

THE ECONOMIC REPORT

A SUPPLEMENT OF *The Chronicle*

CHAIRMAN'S CORNER

It's Time For Me to Step Down as The Alliance Chairman

BY BEN M. KOSTICK

Chairman Economic Alliance of Lewis County

I've served as Chairman of the Economic Alliance of Lewis County for about two years now, helping oversee the dramatic revitalization of this dynamic group.

I'm proud of what has been accomplished during my term.

I leave The Alliance in great hands, starting with Executive Director Richard DeBolt, whose vision of inclusion and extreme thinking outside of the box has energized The Alliance into a Lewis County leader and driver of economic growth and vitality.

As all great leaders, perhaps Richard's top contribution is recruiting a staff second to none.

It begins with Initiative's Program Manager Todd Chaput's hard work, calmness and smarts. External Relations Manager Eric Sonnenberg offers a steady influence and years of experience at the agency. Dolly Tardiff, the Business Development Center/Program Manager, is one of those "glue" people that does much of the behind-the-scenes work, always has a professional and welcome smile, and brings outside business ownership skills to assist existing and up-and-coming ventures. Richard's latest hire, Lenee Langdon as Tourism Alliance Project Coordinator, promises to expand tourism and promote events for Lewis County.

I want to extend a sincere thank you to Richard and his top-notch staff. It has been a pleasure being your Chairman.

I am excited about the new venture into the promotion of Discover Lewis County. Under Richard's guidance and his crackerjack staff, expect great things for tourism-related businesses in this region, as detailed in this Economic Report.

While I won't be chair of the Economic Alliance of Lewis County, I look forward to our upcoming 40th Anniversary Banquet, featuring keynote speaker Brandi Kruse. She's a true sparkplug who tells it like it is, and understands politics as good as any. If you want to attend this event on Feb. 3, you better act fast as tickets are flying out the door. Ticket information is located on page 3 of this Economic Report. Don't dawdle.

It's time for me to step away, but I will still maintain a presence with The Alliance. For now, I turn to my life as a tax CPA and will focus on crunching the numbers for my clients.

Finally, thanks to The Alliance Communication Strategist Michael Wagar for helping me with editing and producing the column once every two months. His guidance has been invaluable.

Ben Kostick is chair of the LEDC and owner of Ben M. Kostick CPA Inc.



BY BEN M. KOSTICK
Chairman Economic Alliance of Lewis County

New Tourism Alliance Formed to Expand Discover Lewis County

Economic Alliance Hires Lenee Langdon as Tourism Alliance Program Coordinator

BY THE ECONOMIC ALLIANCE OF LEWIS COUNTY

The Economic Alliance of Lewis County is absorbing the county's destination website Discover Lewis County (discoverlewiscounty.com) to upgrade its exposure outside of our region in attempts to increase the number of "heads in beds" for Lewis County related businesses.

The Alliance has signed a three-year contract to run the website, which focuses on travel destinations, lodging and restaurants in Lewis County. The funding for The Alliance was approved by the Lodging Tax Advisory Committee (LTAC), which sorted through about \$1.1 million in requests with about \$650,000 awarded.

The Alliance was granted \$180,000 per year to run the website and expand its exposure in the county, the region, across the state, the nation and including international publicity.

LTAC will have yearly approval oversight of the funding, which will begin Jan. 1.

To coordinate efforts, The Alliance has hired Lenee Langdon, who already has started her job as Tourism Alliance Program Coordinator. Along with shepherding Discover Lewis County, Langdon will also promote tourism events throughout Lewis County, such as festivals and parades (she can be reached at 360-748-0114 and lenee@lewiscountyalliance.com).



Discover Lewis County
Three Bears Cabins on Paradise Drive in Ashford is an example of a target destination to market in Lewis County.



Discover Lewis County
Berry Fields restaurant is one destination that the newly created Tourism Alliance aims to market, along with other eateries, vacation destinations and hotels in Lewis County.

Langdon, a Morton resident, is the former director of the East County Chamber and worked in marketing the cruise

line industry in Seattle.

In addition, Annalee Tobey, Executive Director of the Chehalis Community Renaissance Team, will help with the direction of the project and is an advisor, including working with essential social media efforts. The Silver Agency will also assist with the website.

The Alliance is creating a sub-agency called the Tourism Alliance. Economic Alliance Initiative's Program Manager Todd Chaput will oversee the project, along with a steering committee of advisors.

"It was never a perfect fit for the county, although they did a good job," Chaput said. "Our goal is to eventually make it its own organization. Our intent is for it

SEE **DISCOVER**, PAGE C2

Regional Economic Forecast & Innovation EXPO set for Dec. 1

Economic Alliance of Lewis County Executive Director Richard DeBolt Will Address Economic Development

BY THE ECONOMIC ALLIANCE OF LEWIS COUNTY

Regional Economic Forecast & Innovation EXPO is coming to the Great Wolf Lodge in Grand Mount Dec. 1, from 7:30 a.m. to 3:30 p.m.

This important networking event typically draws over 350 decision makers, community leaders and innovators from all sectors of business and industry from the five-county region of Thurston, Mason, Grays Harbor, Lewis and Pacific counties and beyond.

This year's theme of "Building a Strong and Resilient Regional Economic Ecosystem" will once again have a strong emphasis on workforce, and will delve into the issues facing business communities related to housing, policy, data, broadband, telework, supply chain contingencies and more.

WORKFORCE REGION:

- Greater Grays Harbor Inc.

- Economic Alliance of Lewis County
- Economic Development Council Mason
- Economic Development Council Pacific County
- Thurston Economic Development Council & Center for Business Innovation

Giving the Keynote Economic Forecast is Dr. Bill Conerly, a business-focused economist, Forbes contributor, and Duke Ph.D. He connects the dots between the economy and business decisions.

This conference in its 14th year brings together regional businesses from a wide range of industry sectors. Exhibitors will display cutting-edge technology, products and innovations. Attendees will have the opportunity to network, attend breakout sessions, hear an economic forecast from a leading regional economist, and more.

ECONOMIC DEVELOPMENT LEADERS PANEL

Jennifer Baria, Executive Director, Economic Development Council Mason; Lynnette Buffington, Chief Executive Officer, Greater Grays Harbor Inc.; Michael Cade, Executive Director, Thurston Economic Development Council & Center for Business Innovation; Richard DeBolt, Executive Director, Economic Alliance of Lewis County; Susan Yirku,

Executive Director, Economic Development Council Pacific County

Participants will be presented with solutions and strategies that they can use in the planning and operation of their business, and to build a strong resilient and inclusive community.

BREAKOUT SESSIONS

Breakout sessions will focus on the real issues and opportunities facing this five-county region — first and foremost among these — the needs for workforce and housing.

A strong focus will also be placed on how policy is affecting small business success, and how better awareness and information (including optimal data) can provide an advantage.

Additional breakouts will focus on telework, extending rural broadband networks, and building regional-scale supply chains to assist with resiliency in the face of economic disruptions.

Intent will also be given to how diversity, equity and inclusion are woven into these themes/innovations. Showcasing the actual leaders in the region addressing these issues, the sessions will approach topics in engaging and enlightening.

Pacific Mountain Workforce Development Council has partnered with the Thurston Economic Development Council to put on this event.



BY RICHARD DEBOLT
Economic Alliance of Lewis County Executive Director

SPONSORED CONTENT

THURSTON-LEWIS-MASON CENTRAL LABOR COUNCIL

WSLC Uses Power of Unity to Benefit All Workers

BY THE WASHINGTON STATE LABOR COUNCIL, AFL-CIO

When workers join together in unions, they have more power to negotiate better wages and working conditions than they do as individuals.

"When unions work together, their members can negotiate better contracts, earn more money, and boost our state and local economies," said WSLC President Larry Brown. "But they also use that power to fight for working standards that benefit everyone. Higher minimum wages, paid sick leave, paid family leave, access to overtime pay—all of these were fought for and won by Washington's labor movement, but they benefit all workers. That's

the power of collective action and joining together."

The WSLC also has a number of programs of specific benefit to all workers, including:

Workforce Development—This department advocates for all workers from initial entry into the workforce by promoting apprenticeship opportunities, to career transition when workers need help with retraining, to assisting those facing job loss.

For example, the WSLC Workforce Development helps file petitions for the Trade Adjustment Assistance, a federal program that provides aid to workers who lose their jobs due to offshoring or increased imports. As a result, thousands of workers in Washington

state currently have access to TAA benefits like relocation assistance, training/tuition support, extended income support, partial wage replacement for older workers, and more.

Project Help—This WSLC program assists injured workers in Washington with the early and successful resolution of workers' compensation claims. It provides educational and one-on-one claims assistance to all interested persons. Get details at www.ProjectHelpWA.com.

Learn more about the WSLC at www.wslc.org and get the latest information about Washington's union movement at the WSLC's award-winning news service, The Stand, at www.TheStand.org.



MEMBER SPOTLIGHT

First Mode Proving Grounds Located at the TransAlta Centralia Mine

New Proving Grounds Supports Real-World Testing and Optimization of the Next Generation of Hydrogen Haul Trucks to be Deployed at Mine Sites Around the World

BY THE ECONOMIC ALLIANCE OF LEWIS COUNTY

Carbon reduction company First Mode announced a first-of-its-kind proving grounds for ultra-class mining haul trucks in Centralia.

A new board member with The Economic Alliance of Lewis County, the First Mode Proving Grounds enables the company to test and optimize the next generation of zero-emission ultra-class haul trucks, and the associated hydrogen refueling infrastructure, that will be deployed at mine sites around the world, according to a press release.

Following the successful deployment of a proof-of-concept hydrogen-powered haul truck at Anglo American's Mogalakwena mine in South Africa in May 2022, First Mode is focused on scaling its U.S.-based production capabilities to meet the needs of its customers across the mining industry.

The First Mode Proving Grounds, which includes an outdoor work yard and office space, is located at the TransAlta Centralia Mine, the former coal mine now in the process of reclamation. The site enables First Mode to better analyze full mine site infrastructure and operations in a true mining environment. First Mode is leasing the space from TransAlta.

"The First Mode Proving Grounds in Centralia is a critical next step in our mission to help heavy industry eliminate diesel and transition to clean energy," said First Mode CEO Chris Voorhees. "The site will support both the optimization of ultra-class haul trucks and the full infrastructure associated with diesel-free mobility and the production and distribution of clean energy."

The First Mode Proving Grounds benefits not only from proximity to the company's Seattle-area engineering and technology teams, but also from the opportunity to work in an area that houses decades of heavy industry expertise.

"We are incredibly grateful to be working alongside local contractors and trades, including the staff at TransAlta, as we build out the First Mode Proving Grounds," said Aaron Ison, principal mechanical engineer at First Mode. "The extensive knowledge and experience within the Centralia community are already well established, and our local partnerships will be critical to the success of our current and future work."

Anticipated to arrive on site in 2023, the Komatsu 930E-4 ultra-class haul trucks will be retrofitted with hybrid battery and hydrogen fuel cell power plants. In future phases of work the company will explore additional uses for the First Mode Proving Grounds, including building out the associated critical mine site infrastructure for battery recharging, hydrogen refueling, and hydrogen production.

"We are extremely pleased to leverage our mining legacy in Washington and help innovative companies like First Mode advance mine site hauling as the energy transition unfolds," said Mickey Dreher, President of TransAlta US. "Given the enormous amounts of metal and mineral extraction that will be required to transition away from fossil fuels, First Mode's plan for using our Centralia mine site as a proving grounds for haul trucks has the potential to dramatically reduce emissions at mines around the world. We are pleased to support innovation toward a clean energy future."

According to a 2021 McKinsey report, 40 to 50 percent of mining's carbon dioxide emissions come from diesel fuel for heavy equipment. First Mode is working to eliminate diesel in heavy industry and speed the transition to clean energy. In June 2022, First Mode and Anglo American announced



First Mode

A two-megawatt hydrogen-fueled power plant, designed and built by First Mode in Seattle, is installed in a haul truck at Anglo American's platinum mine at Mogalakwena, South Africa. This vehicle is the world's largest zero-emission truck.



Krunal Desai / First Mode

The world's first hydrogen fuel cell and battery haul truck at the Mogalakwena mine site in South Africa.

the intent to combine First Mode and Anglo American's nuGen™ Zero Emissions Haulage Solution ("ZEHS") under the First Mode name to accelerate the further development and commercialization of nuGen™.

Upon expected completion of the transaction in the fourth quarter of 2022, the newly combined First Mode business will enter into a supplier agreement to decarbonize Anglo American's global fleet of ultra-class haul trucks, of which approximately 400 are currently in operation.

ABOUT FIRST MODE

First Mode is a creative engineering company building a sustainable future. They design and deliver critically needed products and technologies focused on zero-emission mobility, decarbonization of heavy industry and production and distribution of green hydrogen. Their engineers in Seattle and Perth empower clients to leverage cutting-edge solutions to achieve their sustainability objectives and help the planet survive and thrive.

DISCOVER:

Continued From Page C1

to form its own non-profit and be a free-standing organization. Our plan is to take it to the next level and create greater visibility across the state and region."

The specific goals, Chaput said, are to develop a strategic plan to increase destination travel from the outside into Lewis County, create higher visibility and focus on destination marketing.

He said primary stakeholders driving the new Discover Lewis County are owners and operators of restaurants, vacation rentals and hotels, which will form repre-

sentatives of each segment in sub-advisory roles.

"We really want to better market and manage the Lewis County travel industry," Chaput said.

Economic Alliance Executive Director Richard DeBolt said this new development for Discover Lewis County fits in with the mission of his group to contribute to the economic health of Lewis County.

"We want to serve as a catalyst for improving the quality of life in our region by aiding local businesses to expand as well as develop new business opportunities," DeBolt said. "This new Tourism Alliance fits perfectly with our mission."



Join us

40

YEARS

Friday, Feb 3rd

Economic Alliance of Lewis County

40th Anniversary Banquet

*6pm Social hour at Jesters Museum

*No host bar (Cash Only) by the Shire

*7pm Dinner by Crowded Kitchen Catering Co.

Guest Speaker: Brandi Kruse

Call to register 360-748-0114

PROPERTY SPOTLIGHT

EXETER I-5 GATEWAY — BUILDING 1 — WINLOCK

903,700 square feet of Industrial Space Available

- Building Specifications
- Industrial space available
- 903,700 SF total building size
- 903,700 SF available size
- Build to suit office
- Freeze protection warehouse heating
- 4' x 8' skylights for 1% of roof area
- 40' clear height
- 56' x 50' column spacing
- 135' truck court depth
- Cross-Dock loading
- 199 dock doors
- 559 car parking spaces
- 307 trailer parking spaces
- LED lighting
- ESFR sprinkler system

For information on this property and others available throughout Lewis County (or to list your industrial/commercial property for sale), contact Lewis Economic Development Council External Relations Manager Eric Sonnenberg a eric@lewiscountyalliance.org or 208-206-5407.

Brandi Kruse Is Keynote Speaker for 40th Anniversary Banquet

You Can Listen to Her Podcast [un]Divided with New Episodes Every Monday and Friday

BY THE ECONOMIC ALLIANCE OF LEWIS COUNTY

Former broadcast reporter and now political podcaster Brandi Kruse is the guest speaker for The Economic Alliance of Lewis County's 40th Anniversary Banquet set for Feb. 3.

Kruse was a Seattle-based reporter who worked for Q13 FOX. Last year she quit after a disagreement with the future of her popular show with management.

Today Kruse is an independent journalist with her podcast [un]Divided. She left Q13 and her popular political television show "The Divide with Brandi Kruse," a talk show she hosted starting in the summer of 2019.

"I actually loved working for Fox during the pandemic. They treated us very well as a corporation," said Kruse. "When it became clear The Divide, a show I created, wasn't going to move forward, which was a decision I did not agree with, I knew I was going to have to leave."

"I came to the conclusion if I wanted to do my best work — my best work for the public — I didn't believe I could

work for corporate media and work for the public at the same time," she told Seattle's KIRO Radio.

"I knew that I couldn't do the kind of journalism that I wanted to do," she said.

She shifted platforms, and turned her independent journalism up a notch. "If I couldn't do it there (KCPQ 13), I decided I was going to do it on my own," she said.

Today you can subscribe and listen to "[un]Divided with Brandi Kruse" at www.patreon.com/undivided.

"As a journalist in Seattle for more than a decade, I've witnessed what it looks like when those in power put on performances in lieu of being productive," she said on a past podcast. "In a state with one-party rule, our divides here are less between red and blue than between the reasonable and unreasonable. On [un]Divided, we encourage leaders to look past partisan politics long enough to live up to their obligations. We reject fringe ideologies and give a voice to the majority of Americans who are tired of being drowned out."

"I quit my job in corporate media to start a platform where I could be unfiltered, unrelenting, and honest. Too much is at stake to hold back. I can't continue to do this work without your support," she said. "Together, we can give common sense a comeback."

In describing her podcast, she told listeners, "[un]Divided is more than



Courtesy Photograph

Brandi Kruse is the keynote speaker for the Feb. 3 Economic Alliance of Lewis County's 40th Anniversary Banquet.

a place to talk politics, it is a mission. The fact that you are here reflects your commitment to bridging the divide in our communities."

She said since leaving mainstream media, she enjoys opportunities such as the upcoming Alliance banquet keynote speech where she can freely share her political opinions.

About a month ago Kruse podcast about talking to a visiting delegation from the state of Georgia about solving the crime problem in downtown Seattle.

"What I came to realize and what I very much believe today is that the divide in our country isn't between warring political factions. It was then, and still is between the reasonable and the unreasonable," Kruse said. "What I came to realize is that building bridges doesn't work if you're trying to build bridges with someone whose only goal is to burn them down."

TICKETS GOING FAST:

Tickets are going fast for The Economic Alliance of Lewis County's 40th Anniversary Banquet on Feb. 3. Call now to reserve your tickets — \$50 each or \$500 for a table for eight. Seating is limited. Call 360-748-0114.

She recently spoke before the Washington State Farm Bureau in Wenatchee.

"I discussed some of the key issues facing our farmers and ranchers — including labor, overregulation and increased costs tied to inflation," she said. "I urged those in the room to fight to have their voices heard in Olympia, despite a (legitimate) concern among some that the party in power is too disconnected from what's happening on the east side of the state."

The next day she traveled to Vancouver to address a gathering of the Building Industry Association of Washington.

"I discussed the need for the government to limit regulations and lift costly mandates that hold our state's builders back from rapidly addressing the state's housing shortage," she said.

For those interested in her political thoughts, for what she calls "political commentary for the anti-fringe," she airs new episodes every Monday and Friday at patreon.com/undivided.

Fed Hawkishness Peaks as Rising Debt Payments Erode Savings

After the feast comes the famine; excess savings are being run down swiftly as prices and interest rates rise

BY BLOOMBERG NEWS

Tighter Federal Reserve policy is raising households' interest-rate burden, leading to a rapid decline in excess savings and underscoring the likelihood hawkishness has peaked.

The pandemic rise in excess savings was probably the most rapid increase in wealth ever seen. A combination of a collapse in demand and huge government transfers led to an estimated peak of \$2.3 trillion in excess savings being accumulated by the middle of 2021.

But after the feast comes the famine, and excess savings are being run down swiftly as inflation causes prices and interest rates to rise. These excess savings act as a buffer to a recession as they dampen

the feedback loop of a decline in spending, leading to a fall in income, which means less spending, and so on.

The Bureau of Economic Analysis defines the flow of savings as disposable personal income — consumption — other outlays. The personal savings rate is the difference between disposable income and consumption as a percentage of disposable income. The savings rate reached as high as 33% in the depths of the pandemic — a previously unimaginable level — but since then has collapsed to a near all-time low of 3.1%.

The dissaving can be seen in the rapid decline in "excess disposable income," i.e. disposable income above its pre-pandemic trend. It is back to flat based on a 30-year trend line, signifying that excess savings are no longer being bolstered by excess income because people are spending more and pandemic-related transfer payments from the government have ceased.

Savings are being increasingly stressed by rising debt repayments. Consumer and mortgage debt interest rates are rising. Debt-service ratios (debt repayments as a

percentage of disposable income) remain relatively low, but are also increasing, and could do so fairly rapidly as debt is re-fixed at higher rates.

In nominal terms, households have to repay an estimated \$1.75 trillion each year, or almost 10% of disposable income. This burden will get worse as more income is eaten up by rising prices.

The Fed estimates that excess savings

have dwindled to \$1.7 trillion (as of mid-2022), a 26% drop in a year. The stock of excess savings is likely to fall with an increasing pace as the lagged effects of rising interest rates bite.

The recession buffer is being wiped out, leaving the U.S. economy in a more fragile position and raising the likelihood the Fed has reached its peak in bellicosity on the war on inflation (for now).

Bowling Over With Fun

The staff of The Economic Alliance of Lewis County enjoyed an evening of bowling earlier this month. Pictured, starting bottom left and running clockwise, are board member Shane Wood, Initiative's Program Manager Todd Chaput, External Relations Manager Eric Sonnenberg, Executive Director Richard DeBolt, Amy Buzzard and Business Development Center/Program Manager Dolly Tardiff.



ECONOMIC ALLIANCE OF LEWIS COUNTY

Meet the Economic Alliance

LENEE LANGDON
TOURISM ALLIANCE PROGRAM COORDINATOR

QUICK FACTS...

Lenee Langdon is the Tourism Alliance, Program Coordinator and promotes events throughout Lewis County from the local parades to the Packwood swap meet. She will be attending many local events and also looking for those new upcoming events. If you have a new event please reach out to Lenee so she can get it on the calendar. Lenee resides in Morton, is married and has three daughters.

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