



2002 Annual Report

Contents

Message from the President	3
Board of Directors	4
Strategic Planning and Committees	5
Activities Report	6
Connecting with Gunpo City	11
2 nd Annual Duel in the Desert	12
Membership	13
Financials	14

Message from the President

Few opportunities present themselves in the mist of an economic downturn. Yet, it seems that Grant County has found a way to ride the wave. The Grant County EDC has done a marvelous job over the past year to build a strong foundation that will enable more robust economic activity to emerge over the long-term.

Many of the activities the EDC has undertaken have made a difference in the way business is conducted in our region. Throughout the year, the EDC has tightened the links between entities driving the economy and facilitated public-private partnerships to the benefit of us all.

Of greatest note is both the Executive Director's participation in Governor Locke's trade mission to Japan and Korea in July and the subsequent official delegation visit from Gunpo City, South Korea led by the city's mayor, Yoon Joo Kim.

It was my honor to sign the agreement on economic cooperation on behalf of the EDC. It marked the first step towards a very important partnership. This new relationship will do very well for Grant County and Gunpo City in the long run, and for that, the EDC's Board and staff are very excited.

More hard work lays ahead for the Grant County EDC. Each step along the way is a building block to a fulfilled mission for all of Grant County.

Tom Heath

President

2002 Board of Directors

The Board of Directors of the Grant County EDC are elected from the membership at the annual meeting held in February of every year.

Each director serves a 3-year term, with a two consecutive term limit.

Ex-officio directors are appointed by the president and serve a 1-year renewable term.

Board Representation by sector



President

Tom Heath
Washington Trust Bank

Vice President

Linda Chambers
Basin Employment Service & Training

Secretary

Brian Kuest
Port of Quincy

Treasurer

John McMahan

Directors

Paul Burke
Columbia Basin Herald

Scott Campbell
Samaritan Healthcare

Paul Charlton
Mid State Bank

Mike Conley
Port of Mattawa

Terry Dorsing
Dorsing Farms, Inc

Greg Franklin
Bank of Whitman

Doug Hein
Grant County PUD

Kent Jones
Port of Moses Lake

Ralph Kincaid
Windermere/K-2 Realty, LLC

Philip Leitz*
Royal City

Brian Meiners
Basic American Foods

Les Parr
Les Parr Real Estate

G.J. Pierman*
Titan Corp.

Rachel Pulis
American West Bank

Wayne Rimple
Moses Lake Steel Supply

Donna Smith*
Port of Royal Slope

Tim Snead
Grant County Commissioners

Bob Trask, Jr.
Robert M. Trask Agency

Dawn Woodward
Grant County PUD

Ex-Officio Directors

Jim Berschauer
Berschauer's Ace Hardware

Chris Blessing
Tomlinson Black Ranch & Home

Bruce Buckles
McKay Healthcare & Rehabilitation

Barbara Deycous
Port of Ephrata

Mike Dietrich
Consolidated Disposal Service

Todd Dixon
WA State Employment Security

Matt Eisen*
Key Bank

Don Eng
Don Eng Insurance & Financial Services

Jim Flores*
ASiMI

Calvin Greene
EKA Chemicals

Valli Millard
US Bank

Jim Perdue
Sonico, Inc.

Larry Peterson
Port of Moses Lake

Ron Reis*
ASiMI

Judy Warnick
Central Bonded Collectors

* Denotes Directors who did not serve a full year term

Board of Directors: Strategic Planning and Committee Efforts

In June 2002, the Board of Directors came together for a day of planning. In a pre-planning survey, the Board of Directors rated the EDC's relevance, effectiveness and performance of its staff as a high mark in the accomplishment of its mission. In discussions, the Directors emphasized the need for more action in some key areas.

The Board of Directors entrusted the EDC to closely work on:

- Marketing within and outside of Grant County
- Membership and fundraising
- Infrastructure needs within the county
- Planning and permitting issues
- Workforce and training
- Coordination between agencies

The Board's committees stepped right into the action in each of those key areas.

Larry Peterson and his Energy Committee were active in discussions with the Grant County PUD on 9B revised 2002 customer rates. "The committee was also pleased to take part in the discussion on the joint venture between REC and ASiMI" included Peterson.

Several board members met with Big Bend Community College early in the fall to discuss training needs specific to local companies.

The membership committee initiated a series of informational luncheons with the business community, first in Ephrata, then Quincy and Grand Coulee Dam. "These sessions have provided the opportunity for the EDC to take its message across Grant County and garner more understanding of the importance of its mission" stated committee chair Linda Chambers, "the business community also took advantage of the sessions to share their views on the local economy."

The Duel in the Desert, a fundraising opportunity for the EDC and a marketing asset to Grant County brought the community outdoors in August. Doug Hein, chairman of the fundraising committee and the Duel in the Desert called it "an event to bring on the best in the business community out on the course to show their support." (see p. 12)

The Board of Directors represents all of the many facets of the EDC's membership and its constituency. With each and every effort provided in 2002, the Board has enhanced the mission of the EDC and economic development in Grant County.

2002 Board of Directors Committee Chairpersons

John McMahan

Administrative/Budget

Todd Dixon

Community Development

Larry Peterson

Energy/Public Information

Calvin Greene

Industrial/Infrastructure

Paul Burke

Advertising/Marketing

Linda Chambers

Membership

Doug Hein

Fundraising

Mike Conley

Legislative

Activities Report: Erecting the Building Blocks of Grant County's Economy

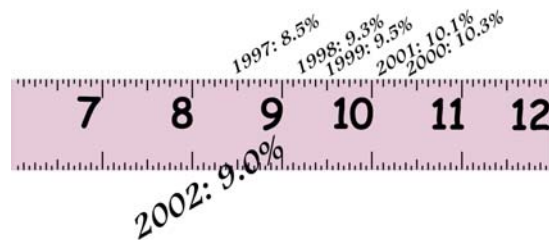
The Grant County EDC played an integral part in strengthening the local economy which has led to a stronger year despite the economic downturn. In 2002, the average unemployment rate has decreased to comparable 1998 numbers, even lower than the state average in both September and October. By year end, Grant County saw a net creation of non-agricultural jobs and an expanding workforce.

Yet Grant County did not escape entirely the challenges of a slowing economy and the relative lull in the expansion of businesses. Regardless, the Grant County EDC has successes to report which served as further building blocks in Grant County's changing economy.

Business development means putting priority on new as well as existing project advancement.

In 2002, the EDC's focus has resided in enhancing the possibilities of recruiting new businesses to Grant County and responding to the needs of specific projects. The EDC fielded over 50 project requests over the year, including several call center proposals, manufacturing, retail and distribution

**Grant County
Unemployment Averages**



projects, many of which hold promise for 2003.

Due to the overall U.S. economy, quite a few of the potential projects the EDC was involved in have had to be shelved by the companies. There is strong determination however, by public entities in Grant County, to remain in the running for new business development and a growing responsiveness to changes needed to accommodate these new types of projects.

The Grant County EDC took its message abroad on the Governor's Asia Trade Mission.

Grant County EDC Executive Director, Terry Brewer, took part in the Governor's trade mission to Japan and Korea in July. Spending an additional week outside of the governor's schedule, he was able to meet with various private and public entities to forge relationships which can effectively assist Grant County in diversifying its economy.



Executive Director Terry Brewer in a meeting with Mayor Yoon Joo Kim at Gunpo City Hall in July 2002.

As a result, an official delegation from Gunpo City, South Korea visited Grant County in October (more on p. 11). The success of both bilateral visits has taken Grant County into an arena where local resources, such as land, agricultural products and welcoming spirit, are a highly sought-after commodities.

Lending a helping hand to local businesses helps to keep them thriving in our community.

The Grant County EDC has worked closely with ASiMI over the years, and even more so in 2002. Renewable Energy Corporation and ASiMI partnered together to form Solar Grade Silicon, now manufacturing silicon for solar panel applications – an environmental stewardship industry which Grant County is proud to be home to.

Solar Grade Silicon has retained 150 of ASiMI's employees in Moses Lake.

Grant County moves another step closer to becoming a producer of ethanol from local barley and wheat.

The Grant County EDC continued to provide support to Pacific Rim Ethanol in 2002 as it moved into the permitting stage of the project. The ethanol plant stands to create 50 to 70 direct employment jobs, with another 300 outsourced employment opportunities when it begins operations.

The company's investment is meaningful to the community for jobs and economic activity. The groundbreaking is now set for spring 2003.

Enhancing community building comes from coordination and public-private partnerships in Grant County.

In a period where business development is slowed, there is greater emphasis placed on community development which in turn creates a more welcoming climate for new and existing businesses.

In 2002, the Grant County EDC actively facilitated efforts within local public institutions to enhance economic development



Senator Maria Cantwell meeting in Grant County to discuss the local economy in December 2002.

efforts. Action steps taken now will reap benefits for years to come.

Grant County Public Utility District attention stretches from relicensing to broadband fiber-optics.

Recognition for the importance of power for industries in our area, the Grant County EDC has worked closely with the Grant County PUD to support their relicensing efforts. Following completion of relicensing in 2005, Grant County PUD will ensure highly competitive power rates and a greater control over its resources.

Meanwhile with 40,000 strand miles of fiber-optics constructed to date (or 1,000 route miles), the Grant County PUD's broadband fiber optics network has caught the attention of both the White House and international organizations as a fiber-to-home

innovative project. It continues to be a connection to 3,000 homes and businesses as a highly sought-after high-tech competitive edge.

An intermodal facility project takes roots at the Port of Quincy with high economic growth potential for the region.

Answering to the transportation needs of the community and Central Washington, the proposed intermodal facility in Quincy has added a new strength to the enhancement of local efforts. With proposed 1,000 containers capacity per day at peak operations, the project has great potential for the transportation industry and the movement of goods through Central Washington.

The EDC has been actively supporting the efforts to locate and secure funding for the project.

Ephrata placed itself strategically in the market with value-added marketing and planning tools.

Born out of the 2000 Strategic Plan for Economic Development in the Ephrata and Soap Lake Region, the latest is a \$47,800 grant from the USDA Forest Service for the creation of a marketing plan and development of a competitive product to put on the market.

In coordination with the City of Ephrata Planning Department, the Port of Ephrata, the Ephrata Chamber of Commerce, the Grant County EDC administered the funding and provided technical support throughout each phase of the project.

Infrastructure needs being met through locally distributed state funding and the vision of eight communities.

Administering the program on behalf of the Grant County Commissioners, the EDC has been able to recommend the allocation of \$299,068 towards strategic infrastructure programs (SIP) in eight of communities in Grant County.

SIP Applications Approved for Funding in 2002		
Project	Grant	Loan
Port of Moses Lake: Moses Lake Railroad Task Force Feasibility/Cost Study	\$17,000	\$0
Port of Warden: Country Morning Farms Utility Hook-up	\$32,000	\$0
Town of Coulee City: Development of Water System Plan and Infrastructure Needs	\$26,528	\$0
Port of Quincy: Inland Intermodal Industrial Park Marketing Study	\$25,000	\$0
Desert Aire Airport: Desert Aire Airport Improvement Economic Feasibility Study	\$10,000	\$0
Port of Royal Slope: Road F SW Construction	\$10,000	\$90,000
City of George: Hydraulic Analysis of City Water System	\$10,000	\$0
Town of Wilson Creek: Railroad, Fourth Street & Sprague Street Renewal Project	\$60,000	\$18,540

The EDC has also cooperated and prioritized Washington Community Efforts Revitalization Team (WA-CERT) applications submitted by public entities in Grant County.

Building visibility is the goal in marketing Grant County for businesses

The Grant County EDC has garnered a wealth of positive press coverage about Grant County in the past year, increasing the recognition of the community within Central Washington, over a wide range of topics in economic development.

Regional reporting on the positive spirit of Grant County reaches an executive audience.

In October 2002, the Washington CEO magazine published a regional report on Grant County which highlighted some of the best assets the county has to offer. Showing the strength of the agricultural sector and the emergence of high-tech industries, the report also covered the drive of local residents to undertake community development efforts.

Grant County EDC makes available a gateway for information and economic development tools.

In October, the Grant County EDC launched its re-designed website featuring greater

sources of economic development data and resources for members and prospects. With constant updates and additions, the website has had thousands of hits since going online.

Realtors, owners and public authorities are listing available property on the website, providing necessary information regarding expansion and relocation possibilities in Grant County.

Members get new insights into local issues, efforts and the challenges the EDC faces on their behalf.

Popping up in member's mailboxes (and e-mail inboxes) has been a new quarterly newsletter. The information lets members know what the EDC's activities have been through each quarter and includes member profiles, special announcements and updates.

This communications piece is helping members and interested parties stay abreast of what the EDC is doing.

Council endeavors to achieve increasing knowledge of Grant County through census resources.

As a Washington State Data Center Affiliate, the Grant County EDC has provided census-based data resources to communities, businesses and individuals alike in an effort to maintain sources of information available to all. A cooperative program between individual states and the Census Bureau, the partnership increases the availability and distribution of census data.

The Grant County EDC responded to increased media attention to our communities.

The Grant County EDC received calls for comments and information from the news media reaching from the Wenatchee World to the Seattle Times, from the Los Angeles Times to the British Broadcasting Corporation (BBC), most especially regarding the proposed Lava Lamp in Soap Lake.

Plans were announced for the theme structure during the summer months, all aimed at increasing attention and tourism to the Soap Lake region.

Connecting with Gunpo City, South Korea

As a direct result of the EDC's visit to South Korea in July 2002, a seven member official delegation from Gunpo City, South Korea, visited Grant County in October to promote cultural exchanges, trade and economic development.

Led by Gunpo City Mayor Yoon Joo Kim, the delegation worked on the forging of a long-term relationship between the 250,000 population city and Grant County. The success of the mission is the strong bond developed between local, county as well as city officials and their Gunpo City counterparts, in addition to the signing of three agreements on friendly relationships, a commitment to establish a

sister-city relationship and an agreement with the Grant County EDC on economic cooperation.

The emphasis of the delegation's mission, the long-term development of the relationship, will be realized through increased exchanges, communications and eventually, trade.

To the heart of this important development for Grant County is the connections which will provide local businesses with access to new markets and a well developed mechanism for much needed expansion space to Korean companies.

Undeniably, the high mark of the EDC's efforts for 2002, the partnership with Gunpo

City, as well as the coordination with Grant County local public and private entities which made the visit such a success, will be further evident in years to come.

The Grant County EDC and several community public and private leaders are scheduled to visit Gunpo City in April 2003 for follow-up discussions.



Top left: Sang Hoo Choi (Yuhan Corp.), Koon-Hy Cho (Korco Foods), Won Hyeok Kwon (Gunpo City Councilman), Chong Yoon Chun (Namyang Novitech Corporation) and Young-Ro Yoon (Gunpo City).

Bottom Left: Terry Brewer (Grant County EDC), Mayor Yoon Joo Kim (Gunpo City) and Tim Snead (Grant County Commissioner).

2nd Annual Duel in the Desert Golf Tournament

2002 Sponsors and Contributors

Air America Fuel and Service
AmericanWest Bank B.E.S.T.
Bank of America
Basin Tree Service
Best Western Hallmark Inn
Central Bonded Collectors
Chemi-Con Materials
Chicago Title Insurance
Columbia Basin Herald
Columbia Colstor
ConAgra Foods/Specialty Potato Products
Davis, Wright & Tremaine
Dune Lakes presented by Advantage GMAC
Eka Chemicals
Garth Dano & Associates
Genie Industries
James Auto Center
Jeffers, Danielson, Sonn & Aylward P.S.
Key Bank
Lakeside Disposal & Recycling
Laser Planet
LeMaster & Daniels
Lukins & Annis, P.S.
Maiers Development Corporation
Michael's on the Lake
Midway Beverage, Inc
Monument Hills Golf Course / Morningstar Villas/Estates
Moses Lake Chamber of Commerce
Moses Lake/Othello Association of Realtors
Polhamus Heating & A/C Inc.
Quincy Farm Chemicals
Security Title Guaranty Signs Now
The Life Company
The Links at Moses Pointe
Unique Properties
Washington CEO
Washington Trust Bank

One hundred and sixteen players hit the golf course in August in the name of economic development. In its second year, the annual Duel in the Desert Golf Tournament has expanded the visibility of the strengths of the business community and the desire to open up doors for more corporate citizenship.

Overshadowing the inaugural year's sponsorships, the tournament increased in size and notoriety. The Duel in the Desert received coverage within Grant County as well as in the Seattle Times and the Northwest Golf Magazine.

Duel in the Desert was made possible through the generosity of 40 sponsors, including the event's 3 major sponsors:

Security Title Guaranty, Dune Lakes presented by Advantage GMAC and the Moses Lake/Othello Association of Realtors.

Corporate sponsors and a host of volunteers made the entire Duel experience and its Saturday evening "Party on the Green" gala event a success for the community. "The interest and willingness to be a part of the Duel in the Desert have made the annual event a virtual showcase of blue ribbon businesses in Grant County" stated event chairman Doug Hein.

The tournament and gala helped the EDC raise just under \$22,000 of net income directed towards its marketing and business development efforts for the year.



"Columbia Colstor is an organization whose success depends on strong partnerships with agriculture and food processing in the Columbia Basin. Promoting the development of this region will encourage further growth which benefits our company and the companies with whom we do business. This event is a fun opportunity to meet and mingle with other members of the community who are also committed to beneficial development of the area."

-- Columbia Colstor, 2002 Duel in the Desert KP Sponsor

2002 Membership

Columbia \$25,000 +
Grant County

Grand Coulee \$10,000 - \$24,999
City of Moses Lake
Grant County P.U.D.
Port of Moses Lake

Wanapum \$5,000 - \$9,999
American West Bank
ASPI Group
Port of Quincy
Washington Trust Bank

Priest Rapids \$2,500 - \$4,999
City of Ephrata
Columbia Basin Seeds
Key Bank
Tomlinson Black Ranch & Home, Inc.

Dry Falls \$1,000 - \$2,499
City of Warden
Columbia Basin Railroad Co.
Columbia Colstor
Eka Chemicals
Garth Dano & Associates
Lukins & Annis, P.S.
Maiers Development Corp.
Port of Ephrata
Port of Mattawa
Port of Royal Slope
Port of Warden
Titan World Class Safe Site
Town of Mattawa
Windermere/K-2 Realty, LLC

Saddle Mountain \$750 - \$999
Best Western Hallmark Inn, Inc.
City of Royal City
City of Soap Lake
Consolidated Disposal Service, Inc
Samaritan Healthcare
Washington State Potato Commission
Weyerhaeuser

Frenchman Hills \$500 - \$749
Basic American Foods
Columbia Basin Federal Credit Union
Columbia Basin Machine Co.
Columbia Basin Herald
Edward Jones - Hank Worden
Edward Jones - Randy Dickinson
Edward Jones - Roger Pugh
Edward Jones - Tim D. Johnson
Moses Lake Clinic
Moses Lake Steel Supply, Inc.
Port of Hartline
Quincy Farms Chemicals
Robert M. Trask Agency, Inc.
Sonico, Inc.

Terry L. Brewer
Tommer Construction
Town of Electric City

Rocky Ford Creek \$250 - \$499
Advance Cartridge & Printer
Advantage GMAC Real Estate
Air America Fuel & Service, Inc.
Animal Medical Center, Inc.
ASiMI
Avista Utility
Bank of America
Bank of Whitman
Basin Employment Service & Training
Big Bend Community College
Big Bend Community College Foundation
Business Interiors & Equipment, Inc.
Cascade Natural Gas
Central Bonded Collectors
Chemi-Con Materials Corporation
City of George
City of Grand Coulee
Columbia Potato, Inc.
Dano Law Firm, P.S.
David Rodsol, Inc.
Don Eng Insurance & Financial Services
Dorsing Farms, Inc
Employment Security Department
Gary Mann Real Estate
Grant County Farm Bureau
Jeffers, Danielson, Sonn & Aylward
Joseph Hughes Construction, Inc.
Ladell and Bernie Yada
Lad Irrigation Co., Inc.
Lakeside Disposal & Recycling
Lenroc Co.
Les Parr
Martin Morris Agency, Inc.
McKay Healthcare & Rehabilitation
Mid State Bank
Midway Beverage
Miller's Fine Jewelers, Inc
Moses Lake Industries, Inc.
Olympic Coast Investment, Inc.
SkillSource
Sterling Savings Bank
Sutter, Kunkle & Thompson, P.S.
Total Employment & Management
Town of Coulee City
US Bank
Washington Mutual Business Banking
Western Mortgage
Wilbur-Ellis Co. - Mattawa
Wilbur-Ellis Co. - Quincy
Zip Truck Lines, Inc.

Friends of the EDC \$75 +
A & H Printers, Inc.
Agri/Com Appraisals
Basin Family Chiropractic

Basin Refrigeration & Heating
Berschauer's Ace Hardware
Bill Chambers
Bob Fisk
Carol Conley
Col. Clyde W. Owen
Craig Plummer Insurance
David Dinges
Donald W. Godard
Dona Roe
Doug Hein
Dr. C.G. Petersen
Fred Lischka
Jack Tobin
John McMahan
Kent Jones
Larry Hall
Larry Peterson
LeRae Redal
Mary Ann Hopperstad
Maury Forman
Town of Hartline
Town of Wilson Creek

In-Kind Contributors
Able Building Supply, Inc.
Al Briggs
Big Bend RC & D Council
Big Sky Airlines
Carpenter Construction
Central Washington Asphalt, Inc.
Chematron Electric
Columbia Paint Company
Cost Less Carpet
Danco Construction
Ephrata Chamber of Commerce
Ferguson Construction & Maintenance
Gies Construction
Grand Coulee Dam Area Chamber of Commerce
Harden Construction
Interstates Electric & Engineering
J & M Electric, Inc.
Jesse Builders
LeMaster & Daniels, Inc.
Lumbermens Building Supply
Majestic Structures, Inc.
Moses Lake Chamber of Commerce
Moses Lake Glass
Moses Lake Golf & Country Club
Mr. Build Total Construction
Ornamental Iron
Penhallurick's True Value
Pope's Plumbing
Quincy Valley Chamber of Commerce
Right Choice Painting
Sanco Masonry
Skaug Brothers Carpet One
Stoneway Electric Supply
Zeck Butler Architects

Financials

Balance Sheet

As of December 31, 2002

2002 year-end financial statements have been reviewed and approved by the Grant County EDC Board of Directors on January 15th, 2003.

ASSETS

Current Assets	\$222,782.12
Accounts Receivable	<u>\$6,825.00</u>
Total Current Assets	\$229,607.12
Fixed Assets	<u>\$22,993.30</u>
Total Fixed Assets	\$22,993.30
Total Assets	<u><u>\$252,600.42</u></u>

LIABILITIES AND EQUITY

Total Liabilities	\$1,862.01
Equity	
Fund Balance	\$251,207.72
Retained Earnings	\$52,352.27
Net Income / (Loss)	<u>(\$52,821.58)</u>
Total Equity	\$250,738.41
Total Liabilities and Equity	<u><u>\$252,600.42</u></u>

Income Statement

January 1 to December 31, 2002

*The Grant County EDC
operates on an accrual
accounting basis.*

INCOME

Interest Income	\$7,244.65
Membership Dues	\$105,693.80
Contract Income	\$30,000.00
Special Events	\$22,011.91
Miscellaneous	\$8,608.76

*Income and expenses
reflect transactions
incurred in 2002.*

Total Income \$173,559.12

EXPENSES

Salaries	\$112,118.18
Performance Bonus Pool	\$7,000.00
Insurance	\$15,909.29
SEP	\$5,709.08
Taxes	\$12,384.06
Automobile	\$6,309.43
Conferences/Dues/Education	\$5,831.65
Meals/Entertainment	\$3,392.43
Equipment	\$3,039.14
Supplies	\$11,665.20
Postage	\$3,624.44
Professional Fees	\$4,436.92
Rent/Utilities	\$2,743.00
Telephone	\$3,231.62
Travel	\$8,484.65
Marketing	\$7,327.71
Business Recruitment	\$4,653.82
Web Page Development	\$790.17
Trade Shows	\$7,729.91

Total Expense \$226,380.70

Net Income / (Loss) (\$52,821.58)

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