation of broadband Internet, wireless, and voice-over-IP for Three Rivers Convention Center
- Supported continued expansion of local infrastructure by broadband service providers:
 - Benton PUD completed backbone fiber ring and extended to Vista Substation, and established fixed wireless service
 - Energy Northwest installed fiber from APEL to National Utility Training Services (NUTS) facility at HAMMER
 - Franklin PUD completed fiber network development (50 fiber route miles total) including extension to Port of Pasco and new Industrial Park area, and established open-access Wi-Fi with service areas, including TRAC and CBC
 - PocketiNet expanded wireless service to West Richland, Benton City, Prosser, and Grandview and upgraded a portion of microwave backbone to DS3 (45 Mbps)
- PNNL obtained a commitment for a point-of-presence in Seattle for DOE's next-generation research network, UltraScience Net
- PNNL is funding the connection between the Laboratory and the UltraScience Net point-of-presence in Seattle.

Bandwidth Committee Plans for 2005:

- Implementation of fiber optic connection between APEL and Franklin/Benton PUD Co-Lo facilities to enhance local network connectivity
- Establish network peering between TRLINX and Seattle Internet Exchange (SIX) to facilitate exchange of Internet traffic for Tri-Cities ISPs
- Support the establishment of a connection to next-generation DOE research network, UltraScience Net.

Marketing Committee Accomplishments:

- Increased the number of direct contacts with business leaders or upper management of successful, growing companies, and intermediaries assisting these firms in sighting new facilities
- Improved the probability of identifying expansion and relocation candidates by refining databases, narrowing target industry focus, and expanding direct marketing and sales activities.

- As part of the 5-year marketing goals:
 - Define and develop success metrics
 - Within the IT cluster, identify new innovations and expected stability/decline/increase in employment, number of companies, and sales
- Market IT capabilities in support of other community organizations, including:
 - Medical Taskforce
 - Visitors and Convention Bureau
 - Community Roundtable
 - Other organizations as identified

Manufacturing and Business Services

Vision for Manufacturing and Business Services

The Three Rivers region enjoys a vital, high-value, technology-led export sector economy.

10-Year Outcomes and Goals:

- Increase percentage of Three Rivers regional workforce involved in manufacturing and business services to equal or greater than Washington State average.
- Provide a business climate that encourages job creation.
- Improve cooperation, coordination, and delivery of services from local economic development agencies.

Key Measures of Success Over 10 years:

1. Three Rivers percentage of workforce in manufacturing and business exceeds state average.
2. The Tri-Cities area business climate is ranked among the best in the Pacific Northwest and the nation.
3. Local economic development efforts are considered model programs in the state, region, and nation.

Accomplishments During 2004:

- Traditional economic development concentrates on three areas: business attraction and industrial recruitment, business retention and expansion, and nurturing start-ups and entrepreneurs. These functional areas are analogous to the structure of a three-legged stool. If properly used and sufficiently strong, a three-legged stool will bear a great deal of weight. The secret of its strength lies in the weight being equally distributed upon each leg. The entire stool is useless if one leg is weak or taken away.
- The Tri-City Industrial Development Council (TRIDEC) and partners are organized and balanced, much like the three-legged stool, in the delivery of economic development services. During 2004, significant contributions were made to increased economic activity throughout Benton and Franklin Counties.
- Indications of a strong, vibrant economy include job growth, low unemployment, increased personal income levels, and investment in the community from private and public sources.
- According to U.S. Census Bureau estimates, Franklin County is the fastest growing county in the state with a six percent growth in population in 2003 and nearly fourteen percent since 2000. Benton County grew by four percent in 2003 and eight percent since 2000. In November 2004 there were over 2,800 more jobs in the two-county Metropolitan Area than in 2003. The average sales price for a home in the Tri-Cities increased by twenty four percent between 2000 and 2003 and single-family home construction nearly doubled.
- Between the years 1994 and 2004, Washington State lost more than 48,000 manufacturing jobs, or 15.5% of all jobs in manufacturing and added more than 404,000 jobs in the services area, an increase of 21.2%. During the same period, the Tri-City MSA lost 9.8% of the jobs in manufacturing and grew the service sector by 31.5%.

- The above figures indicate that the area-wide approach to economic development continues to be a sound strategy. Not only because it is more efficient and cost-effective, but also because, as a “single entity,” the Tri-Cities region holds more attraction than do individual jurisdictions.

PROGRAM HIGHLIGHTS

Business Attraction and Industrial Recruitment

- The Commerce and Industry Division of TRIDEC handled 3,394 requests for information on Benton and Franklin Counties in 2004. A total of 53 proposals were written in response to specific requests, resulting in 50 site location projects and 37 client visits. More than 6,800 pieces of direct mail were sent to company leaders in target industries, each mailing being followed by telephone contact.
- Trade shows and conferences are an effective and efficient method for contacting large numbers of companies in the same industry. TRIDEC participated in shows targeting advanced materials, plastics, microelectronics, industrial automation, information technology, biotechnology, food processing and packaging, medical and electronics packaging, and technology transfer. Staff participated in six conferences for corporate facilities management executives, site location consultants, and real estate professionals representing industrial clients.
- Viands Concerted of Columbus, Ohio, demonstrated their new potato and vegetable processing technology during three sessions with about 75 participants over three days. The process promises to deliver everything from potatoes, corn, squash, eggplant, pepper, zucchini, etc. to the table as the next best thing to getting vegetables fresh off the truck. The company announced an interest in opening a Pasco plant, with 150 new jobs and new demand for Mid-Columbia potatoes.
- Staff is participating in the effort to develop Red Mountain, the premier Washington viticultural area, located on a 4,000-acre southwest slope at the east end of the Yakima Valley near Benton City. Red Mountain presents a unique opportunity for developing Washington’s wine industry. Initial planning has identified a potential for 30 to 40 small wineries and several dozen support activities and services.
- Published new Tri-Cities Fact Sheet for use in recruitment packages.
- Oilind Safety, supplier of safety services and safety equipment, established operations in Port of Benton space in North Richland. The client was very pleased with TRIDEC’s efforts and hailed POB for a job well and professionally done.
- Staff and Lockheed Martin programmers redesigned the TRIDEC web site. The objective was to update information and better reflect TRIDEC capabilities in business recruitment, retention and assistance while downplaying TRIDEC’s membership and internal organization structure.
- TRIDEC completed a critical third-party review of existing targeted sectors and investigation of new areas offering the greatest opportunity for business recruitment. Biotechnology, R&D, and Electronics were selected for special emphasis, while Information Technology and Medical/Dental/Lab Products will receive less emphasis in the marketing communications effort. Administrative offices and warehouse and distribution opportunities are also still on the target industry list.
- In December, *Expansion Management*, a monthly business magazine for executives of companies actively looking for a place to expand or relocate their facilities within the next

one to three years, ranked the Richland-Kennewick-Pasco MSA 37th on their list of “America’s 50 Hottest Cities.” The significance of this accomplishment cannot be over emphasized. Unlike other rankings based upon hard economic and demographic data, the Hot Cities poll measured the perceptions of more than 80 prominent site location consultants. This top-of-mind awareness of this region validates that the TRIDEC marketing strategy, communications channels, and message are on target.

Business Retention and Expansion (CARE Program)

- The CARE (Commercial Appreciation, Retention & Expansion) Program enjoyed great success in 2004:
- TRIDEC, the City of Richland, and the Richland Chamber of Commerce developed and implemented a survey of Richland retailers.
- TRIDEC and the Workforce Development Council presented two Lean Manufacturing Seminars attended by 48 local companies.
- TRIDEC, the Washington State Department of Agriculture, the Washington Wine Commission and the U.S. Department of Commerce presented the third annual Columbia River Wine Expo. Ninety-five foreign buyers and journalists as well as 72 wineries participated.
- TRIDEC and Washington Manufacturing Services presented the One Page Business Plan Executive Briefing. Thirteen people attended.
- TRIDEC and the U.S. Department of Commerce hosted a wine tasting videoconference between Gordon Brothers Cellars, Preston Premium Wines, Terra Blanca, and 18 wine buyers and journalists in Panama City, Panama. Also present in Panama was the U.S. Ambassador to Panama, the Honorable Linda E. Watt.
- TRIDEC and Washington Manufacturing Services provided Lean Transition Training to Progressive Machine, Inc.
- TRIDEC and Washington Manufacturing Services provided Enterprise Requirement Planning services to Stirling Technology, Inc. TRIDEC, Washington Manufacturing Services, and Columbia Basin College presented the second annual KeyBank SmartMAP Expo. Fifty organizations exhibited. Monarch Machinery was selected as the Manufacturer of the Year at the TRIDEC Manufacturing Appreciation Lunch.

Nurturing Start-Ups and Entrepreneurism

- Located in the TRIDEC office, the Columbia Basin College Small Business Development Center (SBDC) made significant contributions to the Tri-City region in developing new businesses, expanding existing businesses, and providing educational resources to local entrepreneurs. More than \$1,483,450 in business investments in the form of equity and loan capital was made by local business people. More importantly, over 51 jobs were created and/or saved through efforts of the SBDC.
- To generate these impacts, more than three hundred seventeen (317) individuals received personal counseling from the business development specialist. Over 1,177 hours of one-on-one counseling and assistance were provided to these local entrepreneurs. Further, the SBDC linked potential and local business people with additional resource persons, such as SCORE representatives, who provided more than 233 hours of assistance.
- In addition to its counseling activities, the SBDC provided 72 classes, which resulted in more than 218 hours of instruction to help 769 local business people expand their business skills.

Tourism

Vision for Tourism

The premier tourism and convention destination in Eastern Washington.

10-Year Outcomes and Goals:

- Develop a first-class regional convention center.
- Ensure long-term funding of tourism programs.
- Develop a visitor-friendly regional information & welcome center.
- Coordinate successful regional Lewis & Clark bicentennial commemoration (2003–2006).
- Develop/enhance river front to improve our community's quality of life and economic viability.
- Become the premier wine tourism destination in the northwest.
- Become the "Sports Mecca" of the northwest.
- Develop and maintain a positive quality-of-life image through trade/travel publicity and advertising.

Key Measures of Success Over 10 Years:

1. The Tri-Cities has become a premier sports and convention destination in the northwest with new facilities and continued growth in valley and off-season business.
2. The Tri-Cities is recognized throughout the northwest as a "river city" destination for water sports, trails, and shoreline businesses, activities, and events.
3. The Tri-Cities serves the needs of visitors and businesses in the region with a first-class information and visitor welcome center.
4. The Tri-Cities is recognized as a premier visitor destination on the National Lewis & Clark Trail.
5. Tourism funding is adequate and self-sustaining.

Accomplishments during 2004:

- Kennewick, in partnership with Benton County and Pasco, built and opened the 75,000-square-foot Three Rivers Convention Center. First-year bookings have exceeded initial sales projections. A Gala Opening was held for the community.
- Kennewick celebrated its 100th year with a series of centennial activities.
- Richland completed the construction of Lee Boulevard cruise boat dock access and secured commitment for 2004 portage by tour boat operators.
- Anthony's Home Port Restaurant opened at Columbia Point.
- Richland installed and opened the Sturgeon Cove playground in Howard Amon Park.
- The community rebuilt the Children's Playground of Dreams in Columbia Park.
- The National Tour Association convention was attended to investigate the potential for developing the group tour market.
- Jones & Jones began design work for Hanford Reach National Monument Heritage and Visitor Center; Reach Partners determined needs, logo, and facility name: The Reach; completed initial infrastructure and utilities.

- With construction completed, the 120-room Courtyard Suites by Marriott opened in Richland; construction was completed and the 120-room Hilton Garden Inn opened in Kennewick; construction continued on a 109-room Best Western Inn & Suites in Pasco; construction was completed and the 85-room AmeriSuites opened in Pasco; the Royal Hotel was re-branded to become the Clarion Hotel.
- Continued successful golf & wine package promotions with hotels, golf courses, and wineries.
- Pasco and Kennewick signed 50-year, non-standard leases with the U.S. Army Corps of Engineers and began lowering the levees between blue and cable bridges.
- Continued to provide administrative funding for support of The Confluence Project (Maya Lin artwork) at Sacajawea State Park; Richland began construction of the Lewis & Clark Interpretive Overlook above Bateman Island; partnered with *Tri-City Herald* to showcase weekly Lewis & Clark journal vignettes; held Lewis & Clark speaker series presentations.
- Secured National Park Service grant; and conducted successful, second annual Lewis & Clark Heritage Day, “Down the Great Columbia,” at Sacajawea State Park.
- Secured more than 280 positive articles and interviews in publications and broadcast stations worldwide reaching more than 20 million people with a positive message about the Tri-Cities’ quality of life and tourism programs: Including the September/October cover of Northwest Travel magazine.
- Held sixth annual Central Washington Sports Hall of Fame banquet and induction.
- Coordinated reception for Washington State Parks to solicit their partnership/support for a potential Washington Wine Interpretive Park and Hanford Reach “White bluffs” Theater.
- Coordinated FAM Tour for Washington State Tourism’s overseas contractors, Seattle Convention & Visitor Bureau, and Port of Seattle, to showcase the Tri-Cities attractions and begin co-operatively promoting Washington Wine Country as an international destination.
- Tagaris Winery began construction on new winery, tasting room and event facility in Richland; Terra Blanca began construction on new tasting room, barrel caves and event facility at Red Mountain.
- Coordinated FAM tour for New York-based food, wine & travel journalist Ronald Kapon.
- Secured local support and approval and implemented a Regional Tourism Promotion Area creating a new funding source for tourism programs.

Education and Training

Regional Educational Council

Workforce Development

Vision for Workforce Development

To work with a diverse set of community partners in building a workforce that sustains a high growth, high employment economy in Benton and Franklin Counties. Our mission is to provide employers with skilled, qualified workers and job seekers with career opportunities in Benton and Franklin counties.

10-Year Outcomes and Goals:

- To provide opportunities for training and education that meets the changing economic trends and the needs of individuals and businesses.
- To keep our youth in school and develop opportunities to expand the link between academic and work-based occupational learning.
- To focus awareness in our community that directs resources to support an integrated approach in the development of workforce issues, policies, and initiatives.
- To connect workforce training and education opportunities with economic development to promote economic development.

Key Measures of Success Over 10 Years:

1. Key training and education opportunities are developed and funded that are relevant to the changing economic trends.
2. Key partnerships are implemented with representatives of K-16 education institutions that lead to a well-trained workforce.
3. Area employers are receiving the appropriate and timely services by the WSCB Business Services Team that enable them to employ a skilled workforce.
4. Continued funding of WorkSource Columbia Basin (WSCB) so workforce development programs are customer friendly, broadly accessible, and fully committed to Continuous Quality Improvement.

Accomplishments During 2004:

- Directed \$525,000 towards direct client training and education in demand occupations.
- Obtained additional funding to increased educational capacity and efficiency for healthcare programs to gain qualifications for workers in healthcare occupations.
- Developed a healthcare worker pipeline targeting youth with diverse backgrounds in partnership with industry representatives.
- Continued partnerships with area school districts to provide workbased-learning opportunities to 274 area low-income youth to encourage them to stay in school or return to school.
- Funded local area manufacturing companies to provide “Lean Manufacturing” which increase employee involvement in higher production outputs.

- Expanded business partnerships with TRIDEC and the Three Rivers Chamber Alliance to implement the WorkKeys Assessment for job seekers to demonstrate their level of industry specific skills fro area employers.
- Saved \$2.8 million to the Unemployment Insurance Trust Fund by providing job referrals that returned unemployment claimants to work sooner.
- WorkSource Columbia Basin won five state and national awards for being the “Best One Stop” facility.

Regional Educational Council

K-12 Education, Mid-Columbia Education Alliance (MCEA)

Vision for Regional Educational Council

A nonprofit partnership supported by business, community, and educational leaders in the Mid-Columbia region, MCEA works to increase awareness and understanding of Washington's efforts to improve student learning.

Accomplishments During 2003-2004:

- MCEA sponsored a series of programs focusing on ***Washington State's New Graduation Requirements*** which will begin with the high school class of 2008. All events were free and open to the public.
 - November 2003, "Making the Diploma Meaningful" featured Brian Jeffries, Office of the Superintendent of Public Instruction.
 - April 14, 2004, a partnership with the Tri-City Area Chamber of Commerce attracted an audience of 200. Featured speaker was Dr. Terry Bergeson, State Superintendent of Public Instruction.
 - First roundtable discussion among business, local school district superintendents and Dr. Bergeson, State Superintendent of Public Instruction.
 - May 11, 2004, MCEA's Annual Recognition Breakfast honoring teachers and community leaders for their efforts to increase student achievement.
- MCEA made approximately 20 presentations on this topic at local service clubs and other organizations.
- Two articles related to this topic were solicited by MCEA and published in the Tri-City Herald.

Accomplishments During 2004-2005:

- MCEA is implementing a series of programs focusing on the ***High School and Beyond Plan***, one of Washington State's four new graduation requirements. These events are free and open to the public.
 - November 3, 2004, "Your Future By Design", features Joe Estey, founder of Prolepsis Training.
 - April 20, 2005, a partnership with the Tri-City Area Chamber of Commerce focusing on career efforts in public schools and the business community. A roundtable discussion among area school superintendents and business leaders will precede the program.
 - May 17, 2005, Annual Recognition Breakfast honoring teachers and community leaders for their efforts to increase student achievement.
- MCEA is scheduling approximately 20 presentations to local service clubs and other organizations on this topic.
- MCEA solicited an article "The Power of High School" that was published in the Tri-City Herald, November 2004.

Regional Educational Council

Early Childhood Development Education, Success By 6®

Vision for Regional Educational Council

“Bring our community together to identify and address the importance of early childhood learning for children ages 0-6.”

2005/2006 Goals:

- United Way Success By 6® will align with United Way of America’s national focus on early childhood learning and the National Ad Council to increase public awareness messages to our local communities.
- United Way Success By 6® will partner with local and state organizations to provide meeting and training rooms for parent and community training activities.

Accomplishments During 2004

- Increase public awareness about the importance of early childhood learning.
- United Way Success By 6® aligned with United Way of America to provide a public awareness ad campaign that focuses on early childhood learning to our local communities.
- United Way of America and the National Ad Council will provide PSA materials and a distribution kit to local United Way Success By 6 Initiatives.
- The National Ad Council messages will target parents and family caregivers with practical tips to help them use their limited time in a way that boosts quality learning.
- United Way Success By 6® expects to receive the National Ad Campaign materials in May 2005 and plans to implement its communication plan during the second quarter of 2005.
- Second Annual Mayor’s Summit Collaboration
- In collaboration with The Council for Children, Columbia Basin College’s Association of Students and ESD#123, United Way Success By 6 sponsored the second Mayor’s Summit event at the college.
- Over 200 community leaders and early childhood providers attended the event. Dr. Vincent J. Felitti, MD, Kaiser Permanente shared his insight and research about how early child neglect and physical abuse produce a lifelong effect in a person’s health and social behavior.

Applying Resources to the Community

- United Way Success By 6® provided its training center rooms free for parent and early childhood training for over 12 local organizations.

Quality of Life

Vision for Quality of Life:

A community enjoying a high quality of life for its diverse people.

10-Year Outcomes and Goals:

- Provide a variety of first-class recreational activities appealing to all ages
- Offer a health-care system promoting healthy lifestyle and providing quality medical care for everyone
- Have a prevailing sense of security in all area neighborhoods
- Offer social services focusing on positive childhood experiences, prevention of social injustice, and serving the needs of the elderly
- Provide a community education system preparing students for productive lives and supporting life-long learning
- Offer arts and entertainment providing vibrant, frequent, and appealing leisure activity for our diverse people

Key Measures of Success Over 10 Years:

1. Development of a first class indoor aquatic center for competitive recreation and local us
2. The community, health care providers, governmental and social service agencies working together to provide a comprehensive and complementary health delivery system for all area residents, young and old, rich and poor, insured and uninsured.
3. The three area hospitals (Kadlec, Kennewick, and Lourdes) share a common vision for patient care
4. Success with theatre and galleries puts the local Arts and Entertainment District “on the map”

Accomplishments During 2004:

- Regional Veterans memorial is completed. The rebuild of the Playground of Dreams, better known as the “Phoenix Project” was completed
- Region celebrates anniversary of the Lewis & Clark expedition.
- Benton Franklin United Way nears completion of its 2004 drive with a campaign goal of over \$4.0 million.
- The Three-River Convention Center opened in June, surpassing all projections and has taken over the management of the Three Rivers Coliseum and the ice arena.
- Tourism industry continues to grow with the opening of the Courtyard by Marriott in Richland, the AmerSuites in Pasco, and the Hilton Garden Inn in Kennewick.
- Area hospitals continue to grow and expand with projects at Kadlec, Lourdes Medical Center and Kennewick General Hospital.

Research and Development

Vision for Research and Development

Regional R&D partnerships stimulate innovation, increase economic diversity, and improve the area's business infrastructure and quality of life.

10-Year Outcomes and Goals:

- Increase the R&D capacity of the Three Rivers region to grow and diversify the economy.
- Encourage entrepreneurship, new business creation, and sustained business success.
- Have an educational base in science and engineering that supports the needs of R&D and the new high-tech companies in the Three Rivers region.

Key Measures of Success Over 10 Years:

1. Increase in research expenditures from public and private sources.
2. Increase in public-private partnership investments in our intellectual infrastructure (e.g., facilities, equipment, faculty at universities) to enable first-rate R&D.
3. Increase in SBIR program and STTR awards and the number of local technology-based companies receiving equity investments.
4. Increase in patents generated and the number of technologies licensed by companies in the Three Rivers region.
5. An accredited research university in the Three Rivers region with Ph.D. programs in strategic science and engineering areas and a K-12 system that produces students who can enter and be productive in research institutions and high-tech businesses.

Accomplishments During 2004:

- The Three Rivers Technology Alliance meeting in April 2004 featured a panel discussion by local small business R&D companies to understand their needs and challenges. Their priorities included: improved opportunities to network, shared access to specialized providers, such as patent attorneys, export control specialists, and banks that understand risk in technology areas; and knowledge of local vendor services, access to technology talent at Hanford and PNNL (e.g., especially retirees), affordable access to information resources, e.g., CIC/WSU Library, and access to capital investors.
- The Three Rivers Technology Alliance also agreed to assist the City of Richland with implementing several technology-related actions in the city's Economic Development Strategic Plan.
- Through the support of Congressman Doc Hastings, Congress allocated \$200K to create a long-range conceptual plan and a marketing plan to accelerate development of the Richland Research District.
- At the Three Rivers Venture Group (recently renamed the Three Rivers Entrepreneur Network (TREN)) meeting on September 21, 2004, Patrick Smith gave a presentation on **"Searching for Sales: Selling Technology in Today's Environment"**. Other TREN meetings in 2004 covered the topics of partnering in the global marketplace, selling technology, branding, proposal writing, market research, and licensing intellectual property. Visual aids used in all of these presentations are accessible on the PNNL website.

- Working with the Washington Technology Center, WSU-TC, the Small Business Development Center, and PNNL, two seminars were offered to help entrepreneurs obtain capital. One seminar was called “SBIR 101” to help small companies succeed in the SBIR Program, and the other was the “Eye of the Investor” to help entrepreneurs seek equity capital.
- PNNL recently completed the 2004 Index of Innovation and Technology for the Tri-Cities (<http://www.pnl.gov/edo/documents/innovationtechindex2004.pdf>). The first report of its kind was issued in 2001. In the report, the Tri-Cities are evaluated in five areas: innovation, competitiveness, growth, financial capacity and quality of life. Highlights from the 2004 report include:
 - The per capita federal R&D spending in the Tri-Cities is ~15 times the U.S. average, up from ~11 times the U.S. average in the 2001 report.
 - Small Tri-Cities firms have been successful in attracting Small Business Innovation Research (SBIR) money, outperforming both the Pacific Northwest and the nation in terms of award dollar amounts per capita.
 - The Tri-Cities receives about three times as much money per capita from SBIR awards as Washington State and about three and a half times the amount of the nation.
 - Since the 2001 report, the Tri-Cities have tripled the amount of money it receives in SBIR awards.
 - In the 2001 report, a weakness of the Mid-Columbia was its minimal high-speed internet connections (low bandwidth capacity). Since then, the area has made some upgrades, but the bandwidth capacity still needs to increase. [we have sufficient bandwidth now, but insufficient local delivery capacity, i.e., the ability to reach everyone in all geographic areas -- the “last mile” issue.]
 - The Tri-Cities has maintained more than twice the number of scientists and engineers per capita than the state average -- and even 35 percent more than King County.
 - One thing that hasn't changed is the quality-of-life in the Tri-Cities. Residents still enjoy a sunny climate, a strong school system, high quality air and water, practically non-existent traffic congestion, short commutes and an abundance of outdoor recreation activities.
- The **Technology Business Directory**, a searchable database of technology-based businesses in Benton and Franklin Counties in Southeastern Washington State, has been prepared by the Economic Development Office at Pacific Northwest National Laboratory as a free service to the local business community (<http://www.pnl.gov/edo/tbd/tbd.aspx>). It contains a description of each business's products and services as well as publicly available contact information for each firm.

Transportation

Vision for Transportation

There is a progressive and efficient multi-modal transportation system that contributes to economic development and sustains a high quality of life.

10-Year Outcomes and Goals:

- Provide different modes of transportation that meet the needs of citizens, keep industry competitive, and promote sustainable economic growth.
- Provide a well-maintained, efficient passenger and freight transportation system; and one that facilitates emergency evacuations.
- Protect the region's natural assets and easily access major destination facilities.

Key Measures of Success Over 10 Years:

1. Complete 90% of jurisdictional projects in the Transportation Improvement Program (TIP).
2. Reduce accidents 5% in both rural and urban areas.
3. Increase transit ridership 25%.

Accomplishments During 2004:

- Progress continued on the multi-million dollar projects on SR 240, Richland to Columbia Center Boulevard (includes new 8-lane bridge) and US 12: Pasco to Wallula.
- Began the Columbia Center Boulevard railroad crossing project; it's scheduled to be completed by November 2005.
- Completed the annual Benton-Franklin-Walla Walla Transportation Improvement Program (TIP) for 2005-7. Includes all major local, regional, and state transportation improvements.
- Hosted the Regional Transportation Planning Organization meeting with 8th, 9th, and 16th legislative district Senators and Representatives to discuss 2005 session and transportation issues.
- Responded and promoted RTPO views on the (6-year) Federal Transportation Reauthorization Act. The Act is still pending in congress.
- Completed the Air Service improvements at Tri-Cities airport, including improved customer service, return of Delta mainline service (2-735s), and runway reconstruction.
- Ainsworth Ave. reconstruction in Pasco started in summer of 2004.
- Ground breaking and operation of the Vista District Transit Center (near convention center).
- Hosted 2004 State Good Roads convention in Kennewick.
- Completed Phase 1 of the SR 397/SR 82 Intertie Project near Finley. The section from I-82 to Olympia Street was opened to traffic in October.
- Hosted the Tri-Cities first Smart Growth/Livable Communities Forum with more than 150 people in attendance.
- Developed phased outline for the possible construction of an interchange at I-82 to serve the Red Mountain Area.
- Completed the Tri-Cities Urban Area Social and Economic Data Book (transportation and transit emphasis).

- Completed Phase I of the 20-Year Washington Transportation Plan (WTP). Included statewide Summit in Seattle. Inventory and choke-points will lead to project need in Phase II.
- Installed SR 240 sound wall Van Giesen to Swift.
- Completed the Keene Road extension and Bombing Range roundabout.
- Prosser's Wine Country Road/BNSF Freight Mobility Project 70% complete.

Water, Dams, and Power

Vision for Water, Dams, and Power

There are sufficient committed water resources to meet the economic and quality of life needs of the region.

10-Year Outcomes and Goals:

- Maintain regional price competitiveness for power resources.
- Ensure adequate water resources for agribusiness, industrial, community, and quality-of-life usages.
- Ensure management of regional water resources is based on sound science, is adequately founded, and balances a complete spectrum of federally authorized purposes.
- Continue pursuing one message from many voices for matters relating to preservation of a multi-purpose river system.
- Achieve success through educating people about the right things to do.

Key Measure of Success Over 10 Years:

To develop and sustain a process whereby the community can engage in issues and actions of significance and importance that affect the preservation of a multi-purpose river system.

Accomplishments During 2004:

- Facilitated forums with Washington State Department of Ecology for organizations actively participating in the Columbia River Regional Initiative (CRRRI) to communicate their activities and plans.
- Facilitated the communications on a variety of court actions involving water usage, the biological opinion, and dredging.
- Obtained the participation of the U.S. Corps of Engineers in detailed presentations on river operations, biology of the river, and tour of the Ice Harbor Dam turbine down for maintenance.
- Continued the education of group members on the ever-changing world of power rates.
- Provided key input to the Northwest Power Planning Council regarding proposed amendments to fish and wildlife plans.
- Continued the ongoing Speakers Bureau to broaden the available information and understanding of local water-user interests about the complexity and diversity of managing a multi-purpose river system.