SWOT Analysis
Strengths, Weakness, Opportunities, Threats

Strengths

1. Location
   a. Central to the Puget Sound and Portland metropolitan markets – 65% of employers surveyed indicate that their market is either regional or statewide.
   b. Proximity to military base and market for private companies/vendors
   c. Center of larger regional market

2. Seat of state government
   a. Access to policy and decision makers
   b. Relatively stable and consistent employer with family wages

3. Workforce
   a. Highly educated workforce – the region regularly scores very high on national standards and categories for a highly educated workforce. Such rankings include Kiplinger’s, Forbes, etc.

4. Education
   a. K-12 system well supported; districts perform at or above national level
   b. Three large institutions of higher learning – The Evergreen State College, Saint Martin’s University, South Puget Sound Community College
   c. New Market Skills Center
   d. Regional focus on education

5. Infrastructure
   a. Western USA’s main north-south interstate traversers the county (easy access to commerce, transit, and freight movement)
   b. Fiber (significant amount of fiber optic lines through downtown Olympia, and main trunk line along I-5 – but may be dark and inaccessible)
   c. Established, operational ports – our own Port of Olympia,
   d. Rail systems
   e. Regional sewer system and capacity
   f. Ample water and reclaimed water resources
   g. Access to affordable, alternative energy sources
   h. LOTT reclaimed water (leader in the nation)

6. Housing stock
a. A variety of housing options, both single family and multi-family; with a good cross section of variety and price options.

b. Healthy reserve of buildable residential tracts

7. Natural environment
   a. The region is widely recognized as having a relatively accessible and clean natural environment and recreational facilities.
   b. Access to the local salt water/Puget Sound
   c. Recreation -- Proximity to ocean (coastal areas, and Puget Sound)
   d. Proximity to wilderness areas (Mt. Rainier, Mt. St. Helens, Cascade range, Olympic National Park)

8. Entrepreneurial business community
   a. Large majority of private sector employers are “small” – employing 10 or less
   b. The great majority of employers surveyed indicate that their life cycle is either maturing (36%) or growing (58%).
   c. Washington holds the fourth highest number of patents in the US, after California, New York and Texas

9. Strong business support organizations
   a. EDC, Chamber, Score other entities housed at “Business Resource Center” able to assist a variety of ventures on broad range of topics

10. Local Culture
    a. Diversity of culture
    b. The Arts

Weakness

1. Lack of recognized cluster of industries
   a. There is not a formal recognition of a cluster of industries that would leverage resources to support their growth. Other large communities have identified clusters which are used as a business attraction.

2. Depth of employment sector
   a. Few large employers that create secondary markets

3. Access to high speed telecommunications
   a. A large number of light manufacturing firms have identified a lack of access to high speed telecommunications within industrial/manufacturing areas as being detrimental to their growth/expansion and retention
4. Transportation funding  
   a. There are ever increasing downward pressures on revenue sources that fund public transportation infrastructure

5. Cross collaboration and partnerships between private and public sectors  
   a. Perceived lack of support and trust of the private sector. The reality is not as bad as people think, but the perception lingers.

6. Lack of economic development incentives  
   a. Which can also include a lack of private angel investors that could fund entrepreneurs

7. Workforce  
   a. Absence of vocational skills; lack of apprenticeship programs.  
   b. Missing resource of large employer sector  
   c. Absence of advanced manufacturing skills which have not been developed: Unable to respond to a growing need.

8. Education  
   a. Lack of vocational training in high school/community college.  
   b. High school students unprepared to deal with global finance; lacking in math skills.

Opportunities

1. Joint Base Lewis McChord  
   a. The base is a stabilizing employer for the region  
   b. Provides a significant source of market and patronage to local establishments (retail) via their personnel based at JBLM.  
   c. Emerging technologies that can be a market source for entrepreneurs  
   d. Spouses as resource. Military families bring new skills and technology and investment.

2. Emerging international markets  
   a. US Department of Commerce reports that the south Puget Sound region increased exports by 135% in the last 5 years.  
   b. Strong and consistent presence in Asia by both TESC and Saint Martin’s University  
   c. Access to Port facilities that would facilitate international trade  
   d. Foreign Trade Zone 216 (regional FTZ)

3. Technology transfer
a. Utilization of higher education institutions as a source for technology transfer and the catalyst for entrepreneurial development
b. Speed of technology; educated workforce.

4. Health care sector
   a. The health care sector is the largest private-sector employer and provider of wages in Thurston County. The sector draws in new dollars into the region to the providers. It brings in “brain capital” and talent to the community.

5. Potentially large parcels to accommodate cluster investment
   a. The Olympia Airport (Port of Olympia facility – and associated industrial properties in private ownership surrounding the facility) vacated Tumwater Brewery site and Lacey Gateway Center represent capacity to attract and facilitate significant commercial/industrial growth.

6. Light manufacturing sector
   a. Thurston County is home to several world class light manufacturing firms – each with an international presence. Manufacturing has an industry wide multiplier of $3.50. The sector exudes minimal impact upon the local environment, uses relatively few municipal services (fiscal resources), and acts to draw in new dollars into the region.

7. Green / Innovation Economy Support
   a. Thurston County is home to a number of assets that lend itself towards being a regional/state leader in the green economy. Such assets include Thurston Energy, LOTT Alliance, all three higher education institutions, leadership in green building standards and techniques, a public acceptance of the sector, and a budding solar manufacturing sector.

8. Local financial institutions
   a. Local lenders may be more motivated to capitalize local ventures and/or assist with cultivation of venture capital

9. Workforce
   a. Retention of highly skilled workers with technical degrees
   b. Creation of jobs that are sustainable and immune to technology changes/outourcing

10. Community
    a. Creation of a collective community vision. Coalesce the private sector voice into a shared vision that addresses the issues and mission of moving the economy forward.
    b. Revitalization of downtown
c. Tapping into the distinct population centers throughout the county to create an effective comprehensive plan

**Threats**

The following elements were taken directly from input provided to the Thurston EDC during their on-site interviews conducted during 2010 and 2011. The EDC conducted nearly 100 interviews in a cross-section of employment sectors: professional services, health & fitness, manufacturing, hospitality, finance, distribution.

1. Government as predominant employer
   a. Government provides approximately 50% of wages locally. The state is reducing their budget fairly dramatically and accordingly their wages and worker spending are expected to drop.
   b. Stability of the state government breeds complacency and creates a community that is risk adverse.

2. Lack of public sector support for private employers
   a. This also includes government regulations – at all levels (federal, state and local) – such as being inclusive of elements that address adjacent land use patterns, building code applications, critical areas, and hours of operation, etc.
   b. No public-private shared-vision in place for job and revenue creation over the long-term

3. Changing markets
   a. The ability of local employers to quickly identify and adapt to those changes.
   b. Commercial lenders focus on core markets
   c. The ability of local governments to shift and change with the changing markets.

4. Recruitment of employees
   a. Sited was the notion that markets have changed and accordingly skills have shifted away from what might have been traditional employment in the region. Employers have noted that their needs have changed accordingly (i.e. doing more with less).

5. Permitting
   a. Sited were the timeliness and consistency of process across the jurisdictions.
   b. Policies for placing small business
   c. Predictability and value for tracking new investment.
6. Cost of utilities and infrastructure  
   a. Sited were the timeliness and consistency of process across the jurisdictions.  
   b. Water rights

7. Access to finance and capital  
   a. Due to pressure imposed upon by the federal regulations/government.

8. Health care  
   a. Sited was the emerging national discussion and regulations of health care coverage for employees.

9. Shrinking stock of employment lands  
   a. Local pressure to lock up, rezone or otherwise protect an already limited supply of commercial and industrial properties (e.g. Maytown, Isthmus, Mottman)

Sources:
- JBLM Impact Study, Executive Summary, City of Lakewood, 2011
- Thurston EDC, Business & Retention On-site Survey, 2010-2011
- Thurston CEO Roundtable, Paper on the green economy, 2011
- 2010 Economic Forecast Conference
- Thurston EDC, Board of Directors, Recruit/Retain/Expand 2.0