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City On The Rise

Tacoma is working hard to shake a working class image by building a top-flight arts and education community and reinventing itself as a cutting-edge, 21st century city.

“TACOMA can finally say it’s sexy.”

That comment, from the city’s unofficial business ambassador Eric Cederstrand, may sound a bit peculiar to those who have long followed Tacoma’s prodigious ups and downs.

Even Cederstrand, a senior vice president for Colliers International in Tacoma, remembers a recent, tougher time for ‘America’s Most Wired City.’

“When I first came here seven years ago, it was definitely at the bottom,” Cederstrand remembers. “But [in] the last five years, the leaders of the city and county have really focused on Tacoma and turned things around. I’ve always said, ‘Everyone wants to live and work in Tacoma and Pierce County. They just don’t know it yet.’ Well, I believe that’s true. In fact, it’s coming true faster than I ever expected.”

Cederstrand’s quips have become part of the mantra for a city on the rise and a community in the long process of reinventing itself.

That reinvention has taken many forms, including a massive investment program.

INVESTING IN THE FUTURE

In recent years, Tacoma, Pierce County, and state officials have invested hundreds of millions of dollars in the city. That money has snowballed into more than $1 billion in public and private investment for everything from the new convention center and the University of Washington’s branch campus, to a light rail system and an impressive array of museums, restaurants, and shops.

With the infusion of cash has come a concerted effort by business and city officials to improve Tacoma’s image. The city has taken the old waterfront area, which had been in decline for decades, and set out to develop it into a major center for the city’s civic and cultural life, creating a business-friendly environment. And it is using its resources to revitalize the city’s neighborhoods and start a renaissance in its once crumbling downtown core.

The building and planning departments have pledged to make building permits faster and easier to get than in its sister city.

“If you do not have your permit to build within eight weeks of first applying, you get your money back,” says City Council member Bill Evans, citing the pledge made to developers by Tacoma’s buildings department.

Developers are responding by building new luxury condominiums and office towers, and by renovating some of the boarded up, old brick buildings and turning them into Class A office space.

The Horizon Pacific Center, completed last year, turned three historic buildings on the edge of the University of Washington’s Tacoma campus into 150,000 square feet of prime office space, equipped with fiber optics for high-speed networking, and an upscale supper club.

The Perkins Building at 11th and A streets in the city center mixes state-of-the-art office space with 30 market-rate apartments, complete with views of the nearby waterfront and Mount Rainier in the distance.

In 2001, the art-deco F.W. Woolworth Building, just up the street from Pierce Transit’s downtown bus mall, was transformed into a technology center; its street-level display windows were filled with exhibits of artwork from local artists from the Commencement Art Gallery.

A GROWING CULTURAL CENTER

Tacoma’s is literally a Cinderella story, complete with a Museum of Glass slipper. The unique museum, dedicated to dis-
playing vitreous art, is just one of the cultural institutions that has sprung up in downtown Tacoma and along the Foss Waterway in recent years.

The city also has the much-heralded 50,000-square-foot Tacoma Art Museum, which opened its new facility earlier this year, as well as the hands-on Children’s Museum of Tacoma, and the African American Museum, the first of its kind on the West Coast, all within easy walking distance of each other and the Tacoma Sheraton Hotel. Next door to the hotel, the city is building a major new convention center, slated to be finished in 2004.

Still to come are a pair of museums dedicated to America’s love affair with big engines and the open road: the 200,000-square-foot Harold E. LeMay Museum and the Pioneer Museum of Motorcycles. The LeMay, which will go up next to the Tacoma Dome, is being designed to house at least a portion of Harold LeMay’s collection of more than 2,400 vintage automobiles, the largest private collection of cars anywhere.

The soon-to-open motorcycle museum will feature vintage bikes, memorabilia, and a working restoration facility. The privately funded development also includes a 17,000-square-foot convention center, complete with state-of-the-art teleconferencing and audiovisual equipment. The two attractions will share a 51,000-square-foot space in the Thea Foss Waterway development.

In addition, the downtown boasts the Broadway Center for the Performing Arts, including the historic Palace of Versailles — style Pantages Theatre and Beaux Arts — style Rialto Theatre. More recent construction has added the Theatre on the Square and the multi-purpose Rehearsal Hall.

The nearly 1,200-seat Pantages is the home of the Tacoma Symphony Orchestra, while the Rialto plays host to the Tacoma Youth Symphony and the Northwest Sinfonietta, among other performance groups. The 300-seat Theatre on the Square boasts what it says is the south Sound’s only professional theater company.

FROM WAREHOUSES TO HIGHER LEARNING

The state has helped out too, sitting a major branch campus of the state’s most prestigious public university in some of those rehabilitated buildings and adding a new institute to train students for 21st-century jobs in software engineering and network administration.

The result is one of the most unique university campuses to be found anywhere in the nation. Located across from the Chihuly Glass Bridge and the newest museums, the Tacoma branch campus of the University of Washington is housed in a series of century-old brick warehouses and manufacturing buildings that now offer a mix of post-modern industrial design with new glass walls and skylights.

The campus is just 13 years old, but Chancellor Vicky Carwein says it has the oldest building of all the campuses in the 100-plus-year-old university, housing one of the newest programs.

“The Pinkerton Building, which houses the school of technology, was built in the late 1800s,” she says.

The 2-year-old Institute of Technology offers bachelor and master of science degrees in computer science and software systems. Sharon Gavin Fought, UW-T’s associate vice chancellor for academic affairs, says the program was authorized by Gov. Gary Locke and the state legislature at the behest of the business community.

She says that while the impetus for starting the program came from Olympia, the level of commitment from the local community is what has made it work.

The list of companies and institutions that have contributed to funding the institute reads like a roster of some of the most important economic entities in this part of the state.

In addition to money from Pierce County and a half-million-dollar donation from the Port of Tacoma, major donors include Key Bank, Intel, Boeing, the Frank Russell Company, Columbia...
Port of Tacoma. Setting new records for container handling. Growing faster than Long Beach, Los Angeles, Oakland, Seattle or Vancouver.
REGIONAL REPORT

Bank, the Dimmer Family Foundation, and the Cheney Foundation.
By far the largest gift to the branch campus came from Tacoma’s Milgard family, who founded the door and window company Milgard Manufacturing Inc. The family donated $15 million to the school to fund its business administration program.
The money will help build two new academic centers in the business school, which will be renamed the Milgard School of Business. The family will also provide $3 million for a scholarship program to pay for more faculty members.
Fought says the computing program has worked closely with feeder community colleges in the area “to outline a course of study for what they should take in the first two years so they’re actually ready to come here as upper-division students.” She thinks that while the institute was conceived at a time when start-up software companies were in their heyday, the decline of dot-coms has not been a detriment to the program.
“I’m not an economist, but I read the papers,” Fought says. “We all know that the dot-coms are having significant challenges. On the other hand, our enrollment has continued to grow in the undergraduate program and is growing in the graduate program. Because it’s a relatively new program, it’s hard for us to have a basis for comparison,” she adds.
“The situation with the dot-coms in this state has not resulted in us having no requests for admission to the program. There are still lots of positions needed in the state,” says Fought. “Not all of the graduates of this program would necessarily go to work in a dot-com. Most of those are actually very small businesses. But we have heard from our community, whether it is small or medium-size businesses or large businesses — banks, health-care systems, industry, labor markets — that they all need people with expertise in software systems simply to keep their infrastructure running.”

HIGHER EDUCATION CENTER
Fought says the campus as a whole has about 2,100 students, with approximately 10 percent in the computer science programs.
“Perhaps what the dot-com situation has done is really lowered the angle of our growth rate. Instead of being quite so sharp perhaps, what it has done is moderate our growth,” she remarks.
At this point, the graduate students come from other schools or have non-math/science degrees, but have spent a good deal of time in the industry already. The institute’s 12 faculty members teach both undergraduate- and graduate-level classes, although Fought points out, not every faculty member teaches in both divisions every quarter.
“It’s still a relatively new program,” Fought says of the technology institute.
“This will just be the second class that we are admitting in the graduate program, and we have other areas of concentrations, specialty areas of study at the undergraduate level to still develop. We’re still in a growth mode.”
In addition to the downtown commuter campus of the University of Washington, the city of Tacoma and the surrounding area are home to several other prominent colleges, from the two-year Pierce Community College and Bates Technical College, to Pacific Lutheran University and the University of Puget Sound—private liberal arts colleges with strong reputations.
“I don’t think our institutions are that competitive with each other. We are complementary, and I think that’s a good situation to be in,” says Mike Oman, vice president for university relations at the University of Puget Sound, which has been a part of the city since 1888. “There are a relatively small number of good liberal arts colleges in urban areas, and so the idea of coming to a medium-size, not-so-intimidating city is really an attractive thing to parents and students of the main group that we try to recruit.”

SOLVING AN IMAGE PROBLEM
For all of the changes, Tacoma is still regarded by many as Seattle’s ugly stepsister.
“Tacoma has an image problem,” says Randy Rushforth, president of the 52-year-old Rushforth Construction Company. His firm is a general contractor working on products throughout the western United States.
“If we compete with contractors from Seattle or sometimes Portland,” Rushforth says, “we find that people, once they realize we are from Tacoma, think, ‘My gosh, you can’t know what you are doing because you are from Tacoma.’”
In addition to his role in the City Council, Bill Evans owns a pair of businesses in the historic Proctor District at the north end of town and has been involved in neighborhood revitalization efforts for the past 25 years. He agrees that Tacoma has to live down a long reputation as a non-descript working-class town.
“A word that comes to mind is ‘gritty’—
a kind of gritty, worker town,” he says. “I grew up in Seattle, and [Tacoma] was just not a place that you thought about much. I didn’t have anything against Tacoma. Certainly the crime statistics were too high for the population that there was. There were a lot of political scandals over the decades here — but we’re talking history here.”

Most recently, Evans says, the city’s image has been hit hard by the highly publicized deaths of Police Chief David Brame and his wife, Crystal, and the resulting replacement of longtime city manager Ray Corpuz. He says Tacoma’s 200,000 residents continue to be deeply troubled by the tragedy. Those wounds will take time to heal.

“Healing is such a slow process — of rediscovering yourself and rebuilding your confidence. We’re in the midst of that healing process, and a lot of really good things have happened,” says Evans.

For all that, Evans believes that the stigma of recent events will fade and people will begin to notice Tacoma for the progress it has been making in recent years.

“In the last few years, the city is really getting its act together. For me that starts out at the level of community, at the level of the neighborhood, at the level of community pride,” says Evans. “The place is cleaner, and more environmental activities are going on. In the north end of the city, there’s a salmon habitat restoration site — salmon, right in the middle of the neighborhood!”

“If you want to be really true to Tacoma,” he adds, “point out the business-friendly atmosphere of this city.”

**AN APPEALING ATMOSPHERE**

The pro-business, pro-growth city leadership is a point that Cederstrand trumpets when talking about the positive aspects of Tacoma.

Cederstrand and others have spent years trying to convince businesses to skip the high-priced properties in Seattle and other northern locations by touting
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“The competitive advantage for Tacoma and Pierce County is that the area has all the things that will make your employees more productive,” Cederstrand says. “In Seattle, a new company is just another flea on a dog’s back. But in Tacoma, a new company, no matter what the size, will see the red carpet rolled out for it and city officials will ask, ‘What can we do for you?’”

Tacoma offers a number of financial incentives and special funds or tax abatement programs to encourage business investment and development in the downtown and the outlying communities. It also has designations as both a federal enterprise community and state empowerment zone.

Within the zone boundaries, which include portions of downtown Tacoma, the Port of Tacoma, Hilltop, and Tacoma’s Eastside neighborhood, there are tax deductions for up to the total cost of commercial revitalization expenses, zero capital gains on the sale of assets after five years, and a $1,500-per-year federal tax credit for every worker who lives and works inside the zone.

Other credits available to city businesses include property, business, and occupation tax abatements, as well as credits for certain high-tech businesses or for rehabilitating historic buildings.

People at virtually every company that does business in Tacoma seem to be bullish on their town to a degree that few other cities inspire.

“I think that it’s real positive doing business here in Tacoma and Pierce County as well,” says Melanie Dressel, CEO of Columbia Bank, a relatively new bank that moved to Tacoma about a decade ago. The bank’s headquarters are in one of the large new office towers in the city center.

“Tacoma now is the number-two city [in Washington] in terms of population, I understand, and yet it continues to have almost a small-town feel. The people are very engaged, very interested in what’s going on in this city. I think that is a very positive thing, when you are trying to get things done, that the people really do continue to care.”

THE PRICE IS RIGHT

Warren Thompson, chief corporate and government relations officer of the Frank Russell Company, which will soon be know as the Russell Investment Group, says, “I think the business climate here is excellent.”

A Fortune 500 company, Frank Russell has deep roots in Tacoma. It was founded in 1936 by the company’s namesake, who moved to the Puget Sound from New York after retiring from his career as a Wall Street investment banker.

Today, Russell, which operates multi-manager investment services, helps manage the retirement funds for some of the world’s largest companies. While you might think such a company would be better placed in a major East Coast metropolis, Russell’s management team remains quite happy with its current address.

“I think people fail to realize that all the things that Tacoma was infamous for in the past are all gone,” Thompson says.

“There is no pulp-mill pollution down here. The Asarco smelter is gone; the slaughterhouse that used to be down here is gone. We have as clean air or cleaner air than anywhere in the state, for a large community. Those ‘Tacoma aroma’ issues are all gone. I think it’s an underrated community down here.

“Apart from all the amenities and all of
LEARNING TO BLOW THEIR HORN

Juli Wilkerson, director of the Tacoma Economic Development Department, says the city is looking for more companies that will support the growing population of technology graduates, as well as ways to make itself a vacation and tourist destination.

“Our net is thrown fairly wide,” says Wilkerson. “We are doing a study, along with the Economic Development Board, about who exactly are the targeted businesses to support those graduates and to bring companies here that would employ graduates from the Tech Institute.

“We’ve just hired a consultant who is doing an assessment of our current status, particularly in our downtown: What are the gaps? What are the areas that we should be focusing on? What are some of the prime areas in our downtown that could be targeted for specialty shops? We’re really trying to make downtown Tacoma an authentic experience.”

By far the most frequently mentioned challenge facing Tacoma and Pierce County is how to let people know what the area has to offer. Chuck Miller, president and CEO of Brutarud Middleton Insurance Brokerage, says he does have to educate clients about the quality of services available in Tacoma’s business community.

“One of the things that we need to do more of is focus on Tacoma as Tacoma, Pierce County as Pierce County, and stop comparing ourselves to our big brothers up north,” Miller says. “Let’s blow our own horn.”

Manny Frishberg is a Tukwila-based freelance writer.
Thea Foss Waterway: The Jewel In The Crown

Nowhere is Tacoma’s new vision for itself clearer than on the Thea Foss Waterway.

THE industrial canal that runs along the north edge of the downtown core is reinventing itself as a residential and commercial epicenter for a revitalized downtown. On its way in are hotels, condominiums, and a promenade. Gone is a polluted industrial dead zone.

“Our project is but one of several initiatives inside the renaissance of Tacoma,” says Don Meyer, executive director of the Foss Waterway Development Authority. “We are talking about a mile and a half of waterfront here on a very strategically positioned waterway, connected to the downtown core.

“What we’re really doing is advancing the whole idea of mixed use,” says Meyer. “A major objective we have is people living in the downtown core, because Tacoma simply has not had what I would consider to be market-rate housing in its downtown core.”

The first five years, from 2000 to 2005, of what Meyer sees as a 15-year effort are already off to a strong start. He describes it as a “strategic effort to attract private investment into the downtown core” on the mile and a half of shoreline. By 2005, he predicts, “we’ll probably achieve somewhere in the neighborhood of a $200 million level of private investment in mixed use with a real focus on residential.”

Of the 16 development sites that make up the Foss Waterway, he says a third have either completed construction, are in the process of getting permits, or are in final negotiations on the purchase and sale agreements. In this first phase they have concentrated on the space between 15th and 21st streets, “rebuilding the industrial canal that runs along the north edge of the downtown core is reinventing itself as a residential and commercial epicenter for a revitalized downtown. On its way in are hotels, condominiums, and a promenade. Gone is a polluted industrial dead zone. ...”

Upscale apartments and condominiums line Thea’s Landing on the new Esplanade, close to the Museum of Glass.
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Thea’s Landing, a $35 million project of Team Tacoma, is a key element of that initial goal. Nearly 200 apartments and 47 condominium homes with spectacular views of Mount Rainier and the waterway have been set along the northern edge of the Museum of Glass. More than 19,000 square feet of retail and commercial space are also included in the project, which will eventually grow to include a boutique hotel and at least one fine restaurant, according to the plans.

Another major part of the plan is the rehabilitation of the former Totem Marina on Dock Street. Already $1 million has gone into improvements to the boat docks and parking area, with the plans calling for an eventual investment of $50 to $60 million into mixed housing, plus retail and commercial developments with an emphasis on marine-related retail stores. With additional moorage on the other side of the water, this will assure the continued use of the area by the boating community.

The Puget Sound Freight Building is slated to be remade as the Community Maritime Center, to include educational facilities for boat building, not-for-profit maritime organizations, and recreational boating. Planners also hope to open the Working Waterfront Museum there, as well as a community room for 600 people or more.

“We’re trying to reattach what you would expect to find on a waterfront . . . in a city of this size,” Meyer says. “One of the ways we’re doing it is we’re actually building a very significant transient moorage facility in front of the Museum of Glass that would allow Tacoma to become a destination for the boating community.”

All of this, Meyer points out, is being done on a stretch of waterfront that until a few years ago, was a Superfund-designated polluted waterway, populated by marinas that were “either in a derelict situation or bankrupt.” What they have accomplished, he says, “has been made possible [by] the real leadership out of the Department of Ecology,” who he says came in and played a constructive role in the process.

“I have nothing but praises for what they have been doing down here in Tacoma,” Meyer says.

— Manny Frishberg
Neighborhoods
Lead Tacoma’s Renaissance

Tough times behind them, Tacoma’s neighborhoods are helping to build a stronger community.

TWENTY-FIVE years ago, for the small-business owners and retail shops in Tacoma’s neighborhoods, “it was just bare survival,” says Bill Evans, proprietor of the Northwest Shop and the Old House Cafe in the Proctor District in Tacoma’s north end.

Neighborhood business districts throughout Tacoma, as in many cities around the country, were in decline, giving way to the large shopping centers and smaller strip malls that began to dominate the urban and suburban retail scene.

“In most of our commercial districts, there would be boarded-up windows and businesses had fled,” Evans says. “It was at that time that a few of us got together and decided that if we were opting to spend our lives in this place, we were going to work real hard to make it the most productive and progressive place we could. As we did research we realized that [small business districts] really were the heart of neighborhoods.”

A City Council member for the last four years, Evans has been a leading advocate for the revitalization of the local commercial districts around town that he feels make the neighborhoods livable communities.

In 1991 the city created the Neighborhood Business District Revitalization Program in direct response to grassroots pressure to make neighborhood enhancements a top priority. Twelve neighborhoods are represented, from the 100-year-old Proctor District in the north, to Hilltop, the Dome District, and Fern Hill, one of the oldest surviving communities in the state. The program has a dedicated staff member within the city’s economic development department working full-time with the neighborhood associations.

“We have probably not done enough to foster the village concept,” says Evans. City officials and staff are not against the village concept, he adds. “They’re promoting it, but we’re probably not doing as much as we could do. Attention has been given to downtown, and fortunately so. There’s lots of good things happening in Tacoma, but I think now is the time to re-ignite the interest in the urban villages.”

He says the proof of the value of the concept is how much attitudes toward the neighborhoods have changed since the 1980s.

“Twenty years ago, if there was a house [for sale or rent] in this neighborhood, they would never have put in the ad ‘Nice Craftsman-style house in the Proctor District.’ But now, I swear, the very first thing they will say is ‘Near the Proctor District.’ So I know that, over the years, this has worked.”

— Manny Frishberg
THE PORT OF TACOMA IS PROVING A MIGHTY ECONOMIC ENGINE FOR PIERCE COUNTY AND BEYOND.

By their own estimate, their staff spawns a total of 28,400 direct and indirect jobs, close to one in 11 of all the jobs in the area.

With more than 525 ships coming through the port each year, the total amount of freight passing through, in one direction or the other, has increased by more than 25 percent in the past year alone.

In 2002 the port moved the equivalent of close to 1.5 million containers in and out and processed more than 180,000 vehicles. (For comparison purposes, the port uses a standardized unit known as TEUs — a volume equal to a 20-foot cargo container.)

But then, the port has been a central fact in the life of Tacoma since before there even was a city of Tacoma.

A BATTLE FOR DOMINANCE
“A lot of this city was really built on trade, on shipping, having a natural deep harbor. Long before we had a capital-T Port of Tacoma, shipping and the railroads were a big part of the city,” says Rod Koon, director of port relations. Eleven years before the city’s founding, the area had already become important as the western end of the Northern Pacific Railroad, which set it up as the major transportation hub for the region.

“The city’s been around since 1884, but even before that there was a lot of shipping activity,” Koon says. In the late 1800s, what is now known as Thea Foss Waterway, across the water from the current port site, was the center for ships and rail traffic carrying cargo in and out of the area.

“A lot of warehouses handled coal, handled logs and lumber, and a lot of the natural resources from the Pierce County area that were exported,” says Koon.

But most of the development was in private hands, primarily the railroad. In the early 1900s the state legislature allowed the creation of public port districts; Tacoma’s was formed in 1918. The current port was founded with 240 acres and resulted in a significant shift away from what was then known as City Waterway, along the edge of downtown, to the current location.

Tacoma and Seattle battled for economic dominance of the region from the arrival of the railroads.

While the southern city initially had the edge, the Yukon gold rush brought a new prominence to Seattle. It wasn’t until 1893 that the Great Northern Railway completed its transcontinental route to Seattle, but by 1902 the Northern Pacific Railroad had built three piers along Elliott Bay shifting momentum to Seattle.

A few years ago Tacoma overtook the Port of Seattle in container volume, becoming the leading container port in the Northwest and the sixth largest in the nation. Koon says there is a friendly rivalry between the ports of Tacoma and Seattle, but they do not really see themselves in competition.

“The two districts have been following different courses of late, with Tacoma expanding its container and freight business, while Seattle has moved to attract more cruise ships and tourist-based business.

“We do work with Seattle quite a bit, lest you think we don’t get along,” he says.

GROWING PART OF THE ECONOMY
Today the Port of Tacoma is 10 times its original size, having grown to a total of 2,400 acres, including 700 acres available for continued expansion.

The port district owns about 30 percent of the land that is used for shipping, warehousing, and manufacturing within its reach.

The rest is owned by the companies that deal most directly with the port, including five major Japanese auto makers who bring in cars to service dealerships from here to Chicago. They also use the port as a transshipping point for vehicles destined for Canada and other international markets.

In 1976 Totem Ocean Trailer Express (TOTE) began calling at the port, setting the direction for the port’s future development in two ways: establishing a major connection with
Alaska and becoming the first significant container operation among Tacoma shippers. In 1981, the port invested in building a rail spur from the freight yards to the docks, making it the first West Coast port to develop what is known as an “on-dock intermodal railyard.”

“It doesn’t seem mind-boggling today,” Koon says, “but in 1981 it was a huge development in terms of thinking differently about how container cargo could be handled. Instead of putting the boxes on a truck and driving them 15 miles be put on a rail, why not bring the rail up to the dock?”

Last year the port did $3.4 billion worth of trade with Alaska alone, making it the third-largest customer for the port in dollar terms. The other four top trading partners for Tacoma’s port are all Asian countries: Japan, China, Korea, and Taiwan, in decreasing order of rank.

In all, the Port of Tacoma logged $22 billion in international trade in 2002, and increased its operating income by about 50 percent over the previous year, earning $15.4 million in operating income on revenues of approximately $72.85 million.

“In terms of the port today, you’ll hear a lot about containers, but we are a pretty diversified port still, in terms of our shipping partners and our cargoes,” Koon says.

During 2002 the port handled more than $3.5 billion worth of cars and trucks, $2.8 billion in machinery, and almost $2.75 billion in electrical equipment and components. On the export side, the port sent off $600 million worth of machinery, more than $600 million in meat and grains, and $300 million in vehicles. In addition they booked $3.4 billion in trade with Alaska.

STILL EXPANDING

This year the port is spending $159 million on new developments, the largest capital development program in its history. The port has recently completed a new terminal for TOTE. A new auto facility that will be the largest parking lot on the West Coast is in the works, as well as a container facility for the Taiwanese shipping company Evergreen.

In addition, the Puyallup Indian tribe, which owns and operates the Emerald Queen Casino on a paddlewheel boat adjacent to the port property, is planning to build a new Las Vegas–style casino and hotel complex, scheduled to open in the next two years.

— Manny Frishberg
Room To Grow

Pierce County is poised to prosper in the coming years thanks to a skilled workforce, plenty of land and a high quality of life.

While Tacoma is at the center of the area’s renaissance story, the same basic facts are propelling the rest of Pierce County forward as well.

“Where Pierce County has prospered, and where we are poised to prosper over the next 10 years, is we have a plethora of affordable housing — urban, suburban, and rural — within 30 minutes of downtown Tacoma, and we have room for companies to grow,” says Eric Cederstrand, a senior broker and vice president of the real estate firm Colliers International and also the principal of Eric Cederstrand and Co., which has invested heavily in the downtown revitalization efforts.

“Number two, they’re looking for a quality lifestyle for their employees, where they have affordable housing, they have quality education, they have decent commuting time, and [where] these companies also have room to grow.”

Bucking the No-Growth Trend

In the past year, Pierce County’s population has grown by about 1.1 percent to nearly 774,000, slightly faster than the statewide average of 1 percent growth for the year, according to the state Office of Financial Management. Of that, Tacoma accounts for just under 200,000. Populations in the incorporated cities have been rising slightly faster than in the unincorporated area, but they remain at about a 60:40 ratio.

Still, the rural areas have continued to grow slightly, bucking the trend in Washington as a whole, where populations in the unincorporated areas have been on the decline. Although the area has seen more than 18,000 acres of farmland converted to commercial and residential use since 1982, it still produces $80 million a year in 80 different agricultural and livestock products. For instance, it is the nation’s largest supplier of rhubarb, growing half the U.S. supply of the sour stalk.

While still holding on to its agrarian past, Pierce County is increasingly looking to high tech as its future. Intel has located a major research-and-development facility in the planned community of Northwest Landing, in suburban Dupont. Expedia, the Internet-based travel booking company, has looked to Tacoma and Pierce County for two of its recent expansions, and the county is deeply involved in the state’s efforts to woo Boeing’s 7E7 aircraft assembly plant to the area.
The dot-com collapse of 2001 hurt the region as it did elsewhere, but homegrown high-tech companies such as Topia Ventures, which makes intelligent software agents for the Department of Defense and leading private companies, continues to grow.

Northwest Landing is an example of the kind of purposeful pro-growth approach that is being pursued in the county. Quadrant Homes designed the approximately 3,000-acre community as a whole, with one-third of the land for residential housing, one-third for commercial and retail development, and one-third left for parks and open spaces, including a system of walkways and hiking trails throughout the community. State Farm Insurance is one of the companies that has been lured to set up a major facility in the area.

“We’re a one-a-day builder in Northwest Landing,” says Quadrant’s Greg Moore, who also sits on the Economic Development Board of Pierce County. “In doing that, we provide those houses in the range from $150,000 to $250,000. We’re providing a good market niche, meeting a lot of needs for the growing, expanding businesses in Pierce County.”

**ATTRACTING TALENT**

Parametrix, an engineering and environmental sciences company with about 450 employee-owners, is located in the county’s south end in what executive vice president Jeff Peacock refers to as “beautiful, blue-overhead Sumner.” Along with their architectural subsidiary, Parametrix is responsible for about $40 billion in construction at any time, including work on the Alaskan Way Viaduct and the Interstate-520 floating bridge project in Seattle, the Tacoma convention center, and a major renovation of Stadium High School.

The great advantage he says he sees in being located in Pierce County is the quality of life, which makes it easier to attract the level of talent they need to perform.

Cederstrand allows that the very growth that has helped create the Tacoma and Pierce County renaissance could threaten to be its undoing. But, he says, area leaders have the advantage of having seen what Seattle and Bellevue have faced during the last 10 years. He says they have an opportunity to learn from the mistakes of their northern neighbors and deal with problems such as transportation and suburban sprawl before they become overwhelming.

— Manny Frishberg
TACOMA & PIERCE COUNTY:
Bridging The Past And The Present

Area business leaders stress that the City of Destiny and Pierce County are excellent places to live and work.

LONG considered the poor cousins to their northern neighbors, Tacoma and Pierce County are overcoming various hurdles to build their own identities as centers for trade, commerce, and development.

That was the message from a gathering of the region’s business leaders who met last summer at the Tacoma Club in downtown Tacoma. The group talked candidly about the benefits and challenges of living and working in Washington’s second-largest city and the county that surrounds it. The following is a short edited excerpt from the far-reaching discussion.

What is a benefit and a challenge of doing business in Tacoma?

Greg Moore Quadrant Corp.: One of the challenges is getting the message out that you can come down south for your business. And we have a lot of competition with Kent Valley and other locations, but we’re getting the word out.

Tim Farrell Port of Tacoma: The benefits and opportunities of working here in our region for our business come in several categories. One is simple: environment. We’ve got naturally deep water. We have a large, flat industrial area to work with. And beyond that, we have the infrastructure that goes onto that natural environment.

In terms of the challenges that we face, there are a couple of them. It’s a challenge to make sure that we are growing at a sustainable rate and yet we are also satisfying the needs of our customers. The other challenge is our name out there, both here within the state of Washington and the Pacific Northwest, but also overseas in Asia, and in Southern California.

Vince Schmitz Multicare Health System: I think one of the greatest benefits of growing with Tacoma over the last 120 years is it’s a great community. What we’re finding is that we have a very stable work force, that our turnover is lower than the national statistics. Our nurse vacancy rates are actually lower than the national statistics. Labor is a big part of our total expense, over 50 percent. And this is just a terrific community for people to live in and do business in.

Melanie Dressel Columbia Bank: It’s real positive doing business here in Tacoma. Tacoma now is the number two city in terms of population, and yet it continues to have a small-town feel. The people are
Randy Rushforth Rushforth Construction: The benefit of doing work in Tacoma, from a contractor’s standpoint, it’s a very easy place to work. They encourage development. The building department is very proactive. We really don’t have any problems that are unsolvable in Tacoma. Compared with other cities we work in, Tacoma is quicker to get a building permit. The building inspectors find solutions rather than problems.

But Tacoma has an image problem. And if we compete with contractors from Seattle or sometimes Portland, we find that people, once they realize we are from Tacoma, they think, ‘My gosh, you can’t know what you are doing because you are from Tacoma.’

Vicky Carwein University of Washington Tacoma: One of the unique things about this campus is, because we were very engaged, very interested in what’s going on in this city.

In terms of challenges, we are one of only two publicly traded companies in Tacoma, and for a city our size, it would give us a break if we had more companies headquartered here. I think that it would stimulate job growth, but also there are so many projects that we need to get done, and contributions and donations and those kind of things have a tendency to fall to a very few number of companies that are large employers headquartered here in Tacoma.

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REGIONAL REPORT

established to really serve place-bound, time-bound students who couldn’t pick up families and move someplace else to go to school, all of our graduates are people who are living and working and contributing right back into this community.

On the other side of the coin, in terms of a challenge for us, in order for this campus to continue to grow and develop and really meet the needs of this community, we need adequate funding.

Eric Cederstrand Colliers International: Five or six years ago I was quoted as saying that everybody wants to live and work in Tacoma and Pierce County, they just don’t know it yet. And I think that we can honestly say today that the word is getting out. The biggest challenge for us right now is to, one, continue at the pace that we’ve been. Even in this recessionary economy, we’ve still had positive growth.

David Graybill Tacoma-Pierce County Chamber of Commerce: Tacoma has many great things, great educational institutions, both public and private, a great defense base which is so important to our overall economy, and certainly, I’d be remiss if I didn’t mention our emerging role in the cultural arts and cultural arena with the new museums and growing reputation.

We face challenges like every emerging, growing community. One of the ones we worry about quite a little bit is the Chamber is, despite the quarter of a million in new population in the last 20 years here in Pierce County, our overall job growth has not quite kept up in terms of percentage of population growth

Chuck Miller Bratrud Middleton Insurance: I had a long trip this morning. I had to come from the tenth floor in the other bank development building. I guess that’s relatively simple. And many of you have touched on that but I’ll sum it up in a few words: opportunity, opportunity, opportunity. Everybody that spoke before me has talked about opportunities in various and different areas, but I am just going to say opportunity, opportunity, opportunity.

Jeff Peacock Parametrix: To us, our major benefit of working in Pierce County is to be able to attract some good people based on the quality of life that we have here in Pierce County. We’re all about the people that we have employed for us. So the better folks that we can get because of where we’re located means a lot to us.

Juli Wilkerson Tacoma Economic Development Department: This is a remarkable small community that’s making things happen. And I think partly it’s because there’s political will, partly because this community wants to develop across the nation, across the region. And if you talk to other communities, they don’t want the development, or they have constituencies that don’t want development.

Mike Oman University of Puget Sound: We are a long-time Tacoma institution. We are an undergraduate, predominantly liberal arts, educational institution, mostly residential. And it’s significant that we bring about 75 percent of our students to Tacoma from out of state. Therefore, Tacoma’s image and the attractiveness of what’s going on in Tacoma is very important to us.

I think that the renaissance that’s going on in Tacoma and particularly culturally and in the arts area is a real attraction for the clientele that we are working with. I think another benefit that may surprise you to hear me say, of being here in Tacoma, is reasonable housing. And we attract, the hiring that we do, particularly in the faculty, is a national hiring pool.

How is the image problem impacting your business and what can the business community of Tacoma do about improving that image?

Tim Farrell Port of Tacoma: [Tacoma] isn’t Seattle now, and it isn’t going to be Seattle in the future, but that doesn’t make Tacoma any less valuable or worthy. It’s a great place to live.

There is a lot of history here. But there is also a lot of feeling here that for some reason we have to compare ourselves to other places. Some people tell me it goes back to the days when the Great Western Railroad was choosing its western terminus, and Tacoma won and was very happy about it, and Seattle was so upset about it that they went and negotiated with the Great Northern and they extended it another 30 miles up into Seattle and created this Hatfield and McCoy situation that has lasted a hundred years. Well, we are different. We are different places and each one has its pros and its cons. And I have to think we should feel good about the pros that we have here.

Chuck Miller Bratrud Middleton Insurance: This is a blue-collar town, and it’s a tough town, and it’s got a very interesting, colorful history and all of those kinds of things. But I think, you know, again, let’s create a clear image of us as Tacoma, as Pierce County.
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