

# STRONG ECONOMIES, RESILIENT COUNTIES

The Role of Counties in Economic Development



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## LEWIS COUNTY, WASHINGTON

### Rural Development through Regional Partnerships



Stretching from the lowlands of Western Washington to the crest of the Cascade Mountains, Lewis County is rich in natural resources. Its economy relies on several primary industries, including lumber and forest products; coal hydro-electric and natural gas co-generation; manufacturing such as food processing, glass, plastics and chemicals; and two service industries, healthcare and broadband. State and federal regulations and permitting requirements are viewed as threats to the logging industry in the county. The county is affected by the economic situation in neighboring counties, given that some of the county residents commute out of the county for work. Lewis County focuses on collaboration with its neighboring rural counties to foster the economic development of the community and of the surrounding southwestern Washington region.

The county relies on the Lewis Economic Development Council (LEDC) for its economic development efforts. A board of three elected commissioners governs Lewis County, and each commissioner serves four-year terms. A state-designated economic development authority, LEDC has one County Commissioner on its board of directors.

Lewis County receives funding through the distressed counties state fund, which allows the county to levy a 0.9 percent sales tax for economic development purposes. This tax is not an additional tax, but a refund to the county of a portion of the 6.5 percent state sales tax paid in Lewis County. The fund targets counties that are affected by the decline of the forest products industry. Lewis County leverages these funds with other state, federal and private funding to build infrastructure and attract new business to the county.

### Pacific Mountain Workforce Development Council

The LEDC partners with its four neighboring counties – Thurston, Grays Harbor, Pacific and Mason – to enhance supply chains and cluster development in the regional economy. These counties created the Pacific Mountain Workforce Development Council, a strategic alliance focused on workforce development issues. In addition, the chairs of each of the counties' EDCs use this partnership to discuss ways in which their industries can align. For example, they encourage local businesses to examine

- Population, 2013: 75,081
- County Board size: 3

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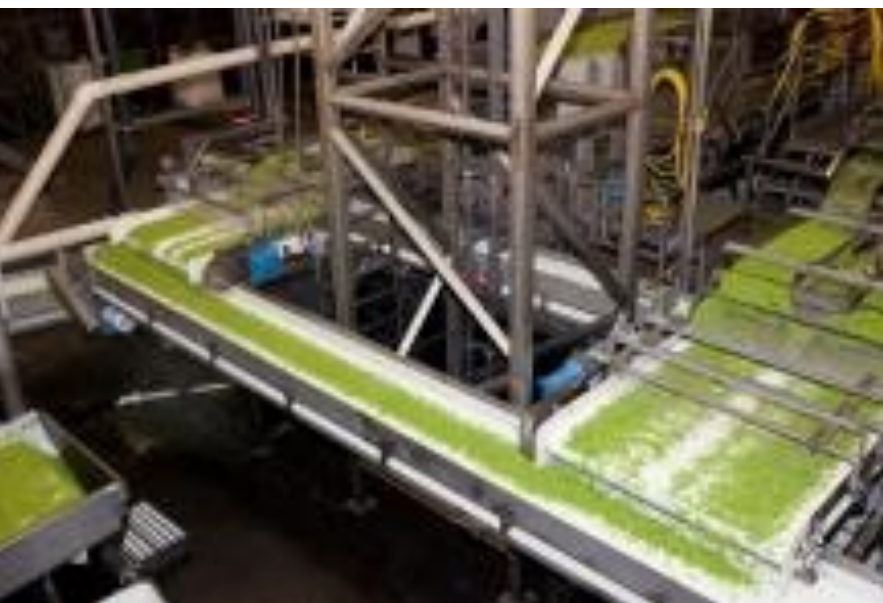
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their supply chain and purchase locally whenever economically appropriate. National Frozen Foods, a leading company in Lewis County, purchases its cardboard boxes from neighboring counties.

## The Lending Network

Through a revolving loan fund named the Lending Network, Lewis County provides assistance with access to capital to encourage businesses to locate or expand in the county. The loan fund has loaned approximately \$4.6 million in the past eight years. The Lending Network uses a rigorous screening process for loan requests process, based on the strength of the applicant's business plan, credit standing and ability to provide collateral, among other criteria. For example, the Lending Network provided 46 percent of the permanent working capital to a furniture manufacturer that located in the county and in the process create ten new jobs. This revolving loan fund provided the final \$20,000 to finance equipment for a metal fabrication shop that has been in business for 15 years in the county.

Lewis County, Wash., adopts a regional approach to solving the economic issues of the community. Together with neighboring rural counties, the county works to strengthen the local supply chains and to assist local businesses with access to capital.



National Frozen Foods, one of the leading companies in Lewis County.