

THURSTON **STRONG**

ECONOMIC RECOVERY + RESET PLAN

MARCH 2021



INTRODUCTION

Beginning late March 2020, in response to the COVID-19 pandemic and stay-home/stay-safe order, Thurston municipalities, community and business support organizations created a Regional Response and Recovery Task Force (Task Force) to facilitate the delivery of information and support to impacted employers and workers. The Task Force is essentially a reconstitution of the leadership team responsible for developing the Thurston Economic Alliance (TEA) plan several years prior.

Beyond developing information-sharing networks, creating and distributing economic injury grants and monitoring impact data, the Task Force understood began planning for new economic realities – hence the adoption of a **Respond-Recover-Reset** approach. Chief among **reset** goals is creating a more equitable economy, with pathways to sustained success for diverse populations. In some cases, this will require fundamental structural changes. The pandemic has exposed other systemic challenges as well, from the tenuous condition of our childcare system and resulting impacts to labor force capacity – especially for women and low-income workers, to the lack of local middle-wage employment opportunities and affordable worker housing. Addressing these challenges will take intentional and sustained action over many years. But the work must begin now. This document outlines initial strategies Task Force partners will undertake in coming months to initiate the larger reset.

Thurston Strong Task Force Role

During Response: Connect business and impacted workers with information and resources; facilitate communications across jurisdictions until such time as the vaccine has reached critical mass and reduced the virus threat.

During Recovery and Reset: Continue to liaise in Thurston Strong and eventually in Economic Alliance practitioner form to ensure resources are delivered to impacted businesses and organizations, establish accountability for advancing the Economic Recovery and Reset Plan and implemented Task Force specific actions (e.g., CEDS, Economic Development District formation, etc.).

**Decision-making* will continue to be through consensus in consultation with each entity's Council, Commission or Board. Agenda topics will be limited to those items that transcend jurisdictional boundaries and encompass larger regional goals and opportunities.

Task Force Core Team members include:



I. RESPOND: LEVERAGING PARTNERSHIPS

To facilitate communication and action, Thurston Strong established a *core team* comprised of representative from diverse community sectors. The core team, in turn, coordinated with other municipalities, area Tribes and community organizations. Core team acts to streamline information-sharing, acquire and distribute funding and alert the community when new resources are made available. By the end of December 2020, the Task Force had met for a total of “Fifty Fridays.” Over that period, the Task Force secured and distributed over \$12 million in grant funds to local businesses, nonprofits and other local entities and individuals impacted by the COVID pandemic.

Thurston Strong will remain in place through 2021, at which time economic development cooperation will return to being carried out under the auspices of the Thurston Economic Alliance and/or the regional Economic Development District. Thurston Strong will be put into “hibernation” mode until or unless another outsized challenge requires a more intense response.

Core Team Partners

- Thurston Economic Development Council
- Thurston Chamber of Commerce
- Experience Olympia and Beyond
- Community Foundation South Puget Sound
- PacMtn Workforce Development Council
- City of Lacey
- City of Olympia
- City of Tumwater
- Thurston County
- Port of Olympia
- J Robertson and Company (Coordinator)
- South Puget Sound Community College



II. RECOVER: STABILIZATION + TRACTION

For the better part of the past year, the Task Force has been primarily focused on **response** activities. This has included locating and tracking impact data, identifying and triaging the most acute economic damage, establishing communication portals and delivering resources to those most affected. Major Task Force resiliency-building efforts are summarized by issue area in the table below.

ISSUE	CHALLENGE	RESPONSE
Information	From the beginning, the pandemic and ensuing stay home/stay safe order created uncertainty. How long would this last? Where might businesses turn to replace lost revenue? What resources are available to support displaced workers?	<p>Almost immediately after the pandemic was declared, the Task Force created two information portals: a 1-800 Business Hotline and thurstonstrong.org. Over 10,000 calls were fielded through the hotline and the website has hosted nearly 15,000 individual users and over 40,000 page views. Both portals connected users to a variety of resources – from PPP loans to unemployment benefits and a variety of business grants.</p> <p>In addition, the Task Force partnered with other community organizations to ensure broad coverage and inclusion – e.g., West Olympia Business Association, Lacey South Sound Chamber and Tumwater Chamber all participated in PPE distribution.</p>
Revenue Collapse	Many businesses have been devastated by recent events, as some have been unable to operate at all, and others at much-reduced capacity. As the pandemic wore on, it became apparent that many would not survive without additional bridge support.	With support from Thurston County and local municipalities, the Task Force leveraged CARES Act and local funding to stand-up multiple business grants. The goal: build a bridge until a new stimulus is passed or conditions return to normal. Grants were targeted to the most impacted including nonprofits, microbusinesses, restaurants, retailers, food network and others. From July-December 2020, over \$6M was distributed to businesses (not counting childcare operators), including intentional allocations for women and minority owned enterprise. The Task Force also facilitated access to other resources, including Working Washington grants and federal PPP loans. Over 2,700 small businesses secured PPP loans totaling just over \$100 million (average loan of \$37,000) which, in turn, is estimated to have protected some 11,700 jobs.
Childcare	Most childcare providers struggled prior to COVID. By summer, 40% statewide ceased to operate all-together. Those who remain open do so out of obligation to frontline workers. Fewer students, lower provider per child ratios and increasing expenses associated with health and cleaning requirements = care providers are at extreme risk.	A destabilized and diminished childcare system presents a challenge for the broader community. As parents return to work, a variety of care options and price-levels will be required, as will assurance that those options are safe. To help bridge the COVID gap, the Task Force has allocated \$3 Million in provider grants and training. The Task Force (Thurston EDC lead) also secured a State grant to develop training that will teach childcare operators and their employees how to transition business ownership and/or start-up and operate new ventures.

ISSUE	CHALLENGE	RESPONSE
PPE Access	In the early days of phased business re-opening, personal protective equipment was difficult to locate. For many businesses, masks and hand sanitizer were essential to providing a safe operating environment for workers and patrons alike.	Thurston Strong partnered with local vendors to secure \$70,000 worth of PPE, including more than 100,000 disposable masks and over 1,000 gallons of hand sanitizer. Supplies were distributed to businesses, non-profits and other public-facing institutions countywide. As a secondary positive impact, with help from the EDC/PTAC, all PPE purchases were made locally, thus keeping investor dollars in Thurston County and benefitting local vendors (including local distilleries that switched from liquor to sanitizer production).
Equity	COVID impacts have disproportionately affected specific populations: namely, low-wage workers and minority populations.	The Task Force is developing strategies to rebuild a more inclusive economy rather than a “return to normal.” This includes informing the public, private sector, government, and philanthropists on the value of creating higher-quality and racially inclusive businesses and policy that reflects better than normal. Identify and hold ourselves accountable to equity metrics in our benchmarks. Build “Equity Fluent” Leaders.
Business Adaptation	Many businesses, particularly those with a brick and mortar presence, cannot functionally operate in a social distancing environment. Without an alternative way of doing business and generating revenue, many of our small community businesses face significant decline or even permanent closure.	The Task Force has allocated more than \$400,000 for businesses resiliency training. Through prepaid services, businesses are working with technical specialists to create a web presence, improve social media marketing, build diverse audiences, enhance cashflow planning and more. In addition to helping local businesses pivot to new markets and business models, technical services were purchased from local vendors to increase capture of federal grant dollars.
Phased Reopening	The Governor’s phased reopening plan created different rules for different business sectors and other public-facing institutions. For many businesses already focused on addressing revenue and operating challenges, sifting through and making sense of this information felt like another barrier to standing-up or resetting their enterprises.	In partnership with the Thurston Chamber, the Task Force assembled and distilled reopening information into industry-specific fact sheets and posted the information as separate links for easy access. The Chamber continues to update reopening and operating info as conditions, and rules, evolve. The Chamber and EDC also created a “Declassified” webinar series. Topics covered health precautions, reopening advice, and a variety of other topics – all distilled to help businesses and workers figure out how to adapt and operate in the new normal.
Economic Reset	The pandemic created a great deal of uncertainty, not only for the near-term, but for long-term economic conditions. Many actors are playing a role in shaping what comes next. How can people keep up with evolving conditions, challenges and opportunities? How can we be better prepared to “act” when critical moments arrive?	The Task Force has been hosting a wide variety of special presentations and will continue to so over coming months. Topics have covered: state and federal initiatives and funding stimuli; steps for rebuilding a more inclusive economy; how to help stabilize the childcare system; accelerating distribution of the COVID vaccine by promoting availability and access; preparing for a telecommute-heavy workplace; and more. Many of the near-term strategies outline below are informed by the information shared during these sessions and follow-up research.

RESET: SETTING THE STAGE FOR SHARED AND SUSTAINED PROSPERITY

The Thurston County economic **reset** will require a mix of immediate and long-term actions. The table beginning on the following page outlines some of the finite first-step actions to be taken over the next two years. Many of these initiatives will be, by necessity, adapted, extended and incorporated into a future Thurston Economic Alliance (TEA) Plan update. Others represent one-time, immediate action need.

For orientation purposes, the Resiliency Plan action matrix is organized into three distinct but overlapping focus areas. Focus areas and corresponding outcome goals include:

Inclusive Economy

- Creating economic opportunity for all, inclusive of all socioeconomic tapestries, genders, races and geographies

Economic Resiliency

- Ensuring existing and future businesses and employers are better-prepared for future crises, and have access to resources that help

Economic Expansion

- Leveraging information and partners to grow economic opportunity the community supports and also provides living-wage employment



III. NEAR-TERM RESPONSE + RESET STRATEGIES (24-MONTH PLAN)

The Task Force anticipates moving forward the following targeted set of actions over the next two years. Similar to the existing Economic Alliance Plan, the Thurston Economic Development Council (EDC) will serve as primary administrative agent. Individual actions will be led by one or more community partner. Over time, other partners may join in action implementation and/or assume lead responsibility for an action as conditions and resources evolve.

*Actions in light blue shading will be expedited to help kickstart economic recovery for businesses and workers.

FOCUS AREA: INCLUSIVE ECONOMY				
INITIATIVE	WHY IT MATTERS	EXPECTATIONS	LEAD	SUPPORT
1. Establish and invest in childcare as a critical economic development strategy, including better training for childcare business operations	Our workforce can't achieve full potential without stable childcare; daycare workers are predominately women, minority and underpaid; operators might better-succeed with formal business training	Progress toward expansion, diversity of options, better operating margins and pay; increased participation in business operations training	CCAC; PacMtn; Shared Leg Agenda; Cities	Thurston Chamber; et al
2. Create a minority business development advisory council and expand partnerships with minority business advocates	The first, most powerful step for building an inclusive economy is creating a seat at the table and voice in decision-making	Grow minority involvement in business creation, expansion	Thurston Chamber; EDC; PacMtn	Cities
3. Support development and operations at the proposed community cultural center	Minorities and food service workers have been disproportionately impacted by the pandemic	The Center will offer education and training; feed SPS culinary training program; facilitate emerging enterprise and collaboration	EDC; PacMtn, Enterprise; Cielo; SPSCC	Cities; Many Others
4. Increase awareness of and participation in Women's Business Center training programs	Our economy will be stronger when more women have opportunities to start, lead and grow businesses	Increase in women-owned enterprises; increase capital resources available to same	EDC; Cities	PacMtn; Thurston Chamber; et al
5. Pursue place-based economic development strategies that stimulate opportunity in vulnerable census districts	We can obtain census tract data showing concentrations of low-income, vulnerable populations in Lacey and Olympia. By focusing combined efforts (social, economic services), we may be able to stimulate opportunities in these areas.	Positive place-based income, educational attainment trends in target locations	Cities	EDC; OZI; Cielo; et al

INITIATIVE	WHY IT MATTERS	EXPECTATIONS	LEAD	SUPPORT
6. Research, adopt and promote data indicators and actions that track and facilitate inclusive economy goals (emphasis on reducing poverty per State “10-Year Plan to Dismantle Poverty”)	Recent events have sparked support for proactive action to foster equity – with an emphasis on accountability	Upward trends in adopted indicators; corresponding action to build upon progress – e.g., Equity, Diversity and Inclusion Business Toolkit; Increased literacy training/access to tech tools	PacMtn, Thurston Chamber; Thurston EDC; Cities	PacMtn; TRPC
7. Recruit or establish a local CDFI lender and increase access to start up and expansion capital for underfunded entrepreneurs	Affordable access to capital is a problem for many new and small businesses	Via CDFI or other alliance, expand access to capital for <i>small, women and minority-owned</i> establishments	Thurston EDC; Community Foundation	Thurston Chamber; Financial institutions
8. Resume the Education to Financial Stability Task Force	Depending on school district, between 30%-60% of Thurston County high school graduates do not pursue any kind of advanced training or certification, let alone a college degree. This leads to suppressed lifetime earnings and makes the cycle of poverty harder to break.	Task Force identified barriers, was working on solutions when COVID hit – planning should resume so solutions can be defined, resources aligned; emphasis on FAFSA completion prior to HS graduation, marketing of living wage credentials	United Way; SPSCC	EFSTF partners
9. Facilitate career pathway opportunities through partnerships with SPSCC, The Community Foundation and other workforce nonprofits	Sometimes people don’t know where to begin a career journey. This impacts them personally as well as the depth of our available, qualified community workforce.	More students completing career-aligned training, certs, degrees; more securing above min-wage employment	PacMtn; Schools; SMU; TESC; SPSCC	EDC; Community Foundation; Nonprofits

FOCUS AREA: ECONOMIC RESILIENCY

INITIATIVE	WHY IT MATTERS	EXPECTATIONS	LEAD	SUPPORT
10. Continue seeking and reinvesting state and federal economic recovery funding	The impact of COVID will extend beyond the arrival of a vaccine. It's important to sustain or replace revenue to keep our communities whole. It's also important to advocate for and facilitate access to rent supports and other funding to prevent exacerbation of homelessness.	Reduce business closures; increase taxable sales; stabilize and grow employment over time	Task Force	EDC; County; Cities
11. Develop and implement Lifestyle-Entertainment-Recreation Sector recovery strategies	These sectors were hit hardest during the pandemic, suffering unimaginable job and revenue loss. Public safety fears may prolong recovery for months to come.	Creative support to restore jobs and revenues quickly; increase promotion of related business and destinations	VCB; EDC; Thurston Chamber; Cities	Area Chambers; PacMtn
12. Work with federal and state partners to leverage resources and establish an employment-stabilizing Job Corps program	As benefits dwindle, many may be unable to return to prior jobs. Yet, much remains to be done in nonprofit and public sectors where revenue is stretched thin.	Funding to support temporary jobs, retrain workers; community service projects; prep programs to elevate affected youth/prevent poverty	PacMtn; Thurston Chamber; Cities	Nonprofit partners
13. Provide dedicated regional funding to support SCALE-UP, succession planning and other essential small business training including virtual tools to adapt to a changing landscape	Many businesses succumbed to COVID. Those with training had higher survival rate. Others go away when owner retires, leaving employees out of work and a hole in the community. Succession planning retains enterprises, jobs and revenue.	Growth in SCALE-UP participants (cashflow management, web-based presence, social media marketing, etc.); Steady business retention and growth; employee ownership opportunities	EDC; County; Cities; PacMtn	State
14. Facilitate and strengthen farm connections with local institutions (schools, hospitals, state cafeterias, JBLM, corrections facilities, restaurants and other nearby purchasers)	We must protect ag in prosperous times so it can serve us during difficult times (e.g., avoid food shortages, loss of ag lands, etc.).	Increase local purchasing well-beyond the current 1-2%	WSU; EDC, County	Enterprise for Equity
15. Track, evaluate and facilitate development of emerging markets	The business landscape won't look the same after COVID. More people working from home, more goods shipped than purchased via retail. What new types of work and employment will emerge here?	Stable employment rate; new business starts	EDC; County; Cities	
16. Enhance non-infrastructure economic emergency preparedness	Our communities were not fully prepared for an economic event of this magnitude. The confusion compounded the impact.	More response mechanisms in place; reserve emergency grant and loan funds; comms infrastructure	County; EDC	Task Force; State; Federal Government

FOCUS AREA: ECONOMIC EXPANSION

INITIATIVE	WHY IT MATTERS	EXPECTATIONS	LEAD	SUPPORT
17. Complete the regional CEDS plan and establish a federally-recognized Economic Development District	Without an approved CEDS, Thurston County and surrounding region are missing out on federal grant opportunities	EDA recognition; aggressive grant funding pursuit to accelerate regional priorities	EDC; Task Force	Cities; County
18. Invest in a flexible countywide business recruitment and expansion fund to provide bridge financing for projects that create middle and high-wage jobs	Low tax incentive states face competitive disadvantages in recruitment/expansion. A local fund could provide an additional tool and flexibility for closing projects that expand employment and earnings locally.	Dedicated recruitment and expansion fund; articulated uses for funding; designated state recruitment assistance liaisons with accountability	EDC; County; Cities	State
19. Conduct targeted recruitment of high-wage employers and workers in search of affordable, less-dense space	Thurston seeing increased interest from employers in high-price/density locations. This presents opportunities to attract satellite campuses or workers and the attendant income and spending.	Recruitment outreach plan; success story promotion (potential use of recruitment / expansion fund)	County; Cities	State; Task Force; PacMtn
20. Grow existing microbusiness startup funds (e.g., Think Network, SPSCC)	Forecasters see surge in entrepreneurship during and coming out of pandemic. Thurston should be poised to support and capitalize on this economic evolution.	Added grant funding for startups; increased access to training and capital; new business development	EDC; SPSCC; SMU; TESC	Cities; Lacey Makerspace
21. Enable access to value-added food processing/manufacturing capacity	Marketing local products that use local grown ingredients through expanded food manufacturing facilities = purchasing	At least 10 local entities purchased >15% of their ag-related needs from local vendors	WSU; EDC, County	
22. Be proactive in addressing workforce housing labor challenges	The shortage of affordable workforce housing has multiplying impacts. In addition to be causing a cost-burden for current workers, it serves as a barrier to recruiting or expanding our future workforce. Part of the problem: there aren't enough trained workers to meet building demand.	Explore viability of creating an integrated residential housing construction industry sector that increases the proportion of homebuilding executed by local labor, using locally-sourced materials.	EDC; PacMtn	SPSCC; Chamber

IV. OTHER ESSENTIAL RECOVERY INITIATIVES

In addition to the core actions above, Thurston Strong acknowledges many other actions are essential for an effective and equitable recovery. While many of the items will be implemented by and through other community partners, the Task Force will continue to support implementation and research as requested.

INITIATIVE	WHY IT MATTERS	EXPECTATIONS
<ul style="list-style-type: none"> Support and advocate efforts to develop sustainable solutions for the childcare crisis 	Funding models result in underpaid staff, high turnover, lack of affordable options for working families.	Legislation to subsidize childcare costs, reduce expenses
<ul style="list-style-type: none"> Advocate and facilitate access to behavioral health and homeless infrastructure (County, cities, other partners) 	Homelessness, other disparities have been exacerbated by pandemic. The impacts affect all of us directly or indirectly.	Leverage resources to expand shelters, services and long-term solutions
<ul style="list-style-type: none"> Research and implement best practices for highest-use adaptation of vacant office space (County, cities, other partners) 	After virus subsides, many may continue to work from home. What will become of office space once occupied?	Full utilization of office/commercial space for beneficial purposes
<ul style="list-style-type: none"> Complete and promote development of affordable housing along zero-fare transit corridors (Cities, State) 	We are experiencing an acute shortage of affordable workforce housing. Smaller (or larger subsidized) units along major transit lines offer one potential solution.	Increase number of units in urban corridors; increased transit usage; decreased auto-dependency
<ul style="list-style-type: none"> Create or expedite shovel-ready project inventories to capitalize on federal stimulus opportunities (County, cities) 	First stimulus emphasized worker relief, health measures, emergency business grants; Next round more expansive?	Local and prioritized regional inventories of shovel-ready projects
<ul style="list-style-type: none"> Expand broadband speeds and coverage to more parts of Thurston County (Port, County, other partners) 	Many residents, particularly in rural areas, are at risk of falling behind as more work is now being done from home.	Increasing coverage map; greater average data speeds
<ul style="list-style-type: none"> Advance young adult work-based learning placements (PacMtn) 	Many of our displaced workers are post-high school or early college (or non-degree) populations	Pull more into pathway opportunities; increase employment/wages over time
<ul style="list-style-type: none"> Accelerate economic recovery by expanding and promoting library system resources (Timberland Regional Library System) 	Libraries serve as regional workforce entry points, provide wi-fi and printing services, offer neighborhood kiosks, and will be adding after-hours and weekend access	Increase in system users, beneficiaries
<ul style="list-style-type: none"> Support and facilitate understanding and adoption of Thurston-relevant strategies from the Washington State Ten Year Plan to Dismantle Poverty (Cities, County, EDC) 	While approaches here are consistent with State Plan, this is an ongoing, adaptive effort requiring broad partnerships (law/justice, social service, workforce and education)	Provide an equitable playing field, seat at the table for diverse populations; address structural barriers to success
<ul style="list-style-type: none"> Support the Haki Collective to expand ag operator opportunities for diverse populations (WSU) 	Interest in agriculture entrepreneurial pathways is growing and diversifying	Expanded opportunity to diversify, grow local Ag presence and success
<ul style="list-style-type: none"> Expand food assistance funding to support SW WA Food Hub activities (WSU, EDC) 	Food Hub is delivering food boxes to dislocated workers and other food-insecure populations	As part of the reset, we need to build more resilient food-delivery systems

IMPLEMENTATION, ACCOUNTABILITY AND PROGRESS REPORTING

There remains uncertainty about the immediate future. The first COVID-19 vaccinations have just been shipped to the states. Some economists predict a best-case scenario, where a considerable measure of economic stability returns by summer 2021. Others forecast a longer, steeper return to normal, transcending 2021 and perhaps beyond. Whatever may be, the Thurston Strong Task Force and Thurston Economic Alliance (TEA) will continue to move forward with the *Economic Recovery and Reset Plan* and longer-term *Economic Alliance Strategic Plan*.

Implementation, Accountability and Progress Reporting Measures

The Thurston Strong Task Force and/or Economic Alliance Core Team, with coordination provided by the Thurston EDC, will:

- 1. Meet regularly to coordinate information-sharing and resource development and distribution**
 - a. Inform City and County elected officials of goals and opportunities to ensure coordination, identify barriers
 - b. Invite guest presentations as helpful to inform and evolve discussion and deliberation
- 2. Present and confirm adoption of proposed *Economic Recovery and Reset* actions with partner agency councils, commissions and boards**
 - a. Reassign or adjust actions as necessary
 - b. Extend outreach and awareness to other governmental, quasi-governmental and community interest organizations
- 3. Secure quarterly reports for *Economic Recovery and Reset* Plan actions from all partners**
 - a. Promote success stories through Thurston Strong and partner subscriber lists, media
 - b. Address barriers and resource issues at Task Force level, propose solutions
- 4. Update all existing metrics (revenue, income, sales tax, educational achievement, et al)**
 - a. Adopt and track new metrics that measure progress toward the goal of achieving a more inclusive economy
 - b. Adopt and track other metrics as helpful for achieving competitive advantage in a different or emerging economic landscape
- 5. Provide quarterly updates to the public on implementation progress through EDC Economic Insider and partner distribution lists**
 - a. Provide an annual progress report for distribution to all interested parties
- 6. By or before the completion of the *Economic Recovery and Reset* Plan, update the Thurston Economic Alliance Plan and/or replace with CEDS and ensure relevant *Economic Recovery and Reset* Plan initiatives are included (e.g., intentional actions to create a more inclusive and equitable economy)**