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Yi Hui

University of Washington, Tacoma, huiy3@uw.edu

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Attracting Foreign Direct Investment (FDI) in the Process of Tacoma's Globalization

Yi Hui

A capstone project submitted in partial fulfillment

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Supervisory Committee:

Ginger Louise MacDonald, Ph.D.

Douglas Wills, Ph.D.

Richard C. Wilkinson, M.A

Abstract

This qualitative research project aimed to provide a comprehensive review of a deficiency in foreign direct investment (FDI) in Tacoma, the causes of that insufficiency, and the possible resolutions that could change the stagnation and attract more FDI. By analyzing the data collected mainly via interviews and survey, the paper revealed reasons Tacoma has lagged behind other similar cities in attracting FDI, where the gaps exist, and what kinds of educational programs could be applied to enhance the FDI literacy and competency. Case studies on other similar cities offer Tacoma lessons and experience on how to grow FDI. This project emphasized the importance of FDI in Tacoma's globalization and highlighted the necessity of Tacoma adapting changes and transformation to develop FDI, which is a way to establish Tacoma's place in a global economy. The study developed the conceptual frameworks to explain the perspectives of viewing FDI favorably as an integral element of overarching local economic development strategies. Also discovered was Tacoma's tendency to derive incoming FDI from developing countries rather than the developed countries. Further exploration posited that a friendly city culture and favorable policies accelerated the progress of forging a welcoming environment for FDI. Based on the recommendations to boost FDI coming into the city, the paper concludes that, the constructive approaches are to find the potential investors by applying international educational exchange as an antecedent vehicle, and to cultivate the local work force serving FDI by conducting the designed adult educational program to enhance FDI literacy.

Keywords: Tacoma, FDI, globalization, city marketing, professional education

Attracting Foreign Direct Investment (FDI) in the Process of Tacoma's Globalization

As an important source of financing, inflows of foreign direct investment (FDI) are needed for America to achieve sustainable economic growth. The impact of FDI on output growth depends on how FDI leads to rising returns in domestic production and increases in the value-added content of FDI-related production (De Mello, 1997).

Attracting FDI can be an integral part of a local economic development strategy. Tacoma has the advantage of geographic proximity to Greater Seattle, whose economy is booming and highly robust relative to other cities in the Pacific Rim. Likewise, Tacoma could feasibly achieve its goal as an ideal international hub for FDI. There is a consensus that "success for our regional economy means going global, and going global means attracting more FDI" (Greater Seattle Region Global Trade & Investment Plan, 2014). A city on the rise, Tacoma is situated close to the Seattle-Tacoma International Airport. Tacoma is easily accessible from downtown Seattle and other neighboring cities.

In 2014, the City of Tacoma conducted its "Tacoma 2025" strategic visioning process to seek the community's help in shaping vision for future development over the next decade. Public opinion showed the holistic vision of Tacoma included key areas in both economic vibrancy and educational opportunity that would further improve upon "one of the nation's healthiest, safest and most progressive cities" (City of Tacoma, 2014a). In the strategic plan, Tacoma was expected to be recognized as a livable and progressive international city. One of the pipelines that could help establishing Tacoma's reputation as a dynamic international city was to attract FDI to boost employment and raise revenue. Educational development will

bring more international visitors who are potential investors. Economic development and education will intertwine to reinforce each other. For triggering FDI, Tacoma has already developed corollary international connections. Examples include development of Sister City relations, Port alliance, and inbound and outbound trade delegations for international exchanges, particularly in educational exchange programs both in K-12 and higher education settings. However, studies showed there continue to be broad challenges in growing FDI to keep pace with the current development in Seattle (Gregoire, 2007).

Statement of the Problem

A recent event in Tacoma related the story of the difficulty of bringing and retaining FDI in the town. The proposed \$3.4 billion investment for a methanol plant in Port of Tacoma was terminated in April 2016, with the victory of a vocal faction of public opinion. This case exemplifies testing Tacoma's capability to accommodate incoming FDI. Initially, the public supported the concept of the proposed plant as a way to put a large waterfront industrial site back into business. The successful execution of this proposal would have put a former industrial site in the Port back into productive use, creating jobs and economic growth for the community (Port of Tacoma, 2014a). A permanent need for 260 employees and a peak of 1,000 workers was anticipated during its construction period. The plant would synthesize natural gas and steam to manufacture 20K tons of methanol a day. All the methanol produced was to be exported to China. The FDI investor was Northwest Innovation Works (NWIW) Company, a China-British joint venture. When NWIW came to the site, signed a leasing contract with the Port, and began to pay for daily expenses, there were 18 permits required

for the plant, according to the company's preliminary count (Nunnally, 2016, February 27).

As the proposal gained momentum and came closer to reality, public outcry arose to strongly oppose the plant settling in Tacoma. Opposition intensified regarding the concerns on how the methanol plant would affect the environment as a whole. When dissenting voices arose, the previous proponents kept silent. NWIW finally decided to terminate the leasing contract, and declared the project failed.

The methanol plant investment was a touchstone for Tacoma's capability in dealing with FDI. When this project came to Tacoma with the endorsement of some Washington State high-ranking officials, there was no working team set up to grapple with the issues that might arise with the investment, or to fulfill the obligation of risk disclosure, which should cover the political, economic, and cultural risks for the investors. When a sense of panic arose in the community, no task force existed to help the investors face public opinion and manage the crisis. Also, the mass media one-sidedly pointed blame at China for the perceived problems, no one talked about NWIW co-founder, the British investors (Nunnally, 2016, February 27). Between 2013 when the project was proposed and the termination of the lease contract with the Port in 2016, NWIW had spent huge sunk costs on proceeding this project. Additionally, termination of the leasing contract with Port of Tacoma cost the company another \$1.8 million (Martin, 2016).

The failure to close the deal on the methanol plant investment has sent negative signals to the outside world about Tacoma's, as well as Washington State's investment environment. While Washington is a "world-class trading center with an emphasis on exports and

international business” (ChoseWashington, 2015), Washington has not been very successful in attracting FDI. Compared to other states by measuring the jobs in foreign-owned firms as a percentage of total employment, Washington ranks 29th in the country (Puget Sound Regional Council, 2009). Take FDI from China into the different states of the US as an example, from 2000 to Q2 of 2016, Chinese had invested 41 projects with the total amount of \$369 million in Washington, with the distribution focus on Information and Communications Technology (\$ 93 million) and Real Estate (at \$153 million). While in the same period of time, Texas attracted FDI from China at the level of 105 deals worth \$7 billion (Rhodium Group, 2016), not to mention what California had achieved in FDI.

The Greater Seattle area, known as the Pacific Gateway, does not attract as much FDI as compared to metropolitan areas such as Greater San Francisco area. There were just 300 new foreign-owned establishments added between 1991 and 2011 in Washington, while other competitive regions were significantly higher (Greater Seattle Region Global Trade & Investment Plan, 2014).

According to the report of Brookings Institution in 2010, the Greater Seattle region had the 10th largest economy among the 100 metropolitan areas in the US. Greater Seattle is the most trade-dependent region, but it only performed 14th on overall FDI employment, and it's actually slightly underperforming. In 2014, employment in advanced industries as a share of total FDI employment in Greater Seattle is below national average: only 20% of Seattle's FDI employment was in advanced industries, below the top 100 metro average of 21% (Global Cities Initiative, 2014).

As an active component of the Greater Seattle region, Tacoma was considered the world's best kept secret (Sperling's, 2007). The situation for Tacoma to attract FDI is complicated, as it is shadowed by Seattle and Bellevue of Washington, and beaten by Portland along the west coast. Most foreign investors who targeted doing business in Washington, would likely invest in Seattle and Bellevue rather than Tacoma in this territory.

Data showed that Tacoma has been lagging behind in FDI development. In 2015, Tacoma attracted 300 million FDI totally (City of Tacoma, 2015a), while Seattle received 1.13 billion FDI solely for real estate. From the year 2011 to 2013, as Saha et al (2014) reported in Brookings Institution publication, that workers employed by foreign owned enterprises (FOEs) increased by 56% in Seattle-Tacoma-Bellevue area, while it increased by 248% in Oklahoma City, and 607% in San Francisco-Oakland-Fremont area (Appendix E-Table 3). In 2014, Greater Seattle saw 13,402 jobs in FOEs in advanced industry, while Portland had 13,777, and San Francisco had 23,340 under the same measurement (Saha et al, 2014).

The known current problems regarding FDI in Tacoma are three-fold: Firstly, Tacoma seeks to strengthen globalization to be an international hub to gain more foreign investment but isn't prepared to do so. To be known as an international city by global investors, Tacoma needs a clear identity for marketing purposes. However, the City management has not figured out a clear picture of what Tacoma's FDI strategy and prospects look like. The operational framework has not been established to execute the steps that would guide the progression of attracting more FDI. The commonly agreed-upon direction and priorities of Tacoma's globalization in terms of FDI growth remains ambiguous.

Secondly, FDI literacy is deficient in the city among the broad stakeholders. Most stakeholders are not aware of how important it is to attract FDI for Tacoma's globalization, which renders them unable to build the friendly and effective investment environment to accommodate foreign capital to flow in (Mabey & McNally, 1999). Local businesses are not open-minded. When they lacked of funding, they did not think of FDI. Urban management did not guide local business to apply FDI. Integrated efforts of community, governmental agencies, business operations, nonprofit organizations, banking systems, and tax service are needed. Civic education has long overlooked the importance of educating average people to understand the economic, business and investment possibilities (UN Chronicle, 2010), and to intentionally execute the principals and tactics to help facilitate business/investment development whenever possible. The power of civic and professional education has not yet played a full role in boosting Tacoma's economic development.

Thirdly, the newly established Mayor's Commission on International Relations has not determined a clear and distinctive strategy for Tacoma to attract FDI in the next 10 years, synchronizing with the Tacoma 2025 Strategic Plan (City of Tacoma, 2013a). The City of Tacoma has not created corresponding policy changes nor enacted new incentives to improve and restructure the investment climate. The strategic plan indicates that a blueprint is needed to include (a) the positioning of Tacoma as an international hub for FDI, (b) the profile and image for Tacoma to be favored by international investors, (c) a roadmap of engagement of world resource allocation, and (d) the prioritized areas in which Tacoma could utilize the incoming foreign capitals.

The above-mentioned problems, taken together, described and defined the deficiencies that Tacoma has in FDI and the resulting lack of readiness to deal with FDI. Mayor Strickland has recognized the challenges as well as untapped opportunities and has been advocating the potential for Tacoma to host FDI to boost economic development (City of Tacoma, 2014a). Therefore, this project investigated three main questions:

- (a) Why is Tacoma an ideal hub for FDI?
- (b) Why has Tacoma lagged behind other similar markets in attracting FDI in the process of globalization?
- (c) How can Tacoma overcome this lag?

In order to address these questions, this paper dabbled in: a review of pertinent literature including the conceptual framework; methods used to collect data; case studies of two cities that have been successful with FDI (i.e. Oklahoma City, Oklahoma and Oakland, California); a profile of Tacoma; data analysis and findings; analysis of the reasons why Tacoma lags behind in FDI development; a set of discussions, meetings, and surveys of city administrators about the role and potential of FDI in Tacoma; recommendations to change the stagnation; and the educational program design for professional development for FDI literacy and competency.

Literature Review

Foreign Direct Investment (FDI)

FDI is generally recognized as an important source for financing and transfer of technology and know-how between countries. It has been primarily used by developing

countries as a tool for economic growth. Since FDI has proved to be resilient during financial crises, it is now more important for US cities who are recovering from 2008 downturn. "This resilience could lead many developing countries to favor FDI over other forms of capital flows, furthering a trend that has been in evidence for many years" (Loungali & Razin, 2001).

A foreign entity can invest in the communities in a hosting country to create new businesses, provide capital for development projects, develop or expand production of manufacturing facilities or provide new ownership of an existing enterprise (Brickman, 2009). Inbound FDI (the opposite of outbound investment) involves foreign entities investing in a local economy. This investment behavior could lead to higher productivity growth through an increased availability of capital and resulting competition. "Productivity increases U.S. competitiveness abroad and raises living standards at home" (Assessing Trends and Policies of Foreign Direct Investment in the United States, 2008).

Foreign investment comes in the three important forms: portfolio investment, foreign loans and foreign direct investment-FDI (Sanderatne, 2011). FDI is an investment made by a company or entity based in one country, into a company or entity based in another country. FDI differs substantially from indirect investment such as portfolio flows, where overseas institutions invest in equities listed on a nation's stock exchange. Entities making FDI typically have a significant degree of influence and control over the company into which the investment is made. "Open economies with skilled workforces and good growth prospects tend to attract larger amounts of FDI than closed, highly regulated economies" (Singh, 2012). The investing company may make its overseas investment in a number of ways by setting up

a subsidiary or associate company in the foreign country, by acquiring shares of an overseas company, or through a merger or joint venture. The accepted threshold for an FDI relationship, as defined by the Organization for Economic Cooperation and Development (OECD), is 10%. That is, the foreign investor must own at least 10% or more of the voting stock or ordinary shares of the investee company.

The 2015 "Global Investment Trends Monitoring Report" released by the United Nations Conference on Trade and Development showed that global FDI flows rose 36% to about \$ 1.7 trillion, the highest level since 2007. Cross-border merges & acquisitions (M&A) will be the main force promoting FDI growth and will continue to create volatility impact, but the current growth momentum of FDI flows are not stable. If there is no new round of corporate restructuring and M&A, in 2016 the global FDI are expected to decline as a consequence of unstable global economic growth, ongoing financial turmoil, and the total low demand for goods and services. In addition, geopolitical risks and regional conflicts also exacerbate the global economy.

On the other hand, the report revealed that, with the modest rebound in developed economies, the global macroeconomic environment will be improved, which could further enhance investors' confidence, and promote multinational companies to increase investment. In addition, a further depreciation of the currencies of emerging economies (e.g., Chinese Yuan), and multinational M & A transactions may also promote the growth of FDI flows.

Advantages and Disadvantages of FDI

In a globalized economy, FDI is a more accessible option when it comes to business. FDI is important to the US economy as well as Tacoma's. In fact, the US is home to more FDI than any other country, and there are still opportunities to attract more (SelectUSA, 2016a). The International Trade Administration (ITA) released a new study that quantifies the employment impact of FDI in the United States. By February 2016, there were 12 million jobs, or 8.5 percent of the entire U.S. labor force, attributable to FDI (SelectUSA, 2016b). According to this statistics, 6.1 million Americans (Appendix E-Table 6) were directly employed by U.S. affiliates of majority foreign-owned companies, with 5.9 indirect job creation, among which 3.5 million jobs attributed to productivity gain in the manufacturing sector (The Bureau of Economic Analysis, 2013). Moreover, the economic impact of FDI goes beyond job generating. Multinational companies (MNCs) could help drive American innovation, cultivate and finance research and development, connect American communities with the outside world, and bring new techniques to improve productivity (U.S. Department of Commerce, 2014). All of these economic activities generate additional motion in the local and national economy. Understandably, MNCs rely on other supporting enterprises in the supply chain to keep running. This specific FDI not only brings high-skilled jobs and workforce training to the community, it also establishes an important ripple effect for the growth and development of local industry. This is demonstrated by the fact that the employees of these MNCs spend income at local restaurants, housing, children's education, and/or other expenditure for their families, all of which stimulates local consumption and re-production. Employees are trained with new skills, which benefit them

for the rest of their lives as they move on to future jobs. In total, the ITA report estimates that, in addition to 6.1 million direct jobs, at least 5.9 million indirect jobs also rely on FDI, totaling 12 million jobs (ITA, 2014).

Similarly, FDI could bring strong benefits to Tacoma in a ripple effect. It could increase the numbers of jobs created by foreign investors. It has the potential to increase business workforce diversity by enrolling foreign employees, the numbers of international tourists per year, and the assessed value and rental rate of downtown properties (The fDi Report, 2016). It could most likely increase the number of international students coming to Tacoma's high schools/colleges. It could also influence the public arts and arts education with exotic elements, and multi-cultural events. Additionally, the numbers of Tacoma Sister Cities, the international business volume in export and import, and the Tacoma notability in global market could increase as a result of infusions of FDI.

Notably, FDI can be viewed as a double-edged sword for both the investor and the host country. From the investor's point of view, investing into another country's economy or buying into a foreign company can be highly financially rewarding and also risky. It is imperative for the investors to evaluate the economic climate thoroughly before investing. The perspective of the host countries receiving FDI is similar. Weighing the advantages and disadvantages of each FDI project and complying with national and local regulations and censorship has been the responsibility of a working team involving all the stakeholders from the counterparts of investment.

Based on the known advantages of FDI (Appendix E-Table 1), we can see that FDI is a catalyst for economic development, and it is strongly related to international trade, which promotes FDI and vice versa. FDI also helps develop human capital and household income. In the light of the risks that FDI may bring, the extreme danger like expropriation could be avoided in a market economy such as Tacoma, and we can proactively mitigate other controllable risks like higher costs. To predict the possible risks and determine feasible resolutions, FDI can be viewed through a broad scope. The visible benefits that FDI have brought to Greater Seattle include but are not limited to the following: (a) jobs created as a result average 25% to 30% higher wages (e.g., export businesses create jobs in the transportation and warehousing sectors); (b) expansion of the tax base has occurred; (c) and the increased possibility of future FDI transfers has been established (Greater Seattle Region Global Trade & Investment Plan, 2014).

Factors Affecting FDI

At the macroeconomic level, there is a strong correlation between FDI and a region's market size that is measured by the Gross Domestic Product per capita. In other words, a market with good spending capabilities—a larger amount of disposable income per capita—is attractive to investors (Singh, 2012). In Tacoma, since the average income is lower than the nearby locations such as Seattle, it is reasonable that FDI volume is comparatively small.

At the microeconomic level, the region's infrastructure facilities, such as quality telecommunications, electricity, roads and railways, all play important roles in attracting FDI investors. Tacoma's hope lies in the strong advantages of owning the Port of Tacoma, the

presence of significant lengths of inter-state highway, and the railway linking north to south and west to east. Other attractive factors include an easily navigated regulatory environment and low corporate income taxes. On the other hand, regulations such as joint venture and local sourcing requirements can restrict the manner in which foreign companies are allowed to operate. Local government has the flexibility to implement regulations. "Far from irrelevant, local governments are vital political arenas for the new work of cities-empowering their citizens to adapt and serve as catalysts for the global economy" (Clarke & Gaile, 1998). If Tacoma is interested in attracting FDI, then the city will need to establish her reputation as friendly and open-minded, by poising herself as a welcoming and negotiable partner for business establishment and operation.

EB-5 Immigrant Investor Program

Attracting FDI is one of the basic economic policies of the United States which initiated the 5th Employment-Based preference, EB-5 program in 1990. The EB-5 program is a booster for FDI through granting immigrant visas to the investors, and operating on different and more challenging principles.

America adopted liberal immigration policies, and governments used various methods to encourage foreigners to take up residence in response to the need to increase the labor force and to populate their territories at a time of strong economic expansion (Steger, 2009). The phenomenon of migration gathered new momentum after more than half a century, as part of a phase of globalization, whose economic dimension was characterized by capital flow (The economic dimensions of globalization, 2014). The purpose of the EB-5 program was to foster

foreign investment that would create jobs in underdeveloped areas of the US. This program “has been designated by the Secretary of Homeland Security on the basis of a proposal for the promotion of economic growth, including prospective job creation and increased domestic capital investment” (eb5 investors, 2016). The US Congress created the EB-5 immigrant visa category in 1990 for immigrants seeking to enter the country to engage in a commercial enterprise that would benefit the U.S. economy and create at least 10 full-time jobs (USCIS, 2000). The basic amount required to invest is \$1 million, although that amount could be \$500K if the investment were to be made in a “targeted employment area” (eb5 investors, 2000). The investment was required to come from individual funds and be invested into a business established after 1990. The investor was granted a limited partnership certificate. Congress allocates approximately 10,000 immigrant visas per year to the EB-5 category (including visas for the spouses and minor children of investors). Three thousand of the ten thousand total EB-5 visas are reserved for entrepreneurs who invest in targeted employment areas, and who invest through a Regional Center (RC) pilot program. An EB-5 RC is an organization designated by United States Citizenship and Immigration Services (USCIS) that sponsors capital investment projects for investment by EB-5 investors. The major advantage of the RC designation is that the RC can take advantage of indirect job creation. Under the specific pilot programs, foreign investors can pool their investments into RCs which make large investments that create jobs. RCs investors are permitted to demonstrate through “reasonable methodologies” that their investment resulted in the creation of 10 or more direct

or indirect jobs. Tacoma just started with only 3 regional centers in operation (Appendix E-Table 4).

However, “the statutory requirements of the EB-5 visa category are onerous” (Anderson, 2010). The statute requires that investments to benefit the U.S. economy to qualify the investor for an EB-5 visa or status. USCIS adjudicators are left to their subjective interpretations of the investment and its relative benefits when reviewing any petition. Federal regulation of foreign investments is extensive. Some regulations restrict foreign investments in aviation, banking, shipping, communications, land use, energy resources, and government land use, energy resources, and government contracting. Additionally, Congress has imposed several disclosure and data requirements on foreign investments. An investment may not be deemed beneficial to the U.S. economy if it does not meet any statutory limitation on foreign investment (Yale-Loehr et al, 2009). Meanwhile, the US uses the EB-5 program to set thresholds for FDI coming into the US.

Theoretical Framework

This study applied several conceptual frameworks to explain the perspectives of viewing FDI favorably as an integral element of local economic development strategies: Dunning's OLI Paradigm, Investment from developing countries, and City Marketing.

FDI Economic Theory - Dunning's OLI Paradigm

FDI decision making can be explained in great part using the attributes of behavioral economics. “Behavioral economics tries to improve the assumptive realism of economic theory and objects to the neoclassical acceptance of the simplistic economic model of rational agents

exhibiting optimizing behavior” (Hosseini, 2005). As such, behavioral economics certainly explains the assessments of multinational enterprises making investment decisions when they face a complex and uncertain international environment.

Theories of FDI based on imperfect markets explained the incentives for investment across borders. Dunning et al (1977) integrated the major imperfect market-based theories and added a dimension in the form of location theory to explain why a firm opens a foreign subsidiary in any particular place. Location theory addresses the important questions of who produces what goods or services in which locations, and why. Location theory also specifies factors such as host country policies, economic fundamentals, firm strategy and agglomeration economies, or benefits firms obtain by locating near each other. Dunning (2000) put forward his theory, which came to be known as the eclectic paradigm or OLI paradigm. OLI stands for Ownership, Location, and Internalization, three potential sources of advantage that may underlie a firm's decision to become a multinational. Dunning suggested that a firm would engage in FDI if three conditions (OLI) were fulfilled: (a) The firm should have ownership advantages vis-à-vis other firms (O); (b) There are some location advantages in using a firm's ownership advantages in a foreign locale (L); (c) It would be clearly beneficial to internalize these advantages rather than to use the market to transfer them to foreign firms (I);

The essential feature in the theory, known as Dunning's OLI paradigm, is that all three conditions must be satisfied before FDI occurs. The major contribution of Dunning's theory to the existing literature on FDI was to combine several complementary theories and identify

a set of factors that influence the activities of multinational enterprises (MNEs). Dunning (1980) empirically tested his theory and obtained satisfactory results. However, one of the main criticisms of this paradigm is that it includes so many variables that it loses operational and practical meaning. The result of this criticism was the Investment Development Cycle or Path (IDP) theory that proposed a link between a country's level of economic development measured in GDP per capita and its international investment positions – the net outward FDI stock per capita. The basic hypothesis is that when a country develops, the conditions encountered by foreign and local firms will change. This will affect the flows of inward and outward FDI. This, in turn, will have an impact on the economic structure of the country. Thus, there is a dynamic interaction between the two. IDP accepted the fact that a government can influence the country's condition through its policies, thereby affecting FDI flows and domestic firms' ownership advantages. In this way, IDP introduced a new notion of dynamic approach to the OLI theory.

Investment from Developing Countries

This theory could explain why Chinese investors are coming to Tacoma to buy real estate at comparatively lower prices. In the past 20 years, a number of developing economies, such as China, Korea, and India, have emerged on the map of international investors. These so-called third world multinational companies (TWMNCs) have established themselves in almost every sphere of the global economy (Nayak & Choudhury, 2014). Third world multinational companies imported technology and have exported their products after local demand was met. When the exported products become familiar in foreign markets, the TWMNCs show a

preference for setting up subsidiaries abroad rather than exporting. This inbound FDI was explained by Product Life Cycle Theory. The third world MNCs also enjoy ownership advantage over the developed world's MNCs in the form of lower overhead and expatriate costs, familiarity with local conditions, and less-threatening position to the controlling shareholders (Kumar and Kim, 1981).

City Marketing

Another theoretical contribution in the discussion of FDI is in the area of marketing, that is, to market a city as an ideal hub for FDI. City marketing would make Tacoma well-known to the outside world, thus reinforcing international connections like trade and cooperation between Tacoma and possible partners. Narver and Slater (1990) define market orientation from a cultural perspective as "the organization culture that most effectively and efficiently creates the necessary behaviors for the creation of superior value for buyers and, thus, continuous superior performance for the business". Market orientation is conceptualized in terms of three dimensions: customer orientation, competitor orientation, and inter-functional coordination. Kohli and Jaworski (1990) define market orientation from a behavioral perspective as "the organization wide generation of market intelligence pertaining to current and future customer needs." The theory suggests that to be successful, the City administration should determine where Tacoma's targeted markets are, with the goal of satisfying customers' needs and wants more effectively than their competitors do. The theory also says that just as the marketing environment has to be assessed at home, the overseas potential of markets also has to be carefully scrutinized. This implies that Tacoma may not currently suit or match any

specific markets. The potential market size, degree and type of competition, price, promotional differences, product differences as well as barriers to trade have to be analyzed alongside the cost-effectiveness of various types of activities. The basic instruments of city marketing are seminars, advertising brochures, investment summits, business visiting activities, and exchange visitors.

Shorts and Kim (1999) pointed out that in the process of urban cultural globalization, practical marketing strategies focused on the detailed and evolutionary process of place promotion. The promotion would include improving the physical infrastructure, vocational training, and stressing good public-private cooperation. Tacoma is suited to attract foreign companies that are associated with high-tech, green energy and financial services.

The critique to this approach of City Marketing theory primarily said that it would be too entrepreneurial and neoliberal for a city to intensely focus on business, which could serve to diminish or eliminate its goal to serve its residents and community development (Olds, 2001). However, Steve Case (2016) in his new book "The Third Wave: An Entrepreneur's Vision of the Future" strongly advocated application of entrepreneurship to promote urban economic development. He stated that America itself was a startup, and entrepreneurship is globalizing. He emphasized innovation to be the secret sauce animating the American story. It is essential for Tacoma to follow the trend of the economy's Third Wave, that is, "a period in which entrepreneurs will use technology to revolutionize major real world sectors like healthcare, education, transportation and food" (Case, 2016). Tacoma needs to try to increase focus on attracting domestic and foreign entrepreneurs and find ways to level the playing field so that

anybody from anywhere, of any background, has the opportunity to create a company.

FDI investors would prefer coming to a vibrant ecosystem for entrepreneurship where people are open-minded and have easier access to capital, where the regulatory infrastructure is simpler, and where there is more dialogue between government and innovative entities and business. With this focus on entrepreneurship and FDI, Tacoma could enhance her spirit of innovation. In this way, Tacoma could create jobs and attract more talented people to settle down to drive economic growth (Jain, 2011).

Globalization in Tacoma

The development of FDI is highly correlated to the process of globalization. In prior studies of global processes, the dominant tendency has been to associate concepts like innovation, risk, and productivity exclusively with an economy's success or failure, and corresponding market performance. This tendency was in tune with a more general emphasis on the political economy in processes of globalization (Van Der Veer, 2014). Global forces shape societies everywhere at the same time. However, they also shape societies in very different ways that need to be compared. The urban internationalization rested on two shared assumptions. "Municipalities were held to be similar and thus comparable, while local government was held to be technical and not political" (Saunier & Payre, 2008). "This assumption that urban policy exists in a world of science and administration, a world of professionals seeking a common good was necessary to allow different groups to come together in the transnational municipal movement" (Clarke, 2012). It is the theoretical basis and common ground for City officials to take the initiative to form a strategic coalition to develop

FDI. In line with this assumption, certain agencies sought to universalize particular values and models through the city globalization. For example, the US State Department and related philanthropic foundations sought to universalize American values and models during the Cold War (Saunier, 2002).

There was an argument that local government is commonly perceived to be technical and not political in the contemporary period (Lerche III, 2000). Such points of focus derive from important broader projects to understand how certain policies get adopted over others, or how certain cities come to be thought of as exemplars. Contemporary urban policy mobility involves a vast informational infrastructure of people, organizations, and technologies that interpret, frame, and represent information about urban policies, best practices, and successful cities (McCann, 2004). Agents of this process include educators, trainers, professional bodies, non-governmental organizations, and the popular media.

Profile of Tacoma

Established in the last half of the 19th century, Tacoma is a waterfront city on Commencement Bay in the South Puget Sound area of Washington State. In 1873, the Northern Pacific Railroad chose an area at Commencement Bay as the western terminus of its transcontinental line (Clarke & Gaile, 1998). Railway construction spawned the shipbuilding and timber industries. As the poet Haller (2011) wrote, "In this place we grew as the city grew; wrote to friends and relatives: Come to this land; mountains pierce the clouds; waters reach the sea; green, green are grass and trees". Tacoma is a city of immigrants coming from various countries and regions. The building of the railway created demand and encouraged the

population and industrial influx.

Even though Tacoma has beautiful scenery, its industrial basis caused it to be described as a labor town. It grew up with the tradition of blue-color work, democratic control and broad representation in public decisions (Macphee, 1971). Tacoma's politics were dominated early in its history by locally owned national champions, such as Weyerhaeuser, and strong labor unions. This has kept neighborhood and social issues on the local agenda (Clarke & Gaile, 1998).

In the 1990s, service and high-tech industries emerged and located in the Puget Sound area. Unsynchronized, Tacoma coped with a job-poor economic base dependent on outside forces such as shipping and timber production, and became trade orientated. The ports of Seattle and Tacoma together became the second largest container ports in the country. Realizing the importance of globalization which would include rapidly growing and expanding to business from around the world, Tacoma has built international ties with global cities firstly through the Sister City program, and then opening to the broader outside partners. Tacoma is also considered an educational hub after economic takeoff, hosting the University of Washington Tacoma, University of Puget Sound and other private and community colleges which are compelling to international students. Located 40 miles south of Seattle, and 20 miles from the SeaTac International airport with direct flights to Asia, Europe and the Middle East, Tacoma is a gateway for the development of pan-pacific business and become a hub for innovation and entrepreneurship in South Puget Sound. As a result, the economy of Tacoma is growing rapidly and attracting business from across the globe, given the fact that the cost of operation and living

are affordable. Tacoma has the advantage of lower cost of living compared to Seattle and San Francisco, where, on average, San Francisco is 129% more expensive than Tacoma (Sperling’s, 2015).

Table
Comparison of Living Cost

	Seattle	San Francisco	Tacoma
Average wage/hr	\$28.43	\$33.34	\$18.49
Rent 2-bedroom apartment	\$2,265	\$3,925	\$1,208
Mean price for 3- bedroom house	\$457,000	\$1,130,000	\$194,700
Lease Class A Office Space \$/sf	\$36	\$64	\$27
Cost of living index	154.3	242.6	106.1
Income tax	No	Yes	No

Tacoma has been growing steadily since the 2008 financial recession in the US (McGuire, 2015, September 23). The City’s downtown revitalization strategy continues in its successful implementation. Tacoma’s main features in the local economy are (a) high growth potential; (b) main industries including shipbuilding; and (c) strong IT infrastructure with cutting-edge information technology (City of Tacoma, 2016).

Assets Promoting Tacoma’s Globalization

Tacoma has the infrastructure and facilities that have helped accept incoming FDI. These include the Northwest Seaport Alliance, Global Cities Initiative, Mayor’s Commission on International Relations, and the Sister City program.

Northwest Seaport Alliance Facilitates International Business. The Port of Tacoma’s mission has been “Deliver prosperity by connecting customers, cargo and community with the world” (Port of Tacoma, 2015a). It is one of the top container ports in the US and an economic

engine for Washington State (Port of Tacoma, 2014). A natural deep-water harbor in South Puget Sound, the Port encompasses about 2,400 acres of land on the Tacoma Tideflats. It is the most important facilitator for international business, logistics and transportation. In 2015, Tacoma Port's top trading partners were China (including Hong Kong) & Japan, with more than \$11 billion in total trade with China (Port of Tacoma, 2015b). The major imports included electronics and industrial machinery. The Port serves 15 steamship lines.

To better compete on a global scale, the Port of Seattle and Port of Tacoma officially partnered to form an alliance, named Northwest Seaport Alliance in August of 2015. Operating as a marine cargo partnership of the two ports, the alliance marked an unprecedented and historical first in North America (Northwest Seaport Alliance, 2015). It became the fourth-largest container gateway in North America for containerized cargo shipping between Asia and major distribution points in the Midwest and the East Coast. The boundaries of the alliance include King and Pierce counties. The joined forces aim to unify management of marine cargo facilities and business to strengthen the Puget Sound gateway and attract more marine cargo and jobs for the region. The value of two-way international trade totaled more than \$73 billion in 2014.

Global Cities Initiative (GCI) Stimulated Depth of Globalization. The 2008 financial downturn triggered economic challenges nationwide that are both structural and regulatory in nature. Launched in Los Angeles in March 2012, the Global Cities Initiative (GCI) is a \$10 million, five-year project of Brookings and JPMorgan Chase aimed at helping the leaders of metropolitan America strengthen their regional economies by becoming more competitive in

the global marketplace (Brookings, 2012). GCI was built on the belief that the global economy has been a network of metropolitan economies which hosted most of the world's population, production, finance, and innovation. Combining Brookings' deep expertise in metro-focused research and JPMorgan Chase's longstanding commitment to investing in cities, this initiative helped U.S. cities better leverage their global assets by focusing on the economics of advanced manufacturing, exports, FDI, freight flow, and immigration. It also provided leaders with internationally proven ideas and evidence-based best practices and policies to expand the global reach of their economies. GCI created an international network of global leaders deepening global trade relationships (Brookings, 2012).

Ultimately, GCI aimed to foster an international network of metropolitan leaders who are committed to trade, invest and grow together (Trade Development Alliance, 2014). In each of the initiative's five years, Brookings and JPMorgan Chase co-hosted a series of domestic and global forums in collaboration with metropolitan area leaders to drive discussions, build consensus, and catalyze action about best practices and strategies for regional economic growth. Using Brookings' data-driven analysis and original research, metropolitan leaders evaluated their regional standings on crucial economic measures and were exposed to best policy and practice innovations from around the world (Brookings, 2012).

Mayor's Commission on International Relations. In 2014, as awareness of Tacoma going global grew, Tacoma Mayor Strickland joined with other mayors and leaders in politics, business, and academics, to announce a new Global Cities Initiative aimed at increasing FDI in the Puget Sound region (EXIT133, 2014). Mayor Strickland became an

ardent advocate of GCI. She proposed a resolution establishing the Mayor's Commission on International Relations (City of Tacoma, 2014b) to help boost Tacoma's international profile to potential investors, while increasing access to overseas markets for local businesses.

It was imperative for Tacoma to develop a plan for strategic pursuit of FDI. There were many organizations and businesses in Tacoma that had a stake in fostering positive international relations with foreign investors. "It was the Mayor's intention to establish a Commission comprised of representatives of local organizations to develop a unified agenda and strategy for Tacoma because she saw potential for more coordination between the various groups and businesses that had a stake in international relations" (City of Tacoma, 2014b).

At the same time, the Mayor acted as the chair for Economic Development Committee for the City of Tacoma, which was made up of staff from the economic development department. Her vision was to attract large companies from other markets to move to Tacoma with tax breaks and regulatory incentives, which bring outside money into the community (City of Tacoma, 2014c). She noted plans to bring in representatives from different organizations to create a common agenda for increasing Tacoma's profile internationally, boosting tourism, promoting education and the arts, and increasing access of foreign markets to local businesses.

Mayor Strickland set the purpose of the Mayor's Commission on International Relations. She formed a cabinet by selecting participants from many organizations such as the Trade Development Alliance of Greater Seattle, Sister Cities Program, the World Affairs Council, Port of Tacoma, the World Trade Center, Tacoma Tourism, Tacoma School District, and the

functioning departments at City of Tacoma. The charge of the commissioners was to work relative to international relations and business. "The Mayor had the hope to bring all these entities together to discuss an agenda for the next few years on how to work together in the same direction, leverage resources, and support each other" (City of Tacoma, Committee of the Whole Minutes, 2014).

Mayor Strickland pointed out the mission objectives of the newly established Commission. These include increasing competitiveness in attracting foreign investment, providing access to international markets for local businesses, cultivating the arts and educational exchanges, and leveraging relationships to increase tourism and getting people more familiar with Tacoma. She was deeply influenced by her belief that the GCI that would provide opportunities to help some existing local firms have an international presence (City of Tacoma Committee of the Whole Minutes, 2014).

The Mayor recommended starting a commission to develop a strategy for Tacoma that would coincide with the Global City Initiative and increase the involvement of the City Council in the Sister Cities Program, with a thoughtful and intentional direction about how the City can attract more investment while helping local business get access to international markets (City of Tacoma Committee of the Whole Minutes, 2014).

The commission's goal was to maximize the city's strengths and leverage international resources. The Commission faced the task of connecting with diverse businesses and organizations with a stake in international relations for the purpose of bringing them together

with a unified agenda and messaging about Tacoma. "It's time to toot Tacoma's global horn." (City of Tacoma, 2014b).

The Mayor's Commission had helped Tacoma prepare to take full advantage of new opportunities as they came (City of Tacoma Committee of the Whole Minutes, 2014). However, at this stage, the Mayor's Commission on International Relations had not figured out a clear picture of what Tacoma's FDI prospects might look like. The operational framework had not been established to execute the steps that would guide the process of attracting more FDI, though it would be critical in order for the commission to fully take advantage of new opportunities as it becomes known.

The intent of the new Commission was to foster positive international linkages for educational exchange, arts and tourism expansion, and to increase FDI. As Mayor Strickland stated, "This Commission will work together to identify opportunities for raising Tacoma's profile as an international port city with the ultimate goal of attracting more investment into our city." The resolution aligned with the City Council's strategic policy priority to foster neighborhood, community, and economic development vitality and sustainability (City of Tacoma, 2014e). Tacoma was dedicated to deepening the process of globalization and presenting itself as an international city to the outside world.

The Mayor's new Commission on International Relations was comprised of local professionals representing organizations and businesses that worked with or served foreign markets. The Commission was a think tank rather than an executive entity or operational department within City Municipal government. Members of the Commission were charged

with meetings to work toward a unified agenda for international relations, and focusing on how Tacoma could benefit from raising its international profile so that foreign investors would get to know and be interested in investing in Tacoma.

Sister City Program. Tacoma Sister City Relations have laid solid foundations for globalization, as it provides Tacoma an opportunity to engage the similarities within 13 Sister cities in the areas of culture, public arts, education and economic development. 2016 marks the 60-year anniversary for Sister Cities International which was created in 1956 at the request of President Eisenhower, giving national focus to affiliations between cities in the United States and in other countries. The goal of the program was to promote deeper cultural understanding, international visitation and hospitality that leads to long lasting relationships (Tacoma culture, 2007). More recently, Sister City links have become an increasingly important conduit for economic development. The City of Tacoma has 13 Sister Cities (see Appendix E-Table 2), all of which have aspects similar or complementary to Tacoma's economic character. Tacoma's Sister City activities include student exchanges, sports exchanges, performing arts festivals, and the international film festival.

The mission of the Tacoma Sister Cities program is to promote global community through citizen diplomacy, cultural education and economic development. The vision is: "To develop close friendships and cultural ties within a network of international cities", and the objective is to "enhance international communication and understanding by people to people contact" (City of Tacoma, 2007).

Current Major FDI Projects in Tacoma. This capstone project investigated the two

current major FDI projects in real estate from mainland China primarily investing in the development of downtown Tacoma. They are (a) the Convention Center Hotel project, and (b) Brewery District project (6.4 acre Town Center). Since 2014, the notably significant FDI in Tacoma has been most prominently on display in the proposals for Tacoma Town Center in the Brewery District and a hotel between the Tacoma Convention Center and UW Tacoma. They are intended to be funded partially through the EB-5 program. The two projects are in the pre-construction stage.

The Town Center in the Brewery District has been described by city officials as a shopping and business center development modeled after Seattle's University Village. A Chinese developer is proposing a mixed-use project for the Brewery District that could cost up to \$135 million. The China-based company plans to build approximately 370 apartments, and up to 200,000 square feet of retail. The buildings could be up to 10 stories tall (Stiles, 2015). It aimed to use the property's proximity to the growing University of Washington Tacoma campus, which will have around 7,000 students, plus faculty and staff in the next 5 years (University of Washington Tacoma, 2014). If the deal moves ahead, the city will sell the 6.4-acre site between Jefferson Avenue and Tacoma Avenue South, and South 21st and 23rd streets. The sale price is currently \$3.2 million, and the developer has put down a \$700,000 deposit, which is refundable. Once the developer decides that the project is feasible, he'll have to make a \$175,000 nonrefundable deposit (City of Tacoma, 2015).

The Convention Center Hotel is being planned by Yareton Investment, a Chinese firm. This will be a combined hotel-residential-retail development next to the convention center.

The total investment will be \$150 million. This pivotal project has two phases. Phase I will bring about the construction of a 300-room, 4-star hotel, 10,000 square feet of street level retail, 200 private parking stalls and a plaza adjacent to the downtown Convention Center. Construction is expected to begin in 2016 and be completed within two years. Phase II involves mixed use, office and /or residential use on the adjoining property. This project will connect to the ever-growing UWT, the new \$15 million wing of the Tacoma Art Museum, and a variety of restaurants and shops along pedestrian-friendly Pacific Avenue (City of Tacoma, 2015).

Method

This study was conducted by using qualitative methods designed to explore the situation of FDI in Tacoma, its reasons for stagnation, and recommendations for Tacoma to attract more FDI in the next decade. The project investigated how FDI's importance was valued in the process of Tacoma's globalization. Potential participants were recruited through email invitations. Participants were then selected to receive a survey based on meeting the study's inclusion criteria. Retrospective and future outlook narratives were collected through individual interviews. Participant parameters included individuals who were identified as professionals, practitioners, and policy-makers in the areas of international business, economic cooperation, and foreign investment.

Qualitative research is an interpretive and naturalistic approach (Guba & Lincoln, 1994). Moreover, it was chosen as the appropriate tools for the study on FDI because Tacoma and Pierce County did not have sufficient years of data accumulation in real practice, and hence a

minimal 10-year data pool for quantitative research was not available. Among the data collection methods, field research, including ethnographic observation was designed to conduct the project. Interviews, a focus group, document analysis, and a survey helped gather and provide information. The author, the primary investigator, was a participant observer and data collector in this process. I investigated the variables that emerged as high-frequency concerns related to FDI in local economic development. These variables were illustrated and analyzed based on the data collected, which included survey results, past City's records in dealing with FDI, interview field notes, images, and pictures.

Procedures

Survey and interviews were the main vehicles to collect data. By inductively analyzing the survey and interview results and other data, the goal was to discern what obstacles remained in current system, what the priorities were in current practitioners' minds regarding FDI development, and what aspects they wanted to focus on. I investigated why FDI stagnated in the process of Tacoma's going global, and what a direction and steps could be taken to attract more FDI. The scope of the recommendation would depend on the breadth of the priorities that stakeholders in Tacoma wanted to develop in parallel with the march toward internationalization.

Ethical Considerations

The interviewees and survey recipients were people dealing with international relations and business. Most of them were influential governmental officials, community advocates, business leaders, and foreign direct investors. Participant might have concerns about the

uncertain consequences resulting from quoting their personal and professional opinions. To encourage them to speak freely and authentically, they were assured that all answers would be kept confidential. The interviewees were numbered so that their points quoted would not expose their identities. The response for survey questions was anonymous. No recipient's name was identified in citing interview answers.

Participants

Participants included local City government officials, subject matter experts in the area of international business and other survey recipients. The survey was conducted in the City of Tacoma Municipal Building, by sending the survey to 69 receivers under the auspices of the City Manager's office. Also interviewed were the 11 stakeholders (Appendix B).

These participants were chosen from relevant places such as City Council, City Manager's Office, Community and Economic Development Department at the City, Port of Tacoma, the Tacoma World Trade Center, Economic Development Board (EDB) of Pierce County, Trade Development Alliance (TDA) in Greater Seattle, and a foreign investor for the Convention Center Hotel project. To be specific, I interviewed Tacoma Mayor Strickland and a Council Member who had exposure doing business with Chinese counterparts and FDI, the City Manager executive team member, CEO of an investment corporation, who was the representative of foreign direct investors, the senior consultants of Tacoma World Trade Center, the EDB leader, the commercial official of Northwest Seaport Alliance, and FDI project managers in the City administration.

A focus group discussion was held with around 20 attendees who were from the Mayor's Commission on International Relations, World Affairs Council in Tacoma, World Trade Center, City of Tacoma, Port of Tacoma, Tacoma School District and University of Washington Tacoma.

Sampling

Purposeful sampling was used in order to take advantage of current expertise and perceptions in the areas related to Tacoma's FDI situation. To be specific, interview and survey participants were picked up from the current Think Tank, Mayor's Commission on International Relations, City Council, 13 Sister City Committees, World Trade Center, and Tacoma based practitioners in the field of international business and investment.

The survey (see Appendix D) aimed to gather the thoughts and perceptions from the stakeholders on the status quo of FDI in Tacoma, possible measures to take to enlarge FDI, the priorities related to development of FDI, and the current and potential challenges of strengthening the FDI activities in Tacoma.

The survey titled "FDI in the process of Tacoma's globalization" was sent to 69 recipients. They were chosen from several groups such as City Manager executive team, Mayor's Commission on International Relations, City Council, Port of Tacoma, World Trade Center, and Directors of City functional departments. I used two types of Collectors-Email Invitation and Web Link. Since the response was set to be anonymous, it is not possible to tell who answered what.

Survey. By using the SurveyMonkey tool, a self-designed survey with 15 questions

(Appendix D) was administered. The purpose of the survey was to find the experts perspectives such as various approaches to increase the amount of FDI, and top potential sources of FDI.

I sent out the survey in the name of the City Manager's Assistant by using Email Invitation Collector and got 5 responses. After one reminder, I got one more response. By asking for the permission of the City Manager's assistant, I changed the collector to be Web link Collector, which was to send the survey via copying the URL of the Survey to the recipient's email address via the City email server. The recipients could see that the survey came from the specific person. After a 2nd reminder, I got another 8 responses. Thus formed the total 14 responses.

From 14 responses received, the answers were reviewed, and studied to reveal the trajectory of past FDI, and trends for future development. The survey design included a short paragraph that introduced the project, the purpose, and the confidentiality issue to the targeted survey takers. No personal identifiers (i.e., names) were taken from those respondents. The survey response was anonymous.

Interview. The purpose of interview in this case was to collect data about the overall perceptions on FDI operation and utilization in Tacoma. The interviews were all standardized and formally structured with 19 open-ended questions for the interviewees (see Appendix A).

Measures were taken to keep the responses anonymous. To ensure data confidentiality, only my Committee and I had access to all information provided. I ensured that aggregated data reported remained anonymous and could not be attributed to any specific participants.

Analysis of the data did not connect respondents to their individual response. I took this approach of anonymity because I wanted the people interviewed to be candid in their responses to the interview questions, giving honest and open feedback to provide a report that would help guide us in developing a strategic action plan to address areas for improvements.

I used the same set of questions for each participant. I took notes to record the main thoughts and comments, and then I did a rough transcript of all the interviews by putting together their respective answers under the same questions. For any ambiguous parts, I went back to the individuals for clarifications. Post interview reflection became supplemental data, and was integrated in preparation for data analysis.

Interviews were conducted with selected individuals and organizations. I listed three categories, which were City of Tacoma Officials, Business Communities and Overseas investors. Each category had 4 candidates for successful and fair data collection. The plan was to interview 12 individuals who were the key authorities and experts in dealing with international trade, economic development, project management, sister cities cooperation, and educational exchange in Tacoma. I ended up interviewing 11 persons of the originally planned 12 because one foreign investor changed his mind and decided not to participate. Ten interviews were conducted via face to face conversations and one occurred via telephone.

In doing interviews, I used electronic mail to invite the subject matter experts to participate. Participants were informed of the purpose of my study. The interviews were conducted in their offices, except one which took place in a Seattle coffee shop and one which was conducted via phone. Each session lasted from 40 minutes to 1.5 hours, with one taking 3 hours. Two

interviewees offered written answers to me in addition to speaking with me in my oral interviews.

Focus group. The purpose of choosing a focus group was to narrow down the various possible and differing perceptions on developing FDI for Tacoma, specifically the current priorities of FDI development, either in real estate or manufacturing. My focus group was formed by 5-8 Commissioners on the Mayor's International Relations Commission, and more than 10 members from the World Affairs Council based in Pierce County. The purpose of the gathering was to discuss what it meant for Tacoma to go global. The meeting was in a Port Commissioner's house in late February of 2016. The attendees included City officials from the City of Tacoma, staff from the Port of Tacoma, World Trade Center, Tacoma School District, and faculty members from UW Tacoma and Washington State University, among others. The content covered Tacoma's history in international trade, information about the Port's international trading partners, existing opportunities and projects calling for FDI, how the Mayor's Commission had previously marketed Tacoma, and the recent business with China investors. The focus group unanimously agreed that international educational exchange is the main vehicle to bring into more FDI, which was the highlight of the theme of attracting FDI. There was no audio recording for this session (Appendix xx for Projects in progress with the Mayor's Commission on International Relations).

Meeting minutes. Minutes here refer to the meeting minutes of the Mayor's Commission on International Relations. Six meetings had done between late 2014 when the Commission was established and early 2016. The minutes summarized the current ideas, topics, and tasks

under discussion in the Commission regarding the City's mission to project Tacoma as a global city. The author attended each Commission meeting from the group's inception and acted as the City Staff member designated to facilitate the meetings and take the notes to form meeting minutes.

To sum up, data collected included survey results, interview transcripts, pictures of the renderings of the 3 major FDI projects (Appendix G), historical documents review, case studies for Oklahoma City and Oakland, and focus group discussion summary.

Findings

For this project, data was collected in the format of survey responses, field notes of the interviews, focus group discussion content, and a summary of document analysis. Common concerns, critical problems, perspectives, and possible trends regarding FDI in Tacoma were discovered.

Survey Results

The survey was sent to 69 individuals and obtained 14 responses after 2 rounds of reminders, observed that 52% of receivers opened the link, but only 20% responded. The response rate was 20%. SurveyMonkey software automatically generated the charts and graphs based on responses from the 14 respondents. The survey had mapped out what the priorities were in terms of attracting FDI, what obstacles would lie ahead, and which entities could be partnered.

From the survey found that the answers were diverse. Almost 40% of the pool indicated that they worked in education to make connections to the outside world. Two respondents

mentioned they had China exposure, and three were involved in the sister city program. More than 64% did not have direct exposure or work experience with FDI.

Results of the 15 Survey questions indicated (Appendix H-Export of Survey results pertaining to 15 Questions):

- There was unanimous agreement on Tacoma's going global, which would or had already brought trade and inbound investment, income growth, educational and cultural exchange. One answered, "It means our future" (Appendix H-Export of Survey results, response to Q2).

- The outcomes showed the top 5 areas that should be prioritized to attract more FDI were (in descending order): Import and Export of goods, Educational service for international students, Technology cooperation, Sister Cities relationship, and Tourism (Appendix C-Chart 1).

- The concerns in previous practice in dealing with FDI were plagued by the following difficulties: (a) Marketing Tacoma to the outside world; (b) Tacoma real estate was deeply undervalued; (c) Language barriers and other challenges in negotiation (Appendix H-Export of Survey results, response to Q6).

- The answers naming Tacoma's strong points to attract FDI were slightly scattered. They were as follows: the Port of Tacoma, Tacoma's strategic location and natural assets, good educational institutions and opportunities, cheap land and property, and urban planning (Appendix H-Export of Survey results, response to Q8).

- Contrary to the mixed advantages for attracting FDI, the disadvantages included:

competition with Seattle/Bellevue/Portland, reputation for pollution, perceived negative impact of dealing with or accepting in more foreigners, weak public transportation, lack of a focused FDI team with broad international experience and support, return on investment perceived to be low(Appendix H-Export of Survey results, response to Q9).

■ When asked about 3 activities that were most important to increase or boost FDI, the answers were notably focused. Almost 93% of responses recommended becoming an educational hub for international students, with 50% noting we should promote Tacoma as a tourism destination and increase outbound and inbound trade delegation visits equally (Appendix C-Chart 4).

■ In addressing the top 3 potential sources for incoming FDI, 12 out of 14 (85.7%) voted for Emerging markets in Asia besides China; 10 out of 14 (71.4%) voted for Greater China (Mainland + Hong Kong+ Taiwan), and the same percentage distributed to Sister Cities (Appendix C-Chart 3).

■ In terms of partnering with other entities to achieve the goal of attracting FDI, there were 3 concentrated organizations that emerged: World Trade Center, Port of Tacoma, and private companies, with Sister City Council at the same level as the 3rd preference (Appendix C-Chart 5).

■ 71% (10 out of the 14) of respondents provided suggestions for the model cities from which Tacoma could learn. They were Vancouver in BC of Canada, San Francisco, Seattle, and San Antonio (Appendix H-Export of Survey results, response to Q13).

■ 12 out of the 14 participants gave vision statements for Tacoma as a global city. For

example, "Tacoma is known outside of Puget Sound as an international city" (Survey participant No. 3), with "a number of multinational firms having Tacoma as their regional headquarters" (Appendix H-Export of Survey results, Survey participant No. 12, response to Q14).

- The successful policies/incentives for attracting FDI were employment-based immigration policies, an educational destination idea, permits and licenses needed, and promotional information in various languages (Appendix H-Export of Survey results, response to Q15).

- The achievements that could define Tacoma's success in globalization were: the increased investment in high tech, business and property, relationship building with FDI parties, more sister city relationships, more active educational partnership with foreign schools, more international students choosing Tacoma (Appendix H-Export of Survey results, response to Q3).

- In terms of the greatest challenges with FDI in Tacoma, the distribution for each factor of potential challenge showed that respondents thought the top three challenging factors were: historical problems, market competition, and international law and regulations. These 3 were close to the moderate challenge level (Appendix F-Table 7: The greatest challenges with FDI in Tacoma). Notably, one participant skipped this question and left a note saying "unwillingness or inability of City staff to focus desired FDI investment, streamline permitting process and provide incentives" (Appendix H-Export of Survey results, participant No.1, response to Q7).

Interview Outcomes

From the interviews, it became clearer as to the perceived value of incoming FDI, the focal points needing work, and the priorities that need to be addressed at the present time for Tacoma to attract more FDI. None of the interviewees opposed FDI, even though different voices or opinions emerged from the community. Some respondents provided suggested models that Tacoma could learn from and imitate, such as Oklahoma City. While normally tax incentives were viewed as compelling for FDI to flow in, 9 out of 11 interviewees thought that tax incentives were not necessary, neither was it fair regarding National Treatment in the general practice of international trade (Understanding the WTO, 2015), which requires to treat foreigners and local equally, that the same should apply to foreign and domestic services, in order to make the business environment stable and predictable.

Despite the limitations, the diverse interviewees clearly demonstrated that they had common will to grow FDI in Tacoma.

The type and length of work experience in FDI was quite varied a lot among individual interviewees. The shortest experience was 1 year, while 2 individuals had 25-30 years in international business and port operation. While 7 out of 11 interviewees expressed their confidence in Tacoma's economic growth along with FDI development, 2 of the 11 showed their worries and concerns about the legitimacy of investment money, the possibility of Ponzi schemes occurring in raising money, and the receipt of unilateral cash inflow from a single country.

In the interviewees' minds, the benefits and downsides of FDI's impact to Tacoma were highly homogenous. The common recognition of benefits included job creation, appreciation of local real estate, cultural diversity, more talented people coming in, and tax base expansion. The downsides expressed included housing cost increases, inflation, land occupation, labor replacement by foreigners, and other risks and concerns.

At the same time, all mentioned Tacoma's favorable location, high quality educational resources, trained workforce, proximity to Seattle and Portland, diverse culture, and low housing prices. Additionally, 5 out of 11 interviewees mentioned worrying that the community citizens accepting foreign money as one of the concerns that resulted in objections to FDI.

Interviewees No. 5 and No. 6 pointed out that Nalley Valley in South Tacoma could be a base for FDI in manufacturing. The industrial segment mentioned as a possibility to be first developed was the aerospace industry, which Pierce County had been running for more than a decade with the Japanese company, Toray Composite, as the leading company.

In terms of initiatives and programs to attract FDI, one interviewee said, "A policy position (resolution) that the City supports FDI might be helpful" (Interviewee No.4, Appendix B). Proactive marketing, with campaigns both in public and private sectors to potential investors, as well as education exchange, and selling environmental protection expertise and equipment could be other resolutions.

Focus Group Discussion

The overall question for the focus group discussion was: What makes a city international: past, present and future? The group discussion started by talking about the 100 years of Port operations. This topic touched on dark chapters in Tacoma's history when expulsion of Chinese people occurred in 1858, and when Japanese people were interned in a Puyallup concentration camp during World War II.

For the present day status and situation of Tacoma, the City official talked about Tacoma's international connections and endorsed the current FDI projects (Appendix G: City Current FDI Projects) in the real estate industry, which needed more financing. The contested issue of the huge Methanol project was also discussed. The majority of attendees agreed that international education exchange was the most effective vehicle to bring in more FDI for Tacoma's use to project herself as a global city.

The focus group's open discussion on the future strongly signaled that Tacoma's urban administration was committed to developing FDI, given the importance of FDI's impact on local economic development (City of Tacoma, 2016c). Simultaneously, they were in the process of tracing the reasons for underdevelopment of inbound FDI, and adjusting the direction and finding the solutions to increase FDI (City of Tacoma, 2016d).

The China trade and investment program leader from WTC spoke of past and current activities including bringing companies to trade fairs, working with local small and medium enterprises, traveling abroad to market Tacoma, receiving China delegation's visits, and selecting future projects. The WTC believed what was attractive about Tacoma were the following attributes: accessible and excellent academic destination, urban environment with

character, favorable geographical position, available possible sites for business expansion, and expertise in environmental remediation & restoration (Appendix B, Interviewee No. 2, 2016).

Meeting Minutes

The newly established Mayor's Commission on International Relations has had regular meetings beginning in October 2014. The meeting minutes showed that the main topic under review was how to project Tacoma as an international city (See Appendix I), and what identity Tacoma should project as an ideal location for FDI.

Meeting minutes showed FDI was a frequent topic in discussion and processing with Mayor's Commission on International Relations (3 of 5 meetings). This included an international education project---Chinese students (from Wuhan city where the Town-Center investor came from) could attend Tacoma Public Schools. Additionally, a Waste to Wealth project provided a compelling story of the development of Point Ruston (Appendix G: Picture 3) to showcase Tacoma's clean technology. Brian Bonlender, Director of Washington Department of Commerce, spoke of his 2014 visit to China, saying that he found that China needs Tacoma's existing clean technology to control Chinese environmental pollution (Personal communication, 2014).

Case Studies

The purpose was to provide reference points for Tacoma when examining what had been missing in the city's work to attract FDI. According to interviewee No.4's suggestion for model cities, this project compared Oklahoma City and Oakland in terms of utilizing FDI to

promote economic development and globalization, thus providing viable paths for Tacoma to attract more FDI in the process of going global. By comparing Tacoma to the similar cities of Oklahoma City and Oakland, the intention was to present any advantages those cities had gained that might prove useful for Tacoma to draw on to expedite the progress of attracting FDI. The comparison was created to help detect the pros and cons of a city's means and measures of becoming global, find the gaps between Tacoma and the cities referenced, avoid the predictable errors, and determine the direction for Tacoma to sail into the future.

Oklahoma City, Oklahoma

The experience of attracting FDI to the Oklahoma City was particularly interesting to explore in order to draw a comparison. This city once had some difficulties similar to those Tacoma presently has, but succeeded in proceeding with globalization. This comparison could offer learning opportunities for feasible routes Tacoma could take to integrate available resources to market the city as FDI hub, to attract more FDI in pillar industries such as manufacturing and information technology, and to enhance the width and breadth of Tacoma's globalization.

Oklahoma City is a notable rising star in economic development and FDI growth (SelectUSA, 2015b). It has outpaced most other cities in growth since 2011, becoming the 12th-fastest-growing city in the US (Dewan, 2014). Unlike Tacoma that has natural geographic advantage as a coastal city, Oklahoma City is an inner city. It is surrounded by working oil wells, and is among the country's biggest producers of natural gas and crude oil. The business tax climate is one of the best in the country, and employers also benefit from

energy costs that are 26% below the national average (Badenhausen, 2014). Foreign investment was responsible for 3.8 percent of the state's total private-industry employment, with the majority of these investments coming from Canada, France, the United Kingdom and Switzerland. In addition to employing over 48,200 Oklahomans statewide, global companies brought in millions in capital investment, helped spur advances in intellectual property and provided valuable training (Business Roundtable, 2013). Once located in Oklahoma City, international companies purchase goods and services from domestic businesses and are more likely to export products outside of Oklahoma. This creates a supply chain effect that produces direct and indirect benefits (Oklahoma Department of Commerce, 2014).

Oklahoma City Foreign Trade Zones (FTZs) are designed areas for customs purpose and considered outside the US territory and thus duty-free. If the goods are warehoused in an FTZ, then exported to other countries, no duties are paid, so that the importers do not need to pay the custom taxes before selling the products. Almost any imported merchandise can be brought into a Zone, for almost any kind of manufacturing or manipulation. In Oklahoma City, FTZ#106 is conveniently located adjacent to the bustling airport. This booming growth is not just a trend, the foundations are in place to keep the momentum going well into the future. Additionally, educational institutions in Oklahoma have access to frequent interaction with industry professionals such as Boeing.

The State of Oklahoma provided preferential policies to attract FDI, which delivered tangible benefits to Oklahoma City. Particularly, Oklahoma provided tax break incentives to

encourage FDI in manufacturing and service industries. All investors in Oklahoma City operating new or expansion projects of up to 10 years can benefit from these policies (Oklahoma Department of Commerce, 2015). To be specific, these include: (a) investors can enjoy 10 years of new tax relief of 5% regarding cash wages; (b) investors must operate in the areas of important administration, manufacturing, R&D, or services provision; (c) to determine the benefits given to the company, the Oklahoma State Department of Commerce does the assessment of the company's cost-benefit; (d) the company must reach \$ 2.5 million tax liability in a fourth consecutive quarter period during the first 12 quarters of the investing plan; (e) MNCs operating in food processing and R&D, and testing may limit the minimum wage to \$ 1.5 million, but 75% of its total sales should be sold to the outside state buyers; (f) MNCs must provide basic health insurance for all employees, and 80% of employees' work week should be no less than 25 hours. Other incentives include: (a) the industry of manufacturing, R&D, and computer data processing services could be exempted from property tax for 5 years; (b) training for full-time employee; (c) sales tax relief, including processing machinery and equipment, electric power, fuel, and other tangible personal property used in business communication systems; (d) free port; (e) Foreign Trade Zones; (f) state and local finance projects. As an interesting note, since Oklahoma is a state of Native American habitation, Native American nations can enjoy tax relief treatment when transferring Indian private lands to the new ownership (City of Oklahoma City, 2004). In a FTZ, employing Native American and their spouses, and/or using Indian lands can enjoy tax-free status. Together with a quality, available workforce and one of the lowest costs to do

business in the country, Oklahoma City has become a FDI center even though it is not a coastal city.

Oakland, California

Quite similar to Tacoma's geographical relation to Seattle, Oakland is close to metropolitan San Francisco. The ports of Oakland are among the most active in the country. Oakland's attributes combine to position the city as one of the most important international trade markets along the Pacific Rim (City of Oakland, 2010a). And like Tacoma, Oakland is famous for its clean energy technology, extensive multi-modal transportation infrastructure, proximity to innovative businesses, the world's largest concentration of venture capital, and world renowned academic institutions (City of Oakland, 2010c). In 2012 and for the third consecutive year, California ranked as the 1st state in the nation on the Clean Energy Leadership Index with Oakland ranked 5th (State of California business investment guide, 2013).

Additionally, Oakland is a premier export seaport for agriculture, dairy, meat and poultry, and processed food and beverages as the agriculture industry has expanded exports through high quality production and food safety innovations (City of Oakland, 2008a). The transportation network of air, rail and road freight service was well-developed to facilitate incoming freight connecting with domestic markets. Since 1865, when it became the terminus of the Transcontinental Railway, Oakland has been the major transportation hub of the Bay Area. In business enterprises, Oakland is also home to large logistics firms, such as non-

maritime Fed Ex and UPS regional distribution facilities at Oakland International Airport (City of Oakland, 2016a).

Similar to Oklahoma City, Oakland's Foreign Trade Zones (FTZs) facilitate trade and increase the global competitiveness of local companies (City of Oakland, 2016c). Oakland is home to one of the largest FTZs on the West Coast. In the FTZs, the cash deferral advantage of being an FTZ sub zone, and the potential efficiencies of customs processing within one's own facility can be a great economic incentive for companies, and save both money and delivery time of goods otherwise delayed at the point of entry.

Oakland is the home to two EB-5 regional centers that work to attract entrepreneurial immigrants to engage in commercial enterprises (City of Oakland, 2015). The minimum qualifying investment is \$1 million in Oakland as it is not considered a "targeted employment area" (SelectUSA, 2014b). Oakland also has 8 Sister Cities from around the world. Through its Sister City relationships, Oakland strives to promote cultural understanding and stimulate economic development as it strengthens global cooperation at the municipal level (City of Oakland, 2014c).

Analysis

The common analysis of qualitative data is observer impression. That is, expert or bystander observers examine the data, interpret it via forming an impression and report their impression in a structured form (Berg & Lune, 2012).

After analyzing the data inductively, perceptions were formed of what priorities the stakeholders wanted to focus on in attracting more FDI, what cities could be Tacoma's

models, and what the challenges would occur along the way. Also, the reasons and threats were determined that hindered Tacoma's going global should be named in order to think about the resolutions and countermeasures to prevent them, and/or to tackle them during the process. While analyzing the data, I reflected on the strengths and weaknesses of Tacoma's globalization, and I identified the loopholes in the process. By summarizing the interview answers pertaining to the same question, I got a general impression that the community as a whole had a consensus that Tacoma, an integral part of Greater Seattle area, was lagging behind in welcoming inbound FDI. There are both the similarities and differences across distinct interviewees and their contexts. The survey results were less revealing without showing any very challenging elements that were concerned about for hindering inflow of FDI. This might be that either the current main practitioners did not know what the main reasons that resulted into Tacoma's lagging behind in attracting FDI, or, it was the combined challenges that made Tacoma sluggish in attracting FDI.

Tacoma's Competitiveness in FDI

In order to summarize the implications of the findings from data collection, SWOT (strength, weakness, opportunity, and threat) analysis was applied. The SWOT analysis for Tacoma to grow FDI showed that Tacoma is an ideal hub for FDI development, though there remain some unresolved drawbacks causing FDI stagnation (Appendix E-Table 3).

Inspired by a SWOT analysis of Washington State's international Competitiveness (Washington Council of International Trade, 2013), I summarized Tacoma's strength, weakness, opportunity and threats with regards to FDI capacity. In terms of strengths,

Tacoma has the advantages of geographic proximity to Asian markets, skilled workforce, advanced educational institutions, and lower living cost. In terms of weakness, it also has the drawbacks such as historical racial prejudice resulting in tragedy, near international invisibility, and the small number of companies engaged in FDI. The opportunities lie in EB-5 projects and new immigrants, export in expansion, and booming international relations with China after Chinese president's visit to Tacoma. The threats came from the competition with Vancouver in BC Canada, Portland and Seattle in attracting FDI, as well as from fewer local incentives for FDI.

The motivation for Tacoma to attract FDI in the process of going global is to drive economic growth, get funding for projects that could generate jobs, and thus call people to live in Tacoma, and then increase local people's income. It was under the influence of global forces such as FDI that the discourse of globalization being embedded in regional politics was presented (Short & Kim, 1999). Tacoma urban management authority has realized that Tacoma lags behind the progress of globalization in Greater Seattle area, and has thus lost market share in foreign investment. The survey results showed that Tacoma could do more with civic education to cultivate the sense of urgency and awareness of growing FDI to keep pace with that in Greater Seattle where the top FDI sectors are manufacturing, wholesale trade, information, professional services and construction (Greater Seattle Region Global Trade & Investment Plan, 2014).

Reasons for FDI Stagnation in Tacoma

Limited global exposure. As a small city with roughly 200,000 in population, Tacoma's workforce is dominated by blue-collar workers who have fixed work hours and may have few travel opportunities. Tacoma's "high school graduation rates varied between 67% and 96%, with that variability limiting the ability of students to go on to higher education and, ultimately, lowering the overall quality of the area workforce" (Wenstrup et al, 2014). The lower educational level in the area has an impact on how average people interact with diverse and foreign investors who are usually tough, knowledgeable, and sophisticated with bilingual capabilities. Hence, many Tacoma area people do not really know the outside world. Even though people vacation in foreign countries, their exposure is usually limited to tourism and scenic spots rather than industrial complexes and business enterprises. Seeing is believing. Without knowing and becoming aware of the potential FDI investors' countries, it is difficult for the people including the business practitioners to build trust with investors and find common interest topics to move conversation and relations beyond a superficial level. Historically, low levels of education resulted in an atmosphere primed for exclusion of certain groups based on racial bias and other stereotypes like suspicion around language differences. This xenophobia led to an unfriendly and unaccepting atmosphere that foreign investors could easily perceive within a short time period (Appendix B-Interviewee No. 11, 2016). The resistance to the methanol project at Port of Tacoma could be viewed as a case in point of this attitude and business environment for Chinese investors.

Cultural bias. Generally speaking, most people living in Tacoma have been influenced by the historical legacy of anti-Asian relationship (Appendix B-Interviewee No. 8).

Psychologically, they did not realize that the rise of Asia and that Asian people in civic influence were on par with those from European countries which may be considered American cousins. In the past 100 years, Asian populations from Japan, China, Korea, Vietnam, and Cambodia were not taken seriously by Tacomans because these individuals came from countries who either were war enemies, sources of providing laborers and slavery, or whose affiliation existed primarily to seek protection from America. Tacoma used to treat Chinese in a special and unique way, which was called "the Tacoma Method" (City of Tacoma, 2011). And even now, Tacoma is the only coastal city along the Pacific Rim that does not have the Chinese district-China Town.

Chinese expulsion. The expulsion of Tacoma's Chinese population happened in late 1885 (Lawson, 1886). All the Chinese people in the city, about 200, were rounded up and expelled from town. The next day saw the ravage of Chinese businesses in downtown, and the burning of shops and lodgings along the waterfront. "This dramatic set of actions was the climax of growing anti-Chinese sentiment in the region and beyond in the 1880s, the era of the Chinese Exclusion Act (1882) to stop Chinese immigration into the United States" (Hildebrand, 1977). The mayor of Tacoma and other magnates at that time generated a plan of an expulsion rather than a massacre to rid Tacoma of the Chinese population. They believed this action would assure more jobs available for the local people who were out of work due to an economic pinch. They used orderly force to drive all Chinese out of the city, while seemingly avoiding physical harm to the Chinese. This was known as "The Tacoma Method". Seattle soon followed Tacoma's lead, and the persecution spread up and down the

Puget Sound. As a result, there were no Chinese again in Tacoma until the 1920s, and Tacomans actively campaigned not to allow Chinese to locate here. Although the community later created a park to reconcile this event and aimed to provide a lesson for future generations, a shadow was still cast over Chinese people who came to Tacoma and got to know the historical tragedy.

The Gold Rush in 1850s brought the enactment of restrictive legislation against Chinese people because white miners and other workers feared a tide of foreign labor that would deprive white Californians of their livelihoods (Hildebrand, 1977). Similar in Tacoma, the Tacoma Method forced employers of Chinese workers to replace them with whites. Since 2008, Tacoma residents felt the pain of the economic downturn, and more or less they instinctively rejected and feared the incoming people who would possibly deprive local residents of work opportunities. Affected by the historical shadow, the investors from China became a source of embarrassment and disdain for many in the local economy.

Japanese internment. The bombing of Pearl Harbor by Japan in late 1941 led to a then President's Executive order asking the relocation of all people of Japanese ancestry in America to concentration camps (U.S. history, 1998). Japanese people were ordered to stay away from railroad tunnels, highway bridges, and radio stations. Travel was restricted. Business licenses of the first generation immigrants from Japan were revoked and bank accounts were frozen (US history, 1998). The Washington location for internment was the Puyallup Assembly Center in the city of Puyallup, about 25 miles south of Seattle and 12 miles away from downtown Tacoma. Approximately 7,390 Americans of Japanese descent

from Western Washington and Alaska were sent to the camp. The camp's housing was Spartan, consisting mainly of tarpaper barracks. The life of Japanese people in the relocation centers was not easy, as they lacked for food, warmth and other basic living conditions. If the internees tried to flee, armed sentries would shoot them. The internment of Japanese remains "a dark mark on the nation's record of respecting civil liberties and cultural differences" (Irons, 1983). Into the postwar years, "Hostility against Japanese Americans remained high across the West Coast as many villages displayed signs demanding that the evacuees never return" (Denials, 1988). As a result, the internees scattered across the country after war ended.

Even though it seemed that the Pacific War triggered Japanese internment in the interior of the United States, anti-Japanese paranoia increased even before 1942 because of a large Japanese presence on the West Coast. Many Americans worried that citizens of Japanese ancestry would act as spies or saboteurs for the Japanese government. It was fear, not evidence, which drove the U.S. to place over 127,000 Japanese-Americans nationwide in concentration camps (US history, 1998). However, the Supreme Court justified the executive order as a wartime necessity (Denials, 1988).

After World War II, some Japanese internees returned to the Northwest and gradually grew their population. Due to the American rebuilding process and willingness to share the national development myth with postwar Japan, the two countries' relationship prospered quickly. Today the United States and Japan have firm and very active political, economic and military relationships (Foreign Policy, 2015). The United States considers Japan to be one of

her closest allies and partners and vice versa. Specifically in Pierce County, Japanese investment has been far more than that from Chinese. The Japanese invested Toray Composites (America), Inc. is the most successful FDI in this region funded in 1992 (Toray, 2015).

Tight budget for economic development in the City. An insufficient budget allocation at the City level has created constraints on FDI development in Tacoma (City of Tacoma budgeting document, 2014). Survey findings indicated the possibility that Tacoma lacked skilled staff to deal with and advance FDI. In City administration, the budget for full-time staffing in marketing Tacoma to the potential investors and dealing with inbound FDI was minimal (insert City 2014-2016 budget for Economic development), which deeply hampered prospective projects of all sizes. A tight budget also had a negative impact on relationship building with the outside world since there was little inclination to move toward supporting potentially costly interactions with business partners. Only a few City officials had opportunities to visit foreign countries due to tight budget and other restrictions. When the FDI investors came to Tacoma, they were often unable to find a local counterpart who understood their norms and traditions, thus providing these investors no sense of ease or recognition (Interviewee No. 11). On the contrary, it seems easy for local persons to suspect the motives of investment, as well as the source of the money. The foundation for the partnership has been weak from the very beginning (City of Tacoma, budget report 2014-2016).

Lack of collaborating cohesion among different agencies. Interviewee No. 4 disclosed that there have been tensions rather than cohesion among the relevant organizations in the region concerning FDI progression. To this interviewee, it appeared that the functioning entities, such as the City of Tacoma, the Port of Tacoma, World Trade Center, Economic Development Board of Pierce County, Trade Development Alliance of Greater Seattle, and World Affairs Council etc. had been acting in their own self-interest with respect to their commercial benefits and administrative targets. They were siloed and remained solidly in their own corner rather than reaching out to their peers to form a synergy to tackle the FDI. It was not uncommon that the different entities would communicate contradictory with the potential investors who were then confused about who would be the leading entity to address business and resolve appeals.

Lack of professional team dealing with the entire process of FDI. There is no professional team or task force at the City of Tacoma to deal with inbound FDI and outbound FDI. The newly established Mayor's Commission on International Relations was a think tank consisting of experts from different industrial lines, and created the initiation of brainstorming around various business topics. The City workforce has little diversity, for example, very few of them can speak bilingually except for Spanish, and in the past 33 years, there has been only one employee originally from Greater China-Taiwan, who could speak Mandarin. When the FDI from China poured in, City government did not have the full capacity and staffing to work with the investors, not to mention the professionalism and

expertise required to deal with FDI. Consequently, a logical inference is that an educational training program is needed to train the FDI staff.

Policies do not actively support attracting FDI. The increasing mobility of international companies and the elimination of barriers to global capital flows have increased competition among local governments for attracting FDI, often through tax incentives (Morisset, 2003). However, there is no tax break for general FDI investors in Tacoma. The investment in high technology would enjoy a little incentive if a prospective business were to meet the criteria set forth; however, FDI in low-tech industry and business does not have tax incentives.

Washington State has no personal income tax. The existing tax incentive is a State Business and Occupational (B&O) Tax Credit for new employees in the Tacoma community empowerment zone. There is a \$2,000 B&O credit for new qualified employment positions with annual wages and benefits of \$40,000 or less, and a \$4,000 B&O credit for new employment positions with wages and benefits over \$40,000 (Washington State Department of Revenue, 2012).

Washington Tax Incentives fall into two categories. First is the High Technology B&O Tax Credit. B&O tax credit for businesses that do research & development (R&D) under specific technology categories (advanced computing, advanced materials, biotech, electronic device technology, environmental technology). The credit is taken against a business's state B&O tax of up to \$2 million annually based on eligible R&D expenditures. Second is the High Technology Sales/Use Tax Deferral. This incentive provides deferral of sales/use taxes

if a business uses the investment for a qualified R&D project. To be eligible, a business must start new R&D, or pilot manufacturing operations, or diversify a current operation by expanding, renovating, or equipping an existing facility. The investment must consist of machinery and equipment, new structures, and/or expansion or renovation to increase floor space or production capacity (Washington State Department of Revenue, 2012).

In the City's jurisdiction, there is a City B&O Tax Credit for new job creation. The City of Tacoma provides a \$500 credit per year for five years against its local B&O taxes for every new, permanent, family-wage (\$18.11/hr. or more in 2014) job that a business creates. A company must retain the position for five years or pay back the credit with interest. There is no tax incentive for inbound FDI. While this complies with the World Trade Organization's Principal of National Treatment, it turns out to be unfriendly and unattractive to FDI.

Slow in applying EB-5 tool to attract immigrant investors. Interview results suggested that Tacoma was very slow in using the EB5 tool to attract FDI. EB-5 grew vigorously in the early 2000s, with regional centers (RCs) being set up one after one in California. Up to 2015, there have been only 3 RCs established in the Tacoma area (See Appendix E-Table 4), with one registered but not operated, and one being a branch of an Oregon RC. The EB-5 project has been surprisingly slow to develop in Tacoma, resulting in numerous lost opportunities to attract FDI investors, because the usual circumstance would be for one RC to launch at least one EB-5 investment pool for an average of 100 investors.

Although the Tacoma World Trade Center has realized what a powerful tool the RC is, they have had to face the step-down registration process regulated by USCIS.

Tacoma is shadowed by Seattle, Bellevue and Portland. It is understandable that Seattle and Bellevue are the two strong rivals against Tacoma in attracting FDI. Besides, Vancouver BC in Canada is another detractor against FDI going to Tacoma. FDI has an accumulation effect, so the gap between Tacoma and Seattle /Bellevue/ Vancouver will probably grow rather than shrink over time. The challenge for Tacoma to come out of the shadows is to expand opportunities by exploring new sources of FDI, and joining the metropolitan area (e.g., GCI).

Portland is a strong rival of Tacoma in terms of port transportation and FDI utilization. Portland has obvious advantages because of its readiness and commitment to strategically pursue FDI in all shapes, such as Greenfield investment, mergers and acquisitions, equity joint ventures, and sovereign wealth funds. Portland's opportunity for heightened global engagement is compelling, as evidenced by the fact that it is an established trading region. Additionally, MNCs bring highly productive and high-paying jobs to the region. "Our current work with exports has revealed significant interest throughout the world in both Portland companies and our way of life, with the Daimler Trucks North America \$150 million investment our most recent example" (FDI intelligence, 2014).

From the urban management perspective, the region's plentiful and diverse assets have not yet been adequately promoted internationally. Portland considers itself a region also lagging in FDI behind other comparably-sized metropolitan areas. The sense of crisis has

pushed Portland to concentrate on the region's legacy and established advanced manufacturing industries, specifically motor vehicle manufacturing, computers, and electronics. It was expected that the largest employers in Portland should expand and position the region well for international investment. Intel and Nike are among the industrial giants that have long-lasting international engagement. Portland's role in the global computers and electronics supply chain exemplifies this engagement (Greater Portland Global Trade and Investment Plan, 2014). Foreign students and tourists are key links for potential future FDI. Alumni (and their parents) have lasting ties to this region and could be potential investors. Three East Asian countries: China, Japan, and Korea made up 50% of foreign students at Oregon universities and account for approximately 40% of tourists to the Portland metro area. Japan was the region's 2nd largest FDI partner ranked by employment.

Summary of the Effect of the Failed Methanol Plant Project

The complexity of the development of an FDI project was evident in the recent Methanol Plant project. There were many players involved (e.g., the investor is a China-British joint venture) and numerous requirements from different authorities, that is, there were 18 permits for the plant. The Port of Tacoma welcomed the proposed huge investment and voted 4-0 to sign the lease to build the plant, and publicly supported the concept as a way to put a large waterfront industrial site back into business (Port of Tacoma, 2014c). Additionally, the Washington's Governor called the plant a "milestone for our clean energy future" when it was announced in 2014 (Nunnally, 2016, April 9), and gave his support for the investment. He said the jobs it would create were a benefit. In addition, members of several labor unions

supported the plant for the expectation of the construction jobs it would create. The Tacoma Chamber of Commerce and the EDB of Tacoma-Pierce County have both said the plant would bring economic benefits.

This proposal would have put a former industrial site in the Port back into productive use, creating jobs and economic growth for the community, as well as supporting the Port's strategic goals to diversify cargo mix (Port of Tacoma, 2015). Beginning with construction, the plant's rent payments to the Port of Tacoma would amount to about \$3.2 million a year.

The reasons the joint venture NWIW chose Tacoma were that Tacoma sits close to a high-volume natural gas pipeline and has a deep-water port. The port also has access to high-volume utility connections (The plant would use 10.4 million gallons water a day). The plant would synthesize natural gas and steam to manufacture 20,000 tons of methanol a day. All the production was to be exported to China. China has a number of methanol plants that use coal but doesn't have an ample supply of natural gas from which to make methanol, so that would have to be imported. The cleaner-burning methanol project in Tacoma would help reduce China's reliance on higher-emission coal and petroleum. Its natural gas process creates fewer emissions than having the Chinese use coal to make methanol, a process that creates pollution (Nunnally, 2016, February 27).

As the project discussions progressed toward what seemed to agreement, public outcry arose somewhat unexpectedly to strongly oppose the plant to settle in Tacoma. Opposition then intensified regarding the concerns about how the methanol plant would affect air quality in the city and Puget Sound. Other potential risks included in opposition statements were use

of toxic chemicals, water consumption, electricity usage, and natural disaster implications (Santos, 2016). When dissenting voices arose, NWIW had to request the City of Tacoma to pause the State Environmental Policy Act review process for the plant in Tacoma (City of Tacoma, 2016). Tacoma's environmental impact study plays a large role in whether permits will be issued. The besieged NWIW requested an extension of feasibility period phase of lease to allow NWIW to work on community outreach and technical review.

NWIW paid \$8000 a month in rent for the 125-acre site on the Tide flats during the feasibility period that ended May 1, 2016. Those payments would have jumped to \$270,000 a month under the lease because the plant would enter the construction phase, even though actual building would be allowed to start since the company had not even started the environmental review process. The Port of Tacoma votes on any lease change, and can amend or decline of any extension. In the April meeting with Port of Tacoma under tremendous community pressure concerning this project, NWIW did not renew the leasing contract, and declared the project failed.

The methanol project was a prime example of Tacoma's challenges, limited capability in and lack of experience in dealing with FDI. When this significant FDI project was introduced to Tacoma, there was no working team set up to grapple with investment details or to complete the obligation of risk disclosure, which should cover the political, economic, and cultural risks for the investors. When panic arose in the community, there was no task force at the ready, prepared to help the investors face the public opinion and handle the crisis. A task force of this kind could have also helped to answer questions and educate the public about the facts

concerning the risks and worries expressed. In addition, the local media chorused on blaming Chinese investors for any perceived ills of proposed investment without mentioning the British portion of the joint venture NWIW. It appeared as if there might be a resurgence of the negative sentiment of the Tacoma Method, because while NWIW is a China-British joint venture, the mass media omitted the British element intentionally or unintentionally, which implied discrimination against the Chinese. Additionally, there were responsibilities and deficits that could most assuredly be attributed to all involved parties in the region. Before the termination of the lease contract with the Port, the investors had spent a great deal of money since 2013 when the project was proposed. It is the responsibility of the FDI hosting country and specific handlers to disclose all the potential risks and remedies, providing complete information, positive or negative, to the investors so that they are able to make investment decisions and avoid huge sunk cost.

It can be seen that the large scale of a FDI investment like the methanol project was beyond the capabilities of relevant governmental agencies in Tacoma. In fact, Tacoma has not shown the competency to deal with the risks of FDI, regardless of the scope and amount of investment, not to mention something as large and complicated as the methanol plant project. There has been no chance for gradually developed understanding about how to facilitate and manage the growth of FDI from a small existing amount to a much larger scope. These tensions that result from a lack of experience, preparation and understanding emerged strongly and obviously in the recent methanol plant debates. This case also demonstrated the entrenched paradox of local philosophy, that is, the community desires what investment

promises to improve the quality of life in the region, while being picky or even resenting the source of the investment from certain countries.

Recommendations

Based on the data analysis and the case studies of Oklahoma City and Oakland, recommendations were generated that could strengthen Tacoma's capability to grow FDI. It is likely that without intervention, FDI coming to Tacoma in 2016 will not be increasing. Rather, FDI will probably decline or stagnate, given there are competitors in surrounding areas ready to seize and dilute the limited pool of FDI resources. Global companies today have an unparalleled variety of options in choosing where to invest. Take Chinese investment choice as an example: once they learned that Tacoma expelled Chinese in the 19th century, and there were only 713 Chinese living in Tacoma (US Census, 2000), accounting for 0.37% of the total Tacoma population, and if they experienced an indifferent attitude of local officials, many other options would be more appealing. Tacoma is facing fierce competition in attracting FDI from China, if the current mindset, rigid approval mechanisms, and solidified trajectory remain unchanged. The current FDI practice in Tacoma has never been in prominent and sustainable streams of FDI, but rather exists in the form of selling the historical and old properties for the purpose of revitalization and reconstruction, and transferring the downtown land for new property construction. It is possible for Tacoma to gain the momentum to continue to stay on that track, as the City administration has long favored FDI at this level: they have been fairly singularly focused on the straightforward and easily managed transactions of selling and buying properties (City of Tacoma, 2016).

However, sustainable FDI is far beyond transferring ownership of real estate to foreign investors. Top ranking sectors investing in North America have been transport equipment, industrial Machinery & Equipment, Chemicals, and electronics (SelectUSA, 2010).

Therefore, the practical recommendations generated here are based on the findings and analysis of the study. The recommendations are for (a) City of Tacoma urban administration, especially regional alliance for economic development, (b) educators engaged in community prosperity, and (c) business practitioners using FDI. The individuals in these three categories are expected to fully understand that FDI is long-term rather than short-term initiative. When local government determines appropriate overarching resolutions in the formulation and implementation of relevant policies, they need to consciously avoid some short-term decisions which might seem to be easy or quick fixes, while considering the long-term effects of the policy changes. The City with its strategic alliances could and should do things differently. Patience is needed to discern the effects of any policy and make small adjustments over time. Even though the effects of the present situation might not be very clear, more time will likely reveal new and positive results. The transformation process will be gradually completed.

One of the paramount goals for Tacoma's internationalization is to identify investment opportunities and attract more FDI to keep pace with Seattle's progress and to become an important hub to strengthen the prosperity of Greater Seattle region (City of Tacoma, 2014e). The vision for Tacoma's globalization in 10 years could be to put practices and policies into place so that Tacoma becomes well-known in the world market. These should include: (a)

developing international business relationships with global partners; (b) developing and nurturing cultural and educational exchange; (c) applying the advantages of existing industrial infrastructure such as the Port of Tacoma, natural resources, workforce supply and higher education. With the progress of globalization, more FDI will come to Tacoma, which will, in turn, help generate new jobs and create an increase to household income.

Change Theory

To achieve the goal of turning Tacoma into a compelling destination for FDI, Tacoma's urban administration should make all-around adjustments in terms of city policies to build a friendly environment for foreign investors. The practice and policy change could be generally organized by the principals of Change theory (Kotter, 1995). This theory defines processes that enable the strategic network to function, affording transformation efforts the best chance of succeeding. The following 8 steps can be applied to improve Tacoma investment climate:

(a) Establish a great sense of urgency: in order to effect change, it is necessary to heighten City administration's awareness about the need for policy adjustment to help reach the goal of being open to FDI. Urgency starts from the top of the hierarchy, City Council, which has recently realized the importance of Tacoma's going global. (b) Form a powerful guiding coalition (GC) to lead these adjustment efforts. It is feasible to either transform the existing Mayor's Commission of International Relations into a functioning FDI department, or build a new team under the Economic Development Division. The GC should represent each of the departments and local industries with individuals representing a broad range of skills and experience. The coalition will be charged with looking at all aspects of FDI procedures and

situations, discerning both the details and the big picture. (c) Create a vision on FDI to direct the change initiatives: by 2025, Tacoma will attract 15% more FDI than it does now. The GC could seek input from city management, analysts' reports, and colleagues throughout the organization to create detailed vision statement. (d) Communicate the vision, using every vehicle possible: GC will be able to direct and/or require some action upon receipt of the visions and strategy. A vividly formulated, high-stakes vision and strategy will prompt the community to discuss and revise. (e) Empower others to act on the vision by encouraging risk taking. A functioning department of International Relations could accelerate movement toward the vision and increase opportunity by ensuring that it removes barriers systematically. (f) Celebrate short-term wins (e.g., \$320 million in recent FDI commitment of Convention Center Hotel) to develop enthusiasm. Each diplomatic event (e.g., Sister City interactions, Investment Summit) would be another positive step towards globalization. (g) Consolidate gains and produce even more change, through a series of business initiatives such as a Chinese Investment Summit. (h) Institutionalize new approaches and changes in the culture of urban management, which relates to the City's package plan to foster a new FDI environment.

Concrete Measures

It is recognized that Tacoma has already developed international connections that can trigger FDI, such as Sister City relations, Port transportation, and educational exchange, which are the three areas that would generate FDI. Based on the theoretical guidance and the analysis that unveiled the reasons resulting in the stagnation of FDI in Tacoma, the following

recommendations are made.

Establish a new city-wide investment promotion agency (IPA). Organizational structure change is the first step required to lay a solid foundation for a friendly investment environment. It calls for the various agencies, such as the City Economic Development Department, Pierce County Economic Development Board (EDB), Tacoma World Trade Center, WA Department of Commerce, in Greater Seattle Trade Development Alliance, Chambers of Commerce, Sister City Council, Northwest SeaPort Alliance (Port of Tacoma), and private business owners to form a synergies by working together. There are some excellent examples of multi-organizational coordination in Washington, yet comprehensive, cross-sector coordinating efforts are still somewhat minimal. In Tacoma, the Mayor's Commission on International Relations could be the leading entity to guide the team activities. Developing capacity and building a multi-sectorial team dedicated to FDI and understanding everyone's role in supporting FDI efforts would prove beneficial to linking local community to the global economy. A functioning department within the City of Tacoma's organizational structure could be established to take actions and implement the strategic plan and corresponding policies, based upon a clear and distinctive strategy for Tacoma to obtain FDI.

Alternatively, it is feasible to establish an independent agency, the local investment promotion agency (IPA), which consists of team members recruited from the above-mentioned various departments, attempting to support FDI landing in multiple industries through collective efforts, in order to integrate resources and realize individual advantages in networking, knowledge sharing, and practical experience. In analyzing Oakland case, it was

revealed that Oakland has its specific IPA which should be attributed to the whole California state who has established this specialized agency to attract FDI.

The IPA would interact with the potential investors directly, showing necessary and appropriate care and attention to potential FDI investors and getting problems solved. The IPA could help deal with the relevant international affairs to make Tacoma known, and get Tacoma involved into global trade/investment fairs. The staff in the IPA would have the worldwide connections in their business lines, with an international outlook and yearlong experience of success or failure in trade and/or investment practice. A direct step might be to turn the Mayor's Commission, which is actually a temporary think tank, into a functioning IPA. The practical significance for the agency is that it is the formal interface and trustworthy entity that investors could use for the specialized communication. Moreover, the existence of an IPA could eliminate the gray area of numerous informal agents who wanted to make money from both sides (i.e., City and the investors), with misleading approaches for both sides, using the foreign language assets but not investment expertise. All in all, the faces that incoming investors would connect are vitally important for decision making.

Highlight Tacoma's advantages. Marketing for Tacoma should highlight what Tacoma solely possesses in the Puget Sound. For instance, port facilities are among favorable considerations. The foreign investors believe regional transport capacity and communication are essential for long-term financing. The convenience of transport capacity in this area is critical, which points to savings not only in transportation costs but also in the time cost. When considering a relatively large radius of products and services, including importing raw

materials, and products shipped overseas, the extent of convenient transport naturally becomes a critical factor for any investor pondering FDI in a region. No one wants to choose traffic inconvenience or information-poor place to invest and build factories/facilities, as the disadvantage of high transport costs and lack of information are often greater than the advantage of lower labor cost. The ease with which FDI investors and travelers can come and go is another appealing factor in attracting FDI (Department of Commerce, 2009). Although Tacoma has the Sea-Tac International Airport, the surface street transportation is not fast or convenient. It would be prudent to build a light rail between downtown Tacoma and the Airport arrival terminals.

Turn cultural diversity into profits. At the first glance, it might be considered better to attract British FDI because it has been comfortably understood in Tacoma for more than 100 years. It is natural and reasonable to target British investors and develop long-term relationships with them. On the other hand, if FDI from other less well-known sources is to be welcome as well, it will be necessary to explore and overcome the historic barriers and cultural bias that might exist toward investors from China and Japan, which are the two main powers in global markets now. "Corporate location decisions are based on access to a high-quality workforce, in addition to the overall health of the region and the costs of doing business there. Attracting that talent in a highly mobile global economy increasingly demands a focus on triple-bottom-line concepts, such as a clean environment and social justice." (Wenstrup et al, 2014). Tacoma is culturally diversified, and a good investment environment means equal access to the market for any investors, equal respect from the local urban administration, regardless of race, ethnicity,

country and culture. It is to tie in the social justice aspect.

Yet for all that FDI has to offer, it also brings unfamiliar cultures together, potentially spark tensions (Wilkinson, 2016, personal communication). This tension emerged strongly and obviously in the debate on methanol plant project. If FDI is going to gain prominence in expanding the local economy, cross-cultural management for capital should be applied along with appeasing the social disruption sparked by the mingling of unfamiliar cultures that FDI decisions may bring.

Cultural change needs to occur and micro aggression have to be mitigated. A benign city climate of equity, friendliness, inclusiveness, and fairness will be favored by future investors. This change can be achieved through Sister City programs to strengthen the arts and culture exchange and interactions, city diplomacy and people-to-people connections. The city has already established Sister City relations with 14 cities in 14 countries as of 2016 (Appendix E-Table 2). These cities are volunteer advocates for Tacoma to step into their countries to conduct business, exchange culture and arts, and encourage profitable investment.

Organize more trade delegations to help SMEs access new capitals. The Tacoma World Trade Center has been responsible for organizing outbound trade delegations and receiving inbound trade delegations. Chinese President Xi's visit to Tacoma in 2015 brought visiting delegations from China's big cities, especially from Tacoma's sister city, Fuzhou. The direct benefit of these visiting delegation events was for the local hospitality industry. The indirect benefits were invaluable in terms of introducing Tacoma to China beyond the sister city relationship, encouraging future FDI inflow, and strengthening avenues of international

cooperation. President Xi announced that 100 high school students will be accommodated to visit China, providing a significant savings to local households while offering 100 Tacoma students an opportunity to learn and experience China.

Unlike the giant companies who have their own marketing channels, the small-medium enterprises (SMEs) in Tacoma are in the urgent need of governmental help and organization to go global, participate in trade shows/fairs, create contact with counterparts, establish relationships and conduct business. Joining in the visiting delegations formally led by City officers would lead to more business opportunities for SMEs who turn to be more trustworthy.

Offer country or FDI industrial segments specific policies. Nationwide, top ranking countries investing in the US, by estimated jobs created are: Germany, United Kingdom, Japan, South Korea, Canada, France, and India. China is not in the top 10. Similarly, Washington's top sources of FDI are from Canada, United Kingdom, Japan, France and Germany (Greater Seattle Region Global Trade & Investment Plan, 2015). China is not in the top 10 of this list either, though it was the top goods export destination from Washington. Since 2014, Chinese investors have come to Tacoma and made 2-3 large investments. Some reached an agreement while others not, say the methanol plant project. The question is: How we deal with the issue of Chinese investments becoming a controversial topic among Tacoma's different interest groups. On the premise of no violation to National Treatment of WTO principals, it is feasible to offer different investors from different countries/regions a series of flexible and variable policies and privilege. This possibility should be evaluated and determined case by case.

Open international trade office located in target regions. FDI attraction is highly

contingent on relationship building because investors are humans with emotions and preference. One effective way to build business relationships is through in-coming and out-going trade delegation visits to and from Tacoma. Depending on the country, it may take years to build the relationships and trust that lead to economic results, making the long-term relationships that local officials build particularly important.

Another short-cut to establishing relationships is to open trade offices in target markets, or join in Washington State trade offices overseas which have the focus on FDI. The trade offices are supposed to foster cooperation and partnerships, market Tacoma as a paradise for investment development, and lobby the potential investors to invest in Tacoma. Staff in the trade office usually act as the investigators for capital background checks, ambassadors to impress FDI investors with Tacoma's advantages, and problem-solvers for follow-up after investment. The trade office would be a hub for information sharing, training and coaching, and events/activities organizing.

Expand substantial coverage in media outlets. From the Oklahoma City case study, we learned that media coverage is the catalyst and advertisement for a city to establish a positive image and reputation for potential FDI investors. In the marketing process of Oklahoma City going global, they appeared frequently on the following Mass Medias: ARD – German TV and Radio Broadcasting (ard.de) (Germany), China Daily (China), BBC (World), German American Chambers of Commerce South, El Economista (Spain), Australian Broadcasting Corporation (Australia), Bloomberg Business, USA TODAY, Fox Business, International Business Times, The Washington Post and others. Tacoma could learn from the way Oklahoma

City cast a wide advertising net and then follow suit to make Tacoma well known to the world in order to increase the probability of becoming a preference for FDI. Meanwhile, Tacoma needs to show up in digital media such as Facebook and Twitter. Another good channel would be to get involved with authoritative online resources such as "TheSelectUSA" program, which offer services to foreign companies and U.S. economic development organizations to facilitate investment.

Provide tax breaks and other incentives. Unlike some developing countries such as China, there is no transition from utilization of tax incentives policy to the mechanism of fair competition policy. Tacoma could do something like reducing the utility rate to favor foreign investors. Likewise, the EDB used to offer nine incentives to new businesses, this has now been reduced to two incentives. However, this kind of program showed that there might be promising possibilities in attracting new business through incentives, and the incentives could be flexible and short-termed. In contrast, a lack of incentives can be detrimental to the creation of new investment and business propositions.

Focus on green FDI in competitive industry. Based on the WA-Seattle-Tacoma advantages of the existing industrial foundation, Tacoma should focus on development projects in healthcare, information technology, and clean energy to utilize foreign capital, because these sections are clustered industries in Tacoma (Tacoma 2025 Strategic Plan, 2015). This strategic direction is shaped by the fact that the top FDI sectors in Washington are (a) manufacturing, (b) wholesale trade, (c) information and (d) professional services. High impact industry clusters and Fortune 100 companies in aerospace, information and

communications technology, life sciences and health have historically driven much of the FDI growth in Greater Seattle (Washington Department of Commerce, 2014).

When working to attract FDI, it is prudent to be selective rather than assume acceptance of any and all proposals. Tacoma should first consider green FDI investment, which engages companies, projects or funds that are focused on environmental issues so as to leave a positive, green stamp on the planet. (Blue and green, 2015). Green investments have been growing over the past years, mostly in renewable energy or clean tech companies, often via green private equity and infrastructure funds. The recent methanol project is actually green FDI. However, it failed due to many reasons including poor public relation management and the immature competency of Tacoma handling large FDI issues.

The green FDI concept aims to provide a statistical foundation in support of government's efforts to evaluate the role of private sector investment flows and to assess policy performance in providing a framework for accepting FDI. Green activity may be associated not just with a particular product or service but also with a green technology or process.

By developing export/import businesses with global partners, the Port of Tacoma can attract FDI in green energy, clean water, and waste treatment (Port of Tacoma, 2015). Tacoma has the absolute advantage in clean technology (City of Tacoma, 2016b). The future focus on FDI development could be shaped in the environmental protection segments rather than selling real estates to foreign investors, which is the easy and primary stage of FDI, and foreseeably unsustainable.

Set up Free Trade Zone (FTZs). It is a general practice for a harbor city to set up FTZs for foreign companies to operate within. FTZs can provide crucial savings and operational advantages to the companies in the global marketplace. FTZs also help reduce a company's supply chain costs, manage cash flow by deferring, reducing and potentially eliminating Customs duties when moving cargo through, and thereby reducing overall operating costs. The Northwest Seaport Alliance can take advantage of either FTZ No. 5 in King County or FTZ No. 86 in Pierce County. The South Harbor's FTZ No. 86 is the fourth-largest on the U.S West Coast for merchandise received, according to the FTZ Board's 2014 Report to Congress. The Port of Tacoma needs to introduce the FTZ to the incoming business operations, and advocate FTZs as a strong facilitation support for potential FDI in manufacturing. The advantages of using a FTZ include, but are not limited to: (a) ability to defer customs duties and federal excise taxes until merchandise is transferred from the FTZ to domestic market; (b) reduction of processing/entry fees by as much as 85% with the Weekly Entry Process, which allows goods to be shipped 24 hours a day, 7 days a week, with just one entry filed each week and just one merchandise processing Fee per entry; (c) reduction in customs duties on goods processed or assembled in the FTZ when imported components have a higher duty rate than the finished goods; (d) ability to defer Harbor maintenance tax payments, utilizing a process for quarterly payment instead of paying at the time of entry; (e) elimination of customs duties entirely when goods are re-exported from the FTZ; ability to store quota merchandise in the FTZ until the quota period opens and immediately ship goods into U.S. Customs territory; (f) ability to have imported goods exempted from state and local ad valorem taxes when they are held in the FTZ

for storage, sale, exhibition, repackaging, assembly, distribution, sorting, grading, cleaning, mixing, display, manufacturing or processing. Goods manufactured in the US and held in the FTZ are also exempt; (g) elimination of the need for drawbacks and ability to keep funds in the operating capital of the company (Urban governance, 2010).

International education as a vehicle. Borensztein et al (1997) indicated a high quality labor force could be a catalyst to attract more FDI. Tacoma is home to globally recognized research and educational institutions. In 2014, Tacoma was ranked one of the 50 Best College Towns, “citing the presence of University of Washington Tacoma, University of Puget Sound, and Evergreen State College's Tacoma campus contributing to a student population of 7,235” (Business Examiner, 2014). The Mayor has always been proud of Tacoma as a college town, which translates into the makings of a quality education hub. The region's leading education and research institutions have been attractive to international investors for both the future employees they would hire, and for the potential access for their own young generations to receive an American education.

The University of Washington (UW) has loomed large as an international connector. In 2011, 18% of the freshman class at the UW 3 campuses came from abroad, with 11% percent from China alone. There has been over 13,100 international students in the Seattle metro area (The Brookings Institution, 2016). Since 2015, Tacoma could draw on the successful establishment of the Global Innovation Exchange, a joint-venture between UW Seattle and China Tsinghua University. Not only is this exchange bringing unprecedented US-China collaboration to Washington State, but it also yields a great deal of investment from Tsinghua-

related companies. The impact of education in Tacoma could be revealed when, for example, a FDI company hires domestic graduates to fill those high-level leadership positions rather than bringing in foreign staff from their mother countries. This phenomenon is positive in that local people are familiar with the local situation, speak the same language, and have established networks. This is called employee localization in MNCs. The mild weather, the museum district, seafood, craft breweries and abundance of small cafes make living in Tacoma attractive similar to Seattle. Obviously, for international students, many of whom do not have private cars and family homes, Tacoma is an ideal place in terms of the city's accessibility, the presence of the Tacoma Link rail system, and other amenities and entertainment.

The Tacoma School District has successfully hosted incoming international students and facilitated educational exchanges for periods of 3-7 weeks. In the higher educational sector, the international students contributed to school revenue because they pay double or triple the tuition of the domestic students. To boost school revenue, Tacoma colleges and universities could develop the recruitment efforts to host more international students and visiting scholars. Since 2013, the number of all UW Tacoma international students has increased 20%. In the light of nationality mix, the students from Greater China, including Hong Kong and Taiwan, accounts for 56% of the whole F-1 students in the school year 2015-2016 (University of Washington Tacoma, 2015).

In 2014 in Washington, the REAL Hope Act was signed into law, making WA one of only five states that allow undocumented students to qualify for both in-state tuition and state financial aid. This statute enhanced a 2003 law allowing undocumented students to pay in-

state tuition at state colleges and universities (The Seattle Times, 2014). These components became additional attractors for foreign students who temporarily do not have legal identities to come to Tacoma to take education.

The Tacoma Sister City Council was recognized by Sister Cities International with an Innovation Award for its work surrounding youth and education in 2015. "Tacoma is an international city, and education is a civic priority for us. Exposing our youth to global perspectives, by connecting them with community leaders and local organizations with an international focus, helps our students and our city thrive." said Mayor Strickland. With the overarching goal of achieving peace promoted through mutual respect, understanding and cooperation, the Council has held 3-6 daylong Student Leadership Conferences in partnership with Tacoma Public Schools since 2013. These conferences enable Tacoma high school students, civic and business leaders, and elected officials to gather and discuss Tacoma's progress as an international city. They are designed to foster a broader community understanding of Tacoma's international relationships, while generating ideas to stimulate student engagement.

Convert international students and their families into investors. According to the "Greater Seattle Region Global Trade & Investment Plan" (2014), converting international students and their families into investors in the community is an expected outcome of attracting more international students to receive education in this region. Generally speaking, the families that can support children to pursue overseas education in US are wealthy households (Forbes, 2012). This is also true for international students coming from the

immigrant families under EB5 program. To make a safe and comfortable environment for the international students residing in Tacoma for 4-6 school years, most of these students' parents would consider purchasing local property which could promote development of the local real estate industry. Furthermore, if there are lucrative FDI projects available in the market, some parents would look to invest in a business for equity and become shareholders, with the purpose to position their graduating children for a first job position, in case they cannot land a job elsewhere. It seems reasonable to speculate that this group of potential FDI investors could be easily found (from student registration forms) and persuaded to invest. Describing the emotional engagement students will have with Tacoma for several years creates a tendency to consider investing money locally, potentially producing a new generation of long-term residents.

Shields (2013) pointed out that flows of international students have become more unequal and centralized in some places. Comparisons with other global networks show that international student flows are closely related to world trade, and it is most likely that the family's business and flow of wealth will guide the choice when considering and choosing an educational location for their children as international students. FDI in a specific location could partially indicate the future migration direction of the family.

Educational Program Design

One of the differences between a well-developed organization and one that is declining is, simply stated: a well-developed organization identifies and recruits the right talent into the staffing mix. This holds true with all regions in economic development with a view of using

foreign capital. If Tacoma cannot recruit enough of the right kind of professionals to deal with blossoming FDI coming in, it is feasible that the existing work force could be trained to be a winning team, able to competently undertake the required duties.

The proposed education program aims to lay out the steps necessary to train a task force to sustain FDI operation in the Tacoma-Pierce county area. Focused professional development for city administrators will be required to cultivate the substantial human resources needed to support FDI growth. Without a team of professionals in the domain of FDI, finance, and international business, plans for attracting FDI would be lost cause.

Clarke & Gaile (1998) discussed human capital as the linchpin of globalization. They posit that analytical ability, information skills, and the communicating capacity are all keys to wealth creation, suggesting that “inattention to the decline in human capital will ultimately undermine any local development efforts” (Wenstrup et al, 2014, p11). As Enrique Rueda-Sabater, Boston Consulting Group senior advisor and former World Bank Director has said, “Talent will be the most important determining factor of a city’s ability to compete at the global level”. Human capital drives innovation and social progress and enables economic growth, with the fundamental of human capital development (Hoffman, 2010).

Future Workforce

It takes a region’s education system a long time to build a workforce with the skills required to meet current and future challenges. While Seattle has one of the nation’s most educated populations, the region ranked second to last in local education (Wenstrup & Janda, 2014). In fact, the net shortage of skilled workers in Washington State will reach 50,000 by

2017, according to an estimate by BCG and the Washington Roundtable. This shows there is much to do in the professional development sector. It is critical for Tacoma to educate a workforce appropriately skilled in dealing with foreign business and investment. The natural resources and beauty of Tacoma may attract investment to the area, but this is not enough. To meet growing business needs and support sustainable investment, Tacoma must cultivate an increasing number of skilled workers to successfully promote and facilitate FDI. As investment decisions have an emotional-oriented component, making word of mouth between different investors an important tool by which they choose locations. By sharing information about whether an investment environment is good or bad, who knows what, which official is experienced, and which is a novice, investment decisions are largely the outcome of networking. This is based on trusted relationships built upon perceived similarities in attitude, expertise, professionalism, and spirit of service. In such cases, the investors are persuaded by their professional colleagues in FDI, the interfaces and the work partners whom they trust, and the guidance they receive to communicate with certain potential partners. Some business professionals and average citizens with FDI training, if presented the right opportunity at the right time, could act as the City's ambassadors to lobby potential investors. Tacoma City Manager T.C. Broadnax said in 2016 that "when you interact with citizens and your co-workers you become the face and voice of our organization".

Objectives and Vision

The vision of the educational program would be: (a) understand and clearly define job duties required to promote Tacoma's ability to provide necessary and user-friendly resources

and environment; (b) to forge ahead with FDI; (c) to build an essential skills base to reach that next level of managing FDI, and acquire expertise and problem-solving tactics.

The education program could occur at the two levels: (a) professional development of the workforce, and (b) improved education of the upcoming workforce now in the P-12 and collegiate systems. The primary goal in launching this professional program is to raise awareness of professional development in FDI literacy. The aim of the program would be to train a task force to help lay the groundwork for Tacoma, cultivating FDI professionals toward becoming a more globalized staff for the benefit of the entire community. The people educated in this program in Tacoma and Pierce County would play an important role in attracting FDI investors to the region.

This project revealed there was not a single specialist who dealt with FDI at the City. The task force for investment in Tacoma must be trained and well-prepared to facilitate investment procedures and conduct technical service for potential foreign investors. Trained FDI professionals are strongly instrumental in attracting FDI from overseas. Countries like China, starting in late 1990s, began to take action to improve the quality of their unskilled work force in dealing with FDI, so that China could enjoy a golden age for FDI and the ensuring prosperity. Their educated labor force has played an important part in attracting FDI (International Labor Office, 2011).

A second imperative is to educate the broad stakeholders in the community on how important it is to attract FDI in the process of Tacoma's going global. The investment environment should be friendly and able to effectively accommodate foreign capital to flow in

(Mabey & McNally, 1999). This requires the integrated efforts of community, governmental agencies, business enterprises, nonprofit organizations, banking systems, tax services, and individuals. Civic education has overlooked the importance of educating average people to understand the economic, business and investment possibilities of their own community (UN Chronicle, 2010) and to intentionally execute the principals and tactics to help facilitate investment development whenever possible. The power of educational leadership has not yet played a full role in boosting Tacoma's economic development (University of Washington Tacoma, 2012).

This FDI educational program should have four objectives: (a) leverage relationships between foreign investors and the local FDI team; (b) prepare employees for taking on the responsibility of marketing Tacoma and dealing professionally with incoming investment; (c) create an open environment in which ideas are shared freely and employees form connections to people who are experts for FDI; (d) provide necessary support to achieve the goals set by managers in the FDI performance review process.

The goal for designing an educational program to boost FDI would be to foster strong leadership with the ability and courage to make tough decisions. With limited resources and time, leadership must be willing to make decisions that will be unpopular with some interest groups and constituents" (Wenstrup et al, 2014). The results of the interviews and the survey in this project suggest that city officials and others involved in Tacoma/Pierce county economic development efforts are ahead of the general population with regard to FDI, which indicates that this group would be relatively easy to leverage as leaders in this efforts. Training needs to

start with this group for leadership enhancement. It supports strongly the notion of leading with learning.

Elements of an FDI education program would include building the essential skills base to reach that next level of leadership in managing FDI and acquiring expertise and problem-solving tactics to anticipate challenges that will recur.

Careful planning for the instructional environment of adult professionals is necessary. Knowles (1984) suggest that adult learners need, at a minimum, a cooperative climate for learning. The curriculum must assess the learner's specific needs and interests, and have learning objectives based on the learner's needs, interests, and skill levels. These learners will need access to resources for learning and a means by which they will evaluate the quality of the learning experience and make adjustments. Knowles (1975) theory suggests that learning must be a self-directed, experience-based, and problem-centered approach for working professionals throughout their professional lives. Understanding these principles is the cornerstone of increasing motivation and enabling adult learners to achieve.

The following FDI educational program was designed based on these principles. Because professionals learn by doing, effective instruction would focus on tasks that learners can perform, rather than on memorization of knowledge. Because adults are problem-solvers and learn best when the subject is of immediate use, effective instruction involves the learner in solving real-time problems regarding the whole process of FDI.

Ongoing professional development is a normal part of an administrator's work. In fact, approximately 90% of all adults conduct at least one self-directed learning project a year

(Tough, 1979). The learning should be incorporated into daily routines and occur both at the learner's convenience and according to his/her learning preferences (Knowles, 2015). It involves the learner in isolated activities, such as researching information on the Internet, and it also can involve the learner in communication with experts and peers.

Design Concept and Modules

A simple structure will underlie the delivery of training in batches for a FDI professional education program. The trainees would be divided into categories such as city officials, business agents, community members, civic coalitions, K-12 students and college students. The groups need specific and respective course learning, field practice and international interaction with the counterparts. It could be implemented on a recurring basis (Appendix F: Educational Program Design-FDI Training Sets).

Curriculum. FDI literacy is combined, comprehensive, and cross-cultural with interdisciplinary features. Starting from the basic concepts as a source of financing, the core courses to be developed will include: cultural awareness, international economy and investment, investment policy, international relations, international investment practices, marketing, investment negotiation, international finance and capital management, leadership and motivation, project management.

Participants, such as the members of the City Council and City Manager's Executive Team will be encouraged to enroll to cultivate a global mindset, so that they could join with the Mayor to call for the strengthening of Tacoma's globalization and the influx of FDI.

A series of seminars and presentations for leadership development would be carried out to coach the learners with guiding theories, logic models, strategy planning and implementation, and resources/budgets allocation. A complex sample topic for seminar could be "If FDI is going to gain prominence in expanding the local economy, how should the social disruption sparked by the mingling of unfamiliar cultures be factored into making and managing FDI decisions?" Events and activities in Tacoma will vividly help the learners learn how to do a better job of telling the organization's story and helping to make Tacoma more attractive.

As for K-12 curriculum to foster a global mindset in Tacoma's youth, the education on equity and diversity would come first, then engaging knowledge and attitudes that reflect an understanding of the inter-connectedness of history, people, ideas and problems. Additionally, recognizing the cultural and historical foundations of human differences is essential content.

Instructors and Training Institutions. Instructors could come from fields of expertise such as practitioners in FDI area those with experience of dealing with foreign business partners and those who possess expertise in FDI. The human capitals that would get involved in FDI should include those practitioners providing legal services. Educational sessions can be conducted in multiple venues, such as the municipal building on a regular basis, on-line, or it can be outsourced to a professional educational institution like Key Bank Center at UWT.

Learning methods. Some education tracks work better for busier schedules than others. The following methods plan out flexible time for full-time working learners. (a) Face-to-face: the best method for instructor and learners with ample time and in close proximity, it could be

done in the forms like meeting, paid consultant coaching and sharing; (b) Phone: for mentors and mentees who work in different buildings and cannot easily meet in a common location. (c) Online virtual: utilizes videoconferencing, internet or email to expand the education pool. The learners could log in to finish the required readings, core courses learning and case study. This practice works best for people in remote locations or on business trips. It is recommended that mentors and mentees still meet face-to-face occasionally. (d) Combination: utilize any and all methods that work best for the particular time or situation.

There are five education forms to choose from that will help achieve the learning goals and deliver expertise to the practitioners seeking up-to-date growth in FDI and trade: Peer-to-Peer, Group, Traditional, Situational, and Supervisory mentoring (City of Tacoma Mentoring Program, 2013).

- A structured Peer-to-Peer mentoring program would help learners meet as needed to offer advice and expertise in FDI nuances. The relationship can be as formal or informal as designated by the pair and can last indefinitely. It is up to the group to coordinate schedules and select meeting topics. Program coordinators will help employees find others interested in peer-to-peer mentoring to pair with, provide resources (e.g., meeting ideas, presenters, etc.) upon request, and schedule quarterly check-ins. The learning is encouraged but not required. This type requires a lot of organization and self-reliance.
- Group mentoring is an ongoing team training session with one instructor and multiple learners. It is used to discuss the current situation and problems in the practice of FDI. It could help participants make a plan for receiving the potential investors and prepare

for negotiations.

- Traditional mentoring sees the one-on-one teaching and coaching the core courses in the classrooms.
- Situational mentoring can be used for urgent problem-solving and crisis management.
- Supervisory mentoring can be used in the workplace, such as a meeting or ongoing communications between the boss or team leader and the FDI specialist. It also can be conducted in new hire orientation sessions.

Additionally, following the model above, there will be a need to create a city-wide plan for an FDI initial evaluation plan, with flexibility to adjust as needed.

In summary, the FDI education program model described here is a long-term, recurring and typical professional training for FDI specialists. These trained professionals are necessary for dealing with the whole process of FDI development. It is a system engineered to manage and grow FDI.

Limitations

Qualitative study is highly personal. The quality and utility of the project is not based on its reproducibility (Berg & Lune, 2012), but on the meanings generated, which are valued, constructive, and practical in a city-wide initiative within a period of time. There are naturally some limitations to the application of the findings and recommendations.

Validity and Reliability of Method and Data Collection

As for validity of the survey and interviews, two questions arose: (a) Due to the limited sample size, to what extent was the Tacoma City administration confident that the results from

these data were representative of the results that would have been obtained, for example, had the survey been administered to a broader community? (b) How closely did the perspectives and themes that emerged reflect what community residents generally hold to be important? In this case, as response was anonymous, it was not possible to probe for deeper or more directed explanations, which weakened the validity. It was obvious that reliability of my study could be jeopardized with the passage of time because people's opinions may change, and FDI is dynamic according to global political and economic changes.

However, there is strong content validity in these results, due the fact that the participants interviewed were all experts in the area of international trade and investment. They shared their insights and experience with me, which helped form my analysis. The interview sample size was small but targeted. Since there was no audio recording, some important points may have been missed when the author organized the minutes of talks based on memory. Additionally, some interviewees' points may be misinterpreted due to language differences.

Insufficient and not fully disclosed information. As a participant observer and employee in a low position at City of Tacoma, the author had limited access to certain meetings and press conferences. Hence, I had limited updated information to analyze, or delayed access to collect, which hindered my ability to synthesize information and draw conclusions. In the governmental hierarchy at the City, some employees may have been reluctant to share knowledge and information with me, which resulted in insufficient information sharing and lack of transparency.

The educational leadership applied here is the advocacy and influence that I could exercise

in my role as a researcher and international relations coordinator during the process of my routine work and project development.

I detected egotism when collecting data, that is, the interviewees and survey participants expressed opinions based on their own positions and interests with personal intentions and emphasis. They all had thoughts and concerns that could shape or create bias for this study. It was challenging to identify and extract the pertinent information of what was real and fair, in order to make the best possible analysis and synthesis.

Uncertainty of FDI future in Tacoma. While I appeared to have confidence on FDI coming to Tacoma in the next decade, suspicion and vigilance of future FDI also seems to be rising. It was notable that, in some countries or sectors, the FDI environment was getting worse, and regulatory risk was increasing. This could occur in Tacoma too. For cross-border M&A, and investment in equity, state-owned companies in emerging markets worry about the increasing of hidden barriers like the will of the people. In the natural resources sector, FDI has also been questioned or resisted, with the methanol project serving as a primary example or proof. While there is a tendency for investment liberalization to continue, change of the regulatory framework will constrain liberalization, and will therefore affect future FDI growth (SelectUSA, 2013). To increase the accuracy of prediction, one needs to conduct some parts of the study by using quantitative methodology, for example, using SPSS (or analogous) software with 10-year data input to calculate the estimated annual growth rate.

Influence of personal cultural background. The insights yielded from this paper have come from the perspective of the author, an immigrant who has lived in Tacoma for 4 years,

and engaged in Tacoma's economic development mission for 1.5 years. Consequently, this study was inevitably marked with the author's personal cultural background and stereotype. It was limited to some extent in that it reflected the biases of the author whose personal experience in FDI was not from America but from China, and whose judgment and insights were entangled with personal experiences. Nonetheless, the interpretation through the author's lens and professional views about inbound FDI should be considered valuable too, as such a stand point probably would exhibit a different quality and heightened sensitivity to issues related to FDI coming from China. Another area of concern has to do with the limits of the author's expertise in FDI that are pertinent to this study, she had not gone through all the procedures of a FDI project implementation before conducting the project.

Small sample size in data collection. While there are numerous studies on FDI in Seattle, my project dabbled in a new area by looking into FDI coming to Tacoma specifically. In literature review, limited data were available. For example, there were only two papers available touching on FDI in Tacoma when I searched the International Monetary Fund (IMF) database.

The scope of the study was limited. This project investigated only the two current FDI from mainland China investing in Tacoma downtown property development. Actually, European investors dominate FDI in Washington as well as in Tacoma. Cumulatively, Europe is the largest regional investor in the United States. The Asia and Pacific region ranked second, accounting for 17% of FDI in US stock through 2013 (FDIUS, 2013). The Japanese enterprise, Toray Composites Inc., is the biggest FDI in Pierce County, investing in the aviation industry,

and should be explored at a later time. Furthermore, little was known about the magnitude of FDI's contribution to green growth, and this was largely due to the lack of an internationally agreed-upon definition of the relevant data on green FDI.

Meanwhile, my uncertainty lies in the limited participants and the narrow working area on which I focused. The interview type was a semi standardized interview. In the face-to-face interview conversations, I added or deleted probes to different interviewees between questions, adjusting the level of language and wording as I thought it appropriate to do so. The inconsistency may have resulted in the missing of some important point of view.

The sample size was small. Only 11 individuals were interviewed, with 10 being in-person and one through a phone interview. Survey response was a little bit low at 20%. The sampling used most public servants who were not representatives of the real FDI practitioners. The responses were from officials in government and other public service sectors rather than from those practitioners from private sectors, e.g. within the 11 interviewees, there was only one real FDI investor.

The data analyzed represented a participant observer's perspective, and other perspectives might have generated different results. Varying criteria were used to evaluate the data, and the application of different criteria might have resulted in a distorted summary. I looked at this from an internal city perspective. It would be more comprehensive to explore the questions from external city windows, such as from more actual FDI investors.

Conclusion

The paper examined the reality of Tacoma's challenges in increasing FDI, and provided suggestions for feasible resolutions for Tacoma to improve the status of FDI. Also, the author's motives for providing case studies were to offer Tacoma lessons and experience to draw ideas from two models of Oakland and Oklahoma City, on how they grew FDI. Some practical steps toward improvement of FDI literacy of the City's work force through a professional educational program designed for the holistic training for FDI professionals are offered. The project also highlight the momentum and importance of FDI in the process of Tacoma's globalization and discussed how Tacoma could adapt changes to attract more FDI to bring about local economic development, which means our future.

In summary, what makes Tacoma an ideal place for FDI are the existing high impact industry clusters and Fortune 100 companies which have driven much of the FDI growth in the Greater Seattle area, from which Tacoma could take a share (Greater Seattle Region Global Trade & Investment Plan, 2014). Given that Tacoma benefits from its location and proximity to Asian-Pacific emerging markets, Tacoma is also a globally recognized college town with abundant research and educational institutions. These institutions are attractive to international investors for both the future employees they would hire, and as accessible opportunities for excellent international education for their own young generations. For those parents able to support their children's overseas study, there is a possibility to convert, persuade, or gravitate them into being future investors and developers in Tacoma, as well as being bridges and ambassadors for Tacoma's economic growth.

Based on the prioritized recommendations to push FDI forward in the future, the main conclusions of this paper would suggest the productive approaches, which are, to take an open and dynamic stance towards potential investors, adjust the current policies to be more favorable, initiate a professional education program to train the task force, and apply international education as a vehicle.

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Appendix A

Interview Design

The interview style was open-ended as the intention was to better understand the participant's experience of doing FDI in the town. Proposed interview were approximately 40-50 minutes. The words for the interviewees were:

“Thank you for your willingness to have an interview with me. The purpose of my project is to analyze the potential of foreign direct investment (FDI) in Tacoma. I would like to explore the reasons for why Tacoma currently lags behind in attracting FDI and seek out your thoughts and suggestions on how Tacoma could attract more FDI. Please note that I have taken measures to ensure your responses are treated with utmost confidentiality. There is no sound recording for our meeting.”

1. How long have you been working in this area?
2. Describe your related experiences in FDI in the path of doing international business.
3. Describe the status quo of FDI in Tacoma and Pierce County.
4. What in your mind is the upside of increasing FDI for Tacoma and Pierce County, and what would be the downside?
5. What are the most important initiatives/programs for attracting FDI in your view?
6. What are your views on current tax incentives for attracting FDI?
7. What are the main obstacles facing Tacoma in attracting more FDI?
8. What actions can be taken to overcome these obstacles?
9. Are there stakeholders that are opposed to attracting more FDI? If so, who are they,

and what are their concerns?

10. Do you have concerns about Tacoma's plans to go global? If so, what are they?
11. Are there other cities that Tacoma should consider as models for increasing its global character?
12. If so, what are they? What lessons should Tacoma learn from the previous experiences in attracting FDI?
13. What are Tacoma's strengths/advantages for continuing integration into the world and attracting more FDI?
14. What are the priorities, primary aspects/areas that need to be addressed in getting more FDI?
15. What goals do you want to achieve in 10 years in terms of utilizing FDI in your area?
16. What is the gap between your vision and the City's current situation?
17. What are potential financial costs to the city or to your organization in attracting FDI investors?
18. What other thoughts/measures do you have about increasing FDI in Tacoma?
19. What other tax incentives should be designed or created to be FDI friendly?

Appendix B

List of the interviewees coded from No. 1 to No. 11

Interview #	Interviewees' employers	Departments
1	City of Tacoma	City Manager's Office
2	World Trade Center (WTC)	China Trade and Investment Advisory Committee in Tacoma
3	City of Tacoma	Community and Economic Development Department (CEDD)
4	World Trade Center (WTC)	China Trade and Investment Advisory Committee in Tacoma
5	Trade Development Alliance (TDA)	TDA of Greater Seattle
6	City of Tacoma	Community and Economic Development Department (CEDD)
7	Port of Tacoma The Northwest Seaport Alliance	Commercial Team
8	City of Tacoma	Mayor's Office
9	Tacoma-Pierce County Economic Development Board (EDB)	President's Office in EDB
10	City of Tacoma	City Council Office
11	China Ming Qing Investment Group LLC	Yareton Investment & Management in Tacoma

Appendix C

Charts formed by Survey Responses--Exported from SurveyMonkey.com

Chart 1

Q4: If the City attracts more FDI, which of the following areas should be prioritized? Please rank the top 5.

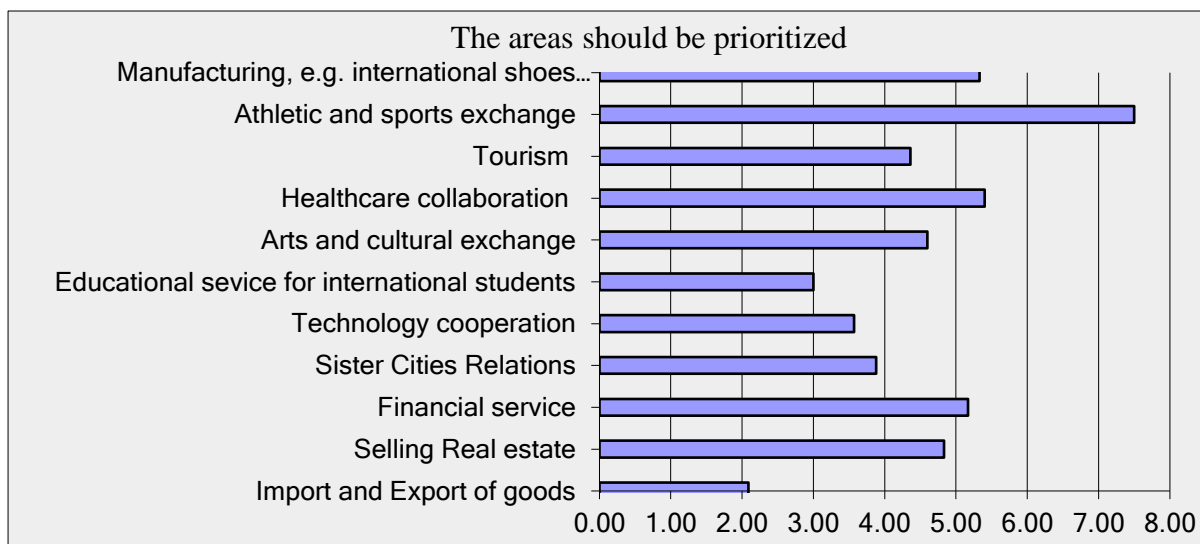


Chart 2:

Q7: If not directly involved, what do you understand to be the greatest challenges with FDI in Tacoma-Pierce County?

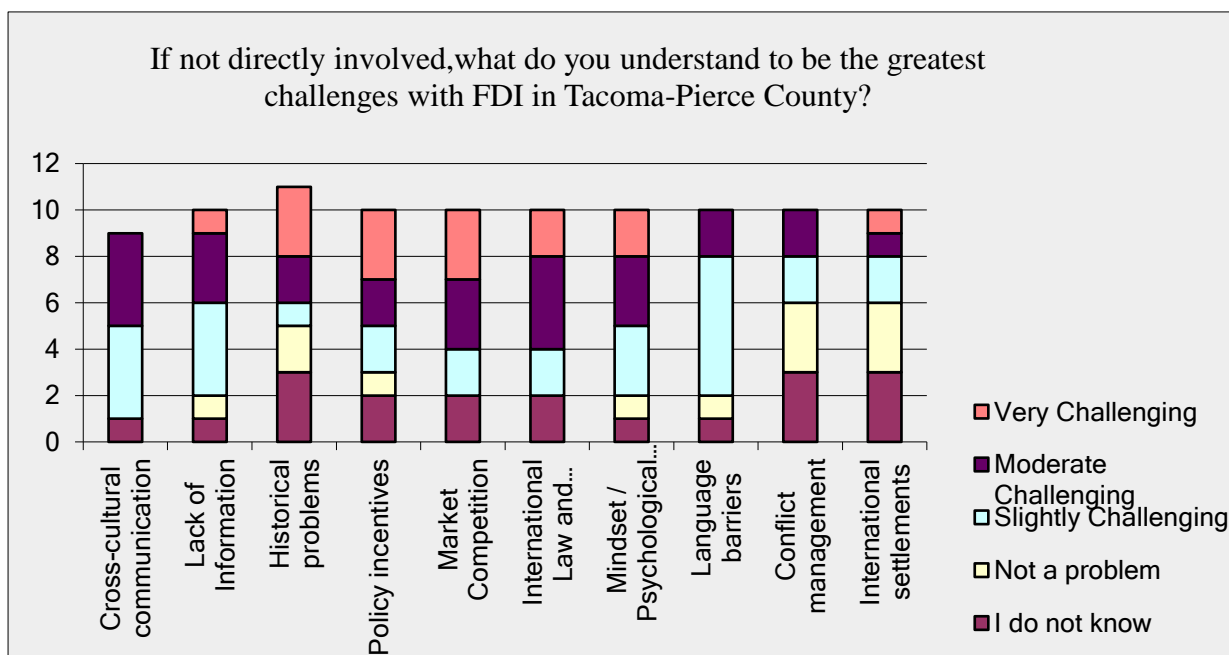


Chart 3:

Q10: In your view, what are the top 3 potential sources of FDI for Tacoma-Pierce County?

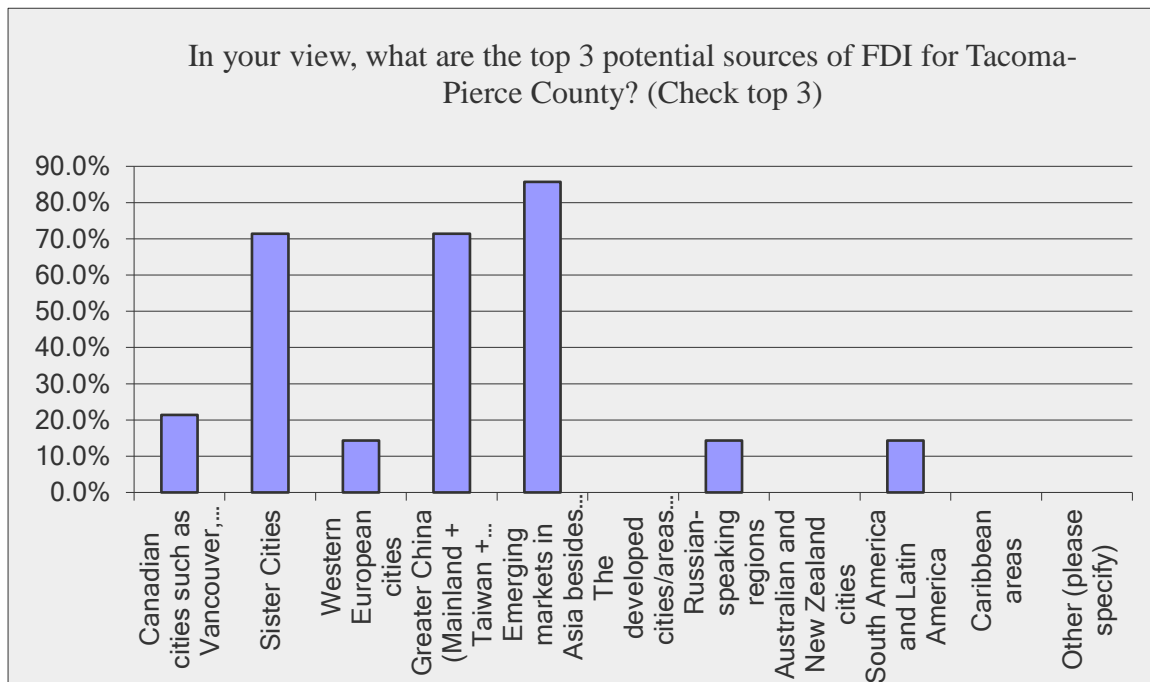


Chart 4

Q11: Based on this list, which 3 activities do you think are most important for Tacoma-Pierce County to increase FDI? Choose top 3.

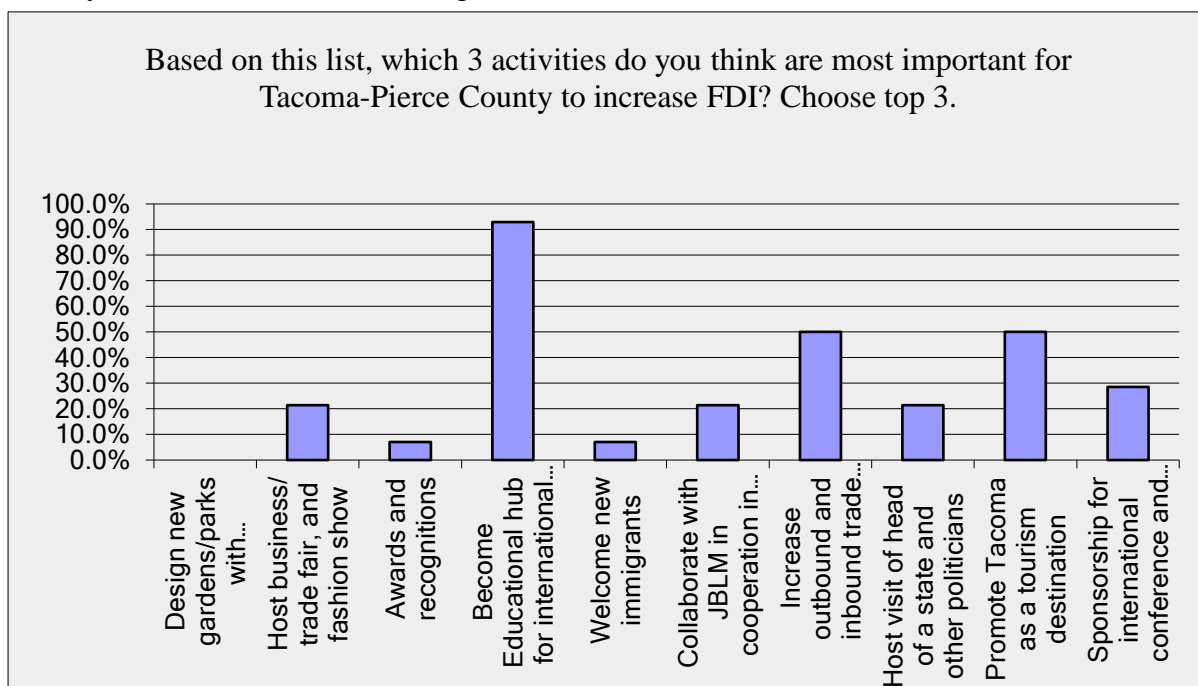
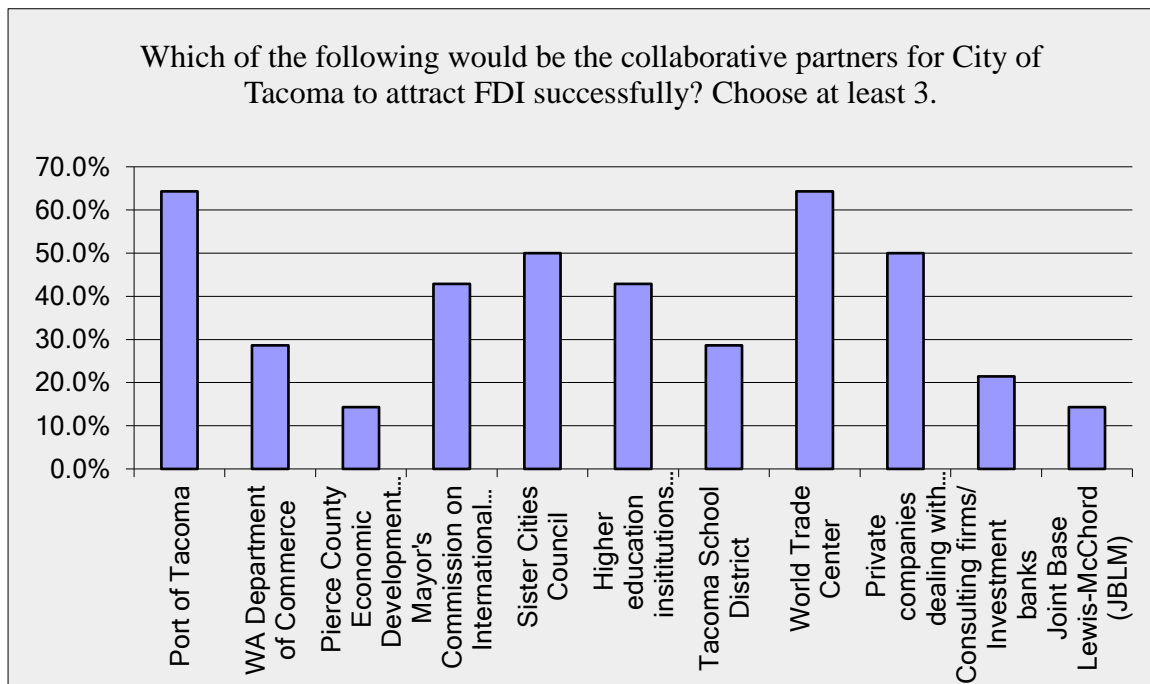


Chart 5

Q12: What of the following would be the collaborative partners for City of Tacoma to attract FDI successfully? Choose at least 3.



Appendix D

Survey Design-15 Survey Questions

Thank you very much for your interest in taking this survey! The survey is to seek your perceptions of Tacoma's globalization and the role of foreign direct investment (FDI) in that process. The survey will take about 10-15 minutes to complete. Please note that your participation in this survey is voluntary and your responses are anonymous. The summary of survey results will be made available to the survey participants and will be made public. The information obtained will be helpful for developing future policies and planning programs.

1. How is your work related to help make Tacoma-Pierce County become involved in the international arena?

2. What does the internationalization and globalization of Tacoma-Pierce County mean to you?

3. List three prioritized achievements that could define Tacoma-Pierce County's success in globalization.

First

Second

Third

4. The City of Tacoma is considering various approaches to increase the amount of foreign direct investment(FDI). In your views, if the City and County do attract more FDI, which of the following areas should be prioritized? Please rank the top 5. (No.1 to 5 with 1 being the most important).

<input type="text"/>	Import and Export of goods
<input type="text"/>	Selling Real estate
<input type="text"/>	Financial service
<input type="text"/>	Sister Cities Relations
<input type="text"/>	Technology cooperation
<input type="text"/>	Educational sevice for international students
<input type="text"/>	Arts and cultural exchange
<input type="text"/>	Healthcare collaboration
<input type="text"/>	Tourism
<input type="text"/>	Athletic and sports exchange
<input type="text"/>	Manufacturing, e.g. international shoes factory

5. Are you directly involved with FDI in Tacoma-Pierce County? Yes or No

6. If yes, what noteworthy issues have you experienced in previous practice in dealing with FDI?

7. If not directly involved, what do you understand to be the greatest challenges with FDI in Tacoma-Pierce County?

	Very Challenging	Moderate Challenging	Slightly Challenging	Not a problem	I do not know
Cross-cultural communication	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lack of Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Historical problems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Policy incentives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Market Competition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
International Law and regulation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mindset / Psychological differences	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Language barriers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Conflict management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
International settlements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other (please specify)

8. What are Tacoma-Pierce County's advantages for attracting more FDI? (list 3)

The first advantage

The second advantage

The third advantage

9. What are Tacoma-Pierce County's disadvantages for attracting more FDI? (list 3)

The first disadvantage

The second disadvantage

The third disadvantage

10. In your view, what are the top 3 potential sources of FDI for Tacoma-Pierce County? (Check top 3)

- Canadian cities such as Vancouver, Victoria Island in BC
- Sister Cities
- Western European cities
- Greater China (Mainland + Taiwan + Hong Kong)
- Emerging markets in Asia besides China
- The developed cities/areas in a certain African country
- Russian-speaking regions
- Australian and New Zealand cities
- South America and Latin America
- Caribbean areas
- Other (please specify)

11. Based on this list, which 3 activities do you think are most important for Tacoma-Pierce County to increase FDI? Choose top 3.

- Design new gardens/parks with international focus of a certain region
- Host business/ trade fair, and fashion show
- Awards and recognitions
- Become Educational hub for international students
- Welcome new immigrants
- Collaborate with JBLM in cooperation in Asia-Pacific area
- Increase outbound and inbound trade delegation visits
- Host visit of head of a state and other politicians
- Promote Tacoma as a tourism destination
- Sponsorship for international conference and film festivals

Other (please specify)

12. Which of the following would be the collaborative partners for City of Tacoma to attract FDI successfully? Choose at least 3.

- Port of Tacoma
- WA Department of Commerce
- Pierce County Economic Development Board
- Mayor's Commission on International Relations
- Sister Cities Council
- Higher education insititutions such as UWT/ PLU/UPS
- Tacoma School District
- World Trade Center
- Private companies dealing with international business
- Consulting firms/ Investment banks
- Joint Base Lewis-McChord (JBLM)

Other (please specify)

13. Which cities/counties do you think are good models for Tacoma-Pierce county to learn from for internationalization?

14. Please state your overall vision of Tacoma-Pierce County's globalization by 2025.

15. If you are familiar with successful policies/incentives for attracting FDI, what are they?

Appendix E

Table 1

Advantages/disadvantages of FDI

Advantages		Disadvantages	
Economic development stimulation	Resource transfer	Hindrance to domestic Investment	Expropriation
Easy international trade	Reduced disparity between revenues and costs	Risk from political changes	Negative impact on the country’s Investment
Employment and economic Boost	Increased productivity	Negative Influence on Exchange Rates	Modern-Day economic colonialism
Development of human resources	Increment in income	Higher Costs	Economic non-viability
Tax incentives			

Source: ConnectUS: The Global Issues Blog. (2015). *The 17 advantages and disadvantages of foreign direct investment* [blogpost]. Retrieved from <http://connectusfund.org/?s=FDI+advantages>

Table 2

Job created by FDI



Source: SelectUSA. (2016, February 24). *New Study: how important is FDI to the U.S. economy?*

Table 3

FDI discrepancy in Seattle-Tacoma-Bellevue, Portland-Hillsboro, San Francisco-Oakland, and Oklahoma City

Year/ Items	Seattle-Tacoma-Bellevue		Portland-Vancouver-Hillsboro	Oklahoma City	San Francisco-Oakland-Fremont
Major sources of FDI in 2013	UK, Canada, Germany, Japan		UK, Germany, Japan, Canada	France, Canada, UK, Switzerland	Japan, UK, Switzerland, France
FDI share of total jobs in 2013	4.7%		4.8%	2.8%	5.5%
Workers employed by FDEs in 2011	65,045		41,314	13,288	89,383
Workers employed by FDEs in 2013	101,500		50,100	46,200	631,500
Export in 2014	\$61.9 billion		\$18.7 billion	\$1.6 billion	\$26.9 billion
Private-industry employment supported by FDI in 2013	3.9%		3.4%	3.5%	4.6%
FDI amount in 2015	Tacoma: 0.3 billion	Seattle: 1,13billion (only for real estate)			

Table 4

Tacoma’s Sister Cities Name List (14 Cities, Countries, and the year of alliance)

Sister Cities of Tacoma:	Boca del Rio-Mexico, 2016	Korea- Gunsan, 1978
Japan- Kitakyushu, 1959	Croatia- Hvar, 2015	Israel- Kiryat-Motzkin, 1979
China-Fuzhou, 1994	South Africa- George, 1997	France-Biot, 2012
Taiwan-Taichung, 2000	Norway- Aalesund, 1986	Philippines-Davao City, 1994
Russia-Vladivostok, 1992	Cuba-Cienfuegos, 2000	Morocco- El Jadida, 2007

Source: City of Tacoma. (2016). *Tacoma’s Sister City*. Retrieved from <http://www.cityoftacoma.org/cms/One.aspx?portalId=169&pageId=7101>

Table 5

SWOT analysis

<p>Top Strengths</p> <ul style="list-style-type: none"> • Geography & proximity to Asia • Businesses & infrastructure • skilled Workforce • Advanced educational institutions • Lower living cost 	<p>Top Weaknesses</p> <ul style="list-style-type: none"> • Historic tragedy/Cultural bias • # of companies engaged in FDI • International invisibility • Coordination among local Organizations • Shadowed by Seattle & Bellevue • Discrimination/stereotype to Chinese investors
<p>Top Opportunities</p> <ul style="list-style-type: none"> • Exports in expansion • EB5 project and new immigrants • Emerging markets cash inflow • International relations with China • Sister City program • Northwest Seaport Alliance • Global City Initiative 	<p>Top Threats</p> <ul style="list-style-type: none"> • Competition from Vancouver BC, Portland and other adjacent cities • Access to international markets • Public awareness and support for FDI • Organization dissonance • No/less incentives for FDI • Close-minded

Table 6

Washington States Regional Centers for EB-5 projects (only 3 of 41 in Tacoma)

Washington	Aero Space Port International Group (ASPI Group) Regional Center
Washington	ACIC Management, Inc. Regional Center
Washington	American Life Ventures Everett, Washington
Washington	American Bridge Seattle Regional Center, LLC
Washington	American Life, Inc. - Lakewood Regional Center
Washington	American Life Inc. Regional Center - Seattle (Golden Rainbow & Gateway Freedom Fund
**Washington	American Life Ventures, Tacoma, Washington
Washington	American NW Regional Center, LLC
Washington	American Opportunities Regional Center, Inc.
Washington	AmWealth, LP
Washington	Columbia Willamette Investment, LLC
Washington	Dream Harbor Regional Center
Washington	Eastern Washington Regional Center
Washington	EB-5 Blaine Tomorrow Regional Center, LLC
Washington	EB5 West LLC
Washington	Farm for America Regional Center
Washington	Great Ocean Regional Center
Washington	Live in America – Northwest Regional Center, LLC
Washington	Pacific Northwest EB-5 Regional Center
Washington	

	Pacific Northwest Investment RC, LLC
Washington	Pacific Northwest Regional Center
Washington	Pacific Viniculture
Washington	Path America KingCo, LLC
Washington	Path America Sonoco, LLC
Washington	Puget Sound RC, LLC
Washington	Seattle Area Regional Center, LLC
Washington	Seattle Family Regional Center
Washington	Seattle Regional Center
Washington	Seattle Metro Regional Center LLC
**Washington	Tacoma EB 5 Regional Center
Washington	Tri-Cities Investment District, LLC
Washington	Twin Development LLC Regional Center
Washington	Washington Development Regional Center
Washington	Washington Regional Center
Washington	Washington State Regional Center
Washington	West Washington United, LLC
Washington	Western Washington Regional Center LLC
Washington	Whatcom Opportunities RC
Washington	WRC EB-5 Regional Center, Inc.
Washington	WWUV Woodinville Regional Center
**Washington	Yareton Investment Funds Regional Center

** Indicates Regional Centers in Tacoma.

Table 7

The greatest challenges with FDI in Tacoma

	Very challenging	Moderately challenging	Slightly challenging	Not a problem	I do not know	Total Respondents	Mean
Historical problems	3	2	1	2	3	7	3.14
Market Competition	3	3	2	0	2	8	3.13
International Law and Regulations	2	4	2	0	2	8	3.00
Policy incentives	3	2	2	1	2	8	2.88
Mindset / Psychological Difference	2	3	3	1	1	9	2.67
Cross-cultural communication	0	4	4	0	1	8	2.50
Lack of Information	1	3	4	1	1	9	2.44
Language barriers	0	2	6	1	1	9	2.11
International settlements Conflict management	1	1	2	3	3	7	2.00
	0	2	2	3	3	7	1.86

Note: Very challenging=4, moderately challenging=3, slightly challenging=2, not a problem=1,

I do not know=0, mean calculation did not include the people who checked "I do not know".

Appendix F

Educational Program Design – FDI Training Sets

Targeted Audience	Learning objectives	Modules	Description
City Officials	Familiar with regulations and laws, endowed with skills to marketing Tacoma and recruit the potential investments	International Law; Investment Law; TTP Agreements; WTO Agreements; International Relations; FDI management; Economic Cooperation;	Recurring training and lectures; quarterly course teaching; City study session; after-work workshop;
Business Agents	Learn to facilitate the government agencies to attract FDI investors and retain them; Business development; lobby and advice; problem solving	Outsourcing; Negotiations and conflict management; Financial management; Accounting; Banking System; Pricing;	Professional training; Peer-to-peer Mentoring; Certificate obtaining; Field research; National or regional conference attendance; International Investment Fair; Consulting firm open info sessions;
Community	Help form a welcoming and friendly environment; contribute hosting families for international students	Cross-Cultural management; History; Civil diplomacy; Foreign Arts and Music; Community revitalization; Hospitality;	Posters; Online broadcasting; online entertaining courses; Animation clips; Town Hall meeting; Outreach activities;
Civic Coalitions (EDB, TDA, Port, WTC, GCI)	Logistics for international trade and investment.	Equity and Social Justice; Sister City specialty; Conflict Management; International Transportation; Negotiation;	Group mentoring; Situational mentoring;

K-12 school	Know the history and its Lessons; foster a sense of social justice, a mindset of global citizen; be a student ambassador in cultural exchange.	History; World War I & II; Geography; Western and Eastern Civilization; Cultural Dynamics; Morality;	In-school regular education; Films; Books; Core Courses; Lectures; High School Exchange programs to European Countries, Japan and China; Parent teaching; Seminar; Civic education
College Students	A workforce for future employment in investment and finance.	Economics; International Relations; Asia Studies; International Business; Corporate Finance; Accounting. Risk Management; Merge & Acquisition; Business ethics.	Bachelor degree program on Investment; MBA education; Certificate programs

Appendix G

Three FDI Project Pictures and Site Maps

Figure 1: Convention Center Hotel Rendering



Source: Absher Construction Company. (2015). Tacoma Towers. Retrieved from <http://www.absherco.com/portfolio/hospitality/tacoma-towers/>

Figure 2: Convention Center Hotel Location



Source: Retrieved from [http:// www.pacificgrilltacoma.com](http://www.pacificgrilltacoma.com), 961 × 779

Figure 3: 6.4 acre Tacoma Town Center Rendering



Source: Exit 133. (2016). *Tacoma Town Center Looks Ready to Take A Step Forward*. Retrieved from <http://www.exit133.com/articles/view/tacoma-town-center-looks-ready-to-take-a-step-forward#.V7Zc-fkrLDc>

Figure 4: 6.4 acre Town Center Location



Source: City of Tacoma. (2016). *Focus*. Retrieved from http://www.surgetacoma.com/uploads/1/0/0/6/10061914/newsletters_-_tacoma_focus_-_february_2016__2__.pdf

Figure 5: EB5 project---Point Ruston Mix-use Property Reality Image



Source: South Sound Magazine. (2016). *Slideshow: Inside the Point Ruston penthouse.* Retrieved from <http://southsoundmag.com/print-articles/inside-the-point-ruston-penthouse/>

Figure 6: Point Ruston Mix-use Property Location



Source: EXIT 133. Retrieved from <http://www.exit133.com>, 1200 × 555

Appendix H
 Export of Survey Results pertaining to the 15 Questions

Foreign Direct Investment in the Process of Tacoma's Globalization

Q1 How is your work related to help make Tacoma-Pierce County become involved in the international arena?

Answered: 13 Skipped: 1

#	Responses
1	My job is to assist in attracting investment from China
2	I teach English (ELL) to immigrants and make connections to their families, communities and sometimes, to their countries. I am also on the Tacoma Sister City Council and involved with the Morocco Sister City for Tacoma.
3	I work in education and I believe we have a responsibility to offer and support global partnerships.
4	Promote Tacoma for investment and education opportunities
5	I am involved in education and one aspect of our curriculum is to introduce our students to the concept of a global society.
6	I teach international topics at PLU, lead international tours for Tacoma people, and am involved with Sister Cities.
7	Market development opportunities in Tacoma to foreign investors, negotiate agreements and facilitate private reinvestment.
8	Working at Port of Tacoma/NW Seaport Alliance
9	Through international trade.
10	I have no experience, however, staff in Economic Development has been working with FDI opportunities for several years either directly or through relationships with the World Trade Center, Tacoma.
11	I'm involved with our Sister Cities programs that began in 1956.
12	This issue is more of a personal, rather than professional, interest.
13	I have a real estate investment business where we acquire and develop properties in Tacoma. Our investors are from China and UK. We like Tacoma because it is strategically located in the Pacific Northwest and it is undervalued compared to other West Coast cities.

Foreign Direct Investment in the Process of Tacoma's Globalization

Q2 What does the internationalization and globalization of Tacoma-Pierce County mean to you?

Answered: 13 Skipped: 1

#	Responses
1	It means letting the world understand what Tacoma/Pierce has to offer such that Tacoma/Pierce County may enjoy the economic, social, cultural, and academic benefits that can come with this exposure.
2	Economic trade, cultural trade, exhibitions or presentations, Sister City programs, films and exchanges and education.
3	Intentional and aligned formalized partnerships that support global advancement.
4	Trade. Education and cultural exchange. International visitor. Foreign nationals choosing to live in Tacoma
5	Reaching out
6	Better informed citizenry, better networking amongst international partners in business, industry, government, and education, and more investment in Tacoma from foreign partners.
7	Positioning the city to enrich itself through trade, new investment, cultural awareness and openness to diversity.
8	Expanding our business and flowing FDI. Requires commitment to already existing international programs like Sister Cities and commitment to international education --both incoming and outgoing for Tacoma students to become familiar with the world.
9	We are interconnected. We are international. We have a choice to use that to our advantage or become irrelevant.
10	The City of Tacoma welcomes FDI and foreign capital investments. Project opportunities are evaluated on a case-by- case basis to determine fit for our community. Upside: Local job opportunities, expanded tax base, infrastructure improvements, friendships with other cultures, improved economic stability and global positioning of our local economy. Downside: Citizen acceptance of foreign monies and people is something not all community members are ready for; and, the view that the EB-5 program is a "jobs for citizenship" incentive program.
11	It means our future.
12	It means a more prosperous and urbane city, a more robust regional economy, and a citizenry comfortable with multiculturalism.
13	I think as the Puget Sound region becomes more internationally known, Tacoma will inevitably benefit because of its close proximity to Seattle and geographic advantages over non-coastal cities.

Foreign Direct Investment in the Process of Tacoma's Globalization

Q3 List three prioritized achievements that could define Tacoma-Pierce County's success in globalization.

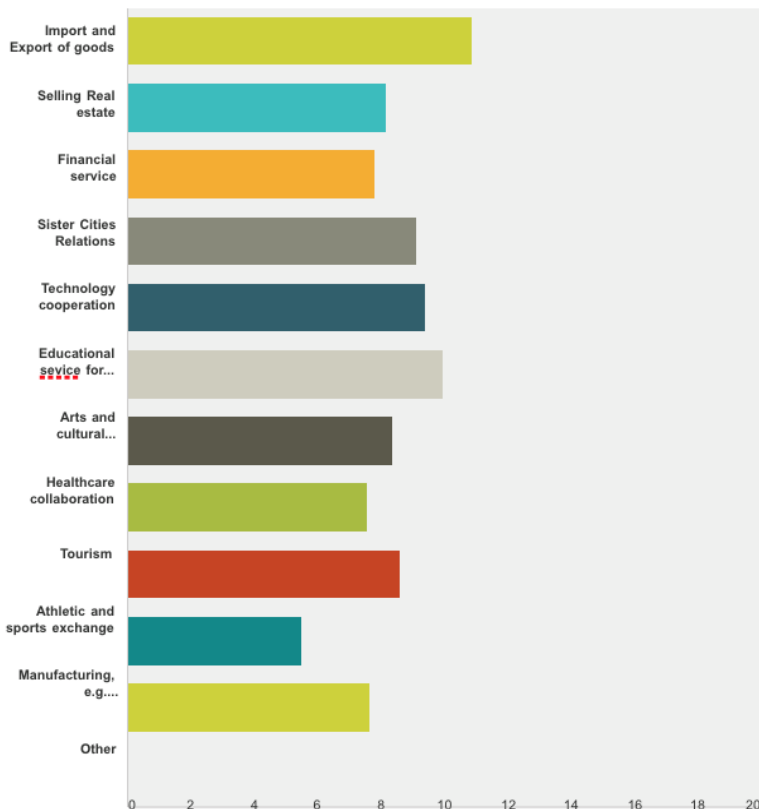
Answered: 11 Skipped: 3

#	First
1	business investment leading to family-wage job creation
2	Increased trade
3	Increase in Exports
4	More high tech (as opposed to heavy industry) investment in Tacoma
5	Multi-national investment in office development
6	Major international investment signifying Tacoma is open for business.
7	Increase FDI
8	Relationship building with FDI parties
9	Our continued Port of Tacoma movement in this global economy.
10	Increased investment in regional projects
11	The city needs to create more highly paid jobs - technology, financial services, and manufacturing
#	Second
1	infrastructure investment allowing for economically productive growth
2	More or deeper Sister City relationships
3	High interest in investment
4	More active educational partnerships with foreign schools
5	Satellite location of successful foreign companies
6	Specific attainable goals re: educational exchanges
7	Attract or grow a Fortune 500 business.
8	Defining and marketing what we have to offer
9	We need to make Tacoma a more viable city for International business.
10	Increased enrollment of international students in area schools
11	Transform downtown by bringing in more employers
#	Third
1	establishing Tacoma as a premier eco-friendly city from which other cities may learn
2	Educated population about the world and languages
3	increase in foreign students
4	More international students choosing Tacoma for education
5	Multi-lingual signage
6	City's "Fuzhou investment" replicated in other growing economies, e.g. India
7	Double the size of our Port.
8	Approval of current methanol plant project
9	we need to develop CLICK into a viable entity and see past the cable component
10	Increased engagement in international arts & culture
11	Activate old commercial buildings and put them into higher and better use.

Foreign Direct Investment in the Process of Tacoma's Globalization

Q4 The City of Tacoma is considering various approaches to increase the amount of foreign direct investment (FDI). In your views, if the City and County do attract more FDI, which of the following areas should be prioritized? Please rank the top 5. (No.1 to 5 with 1 being the most important).

Answered: 13 Skipped: 1



	1	2	3	4	5	6	7	8	9	10	11	12	Total	Score
Import and Export of goods	63.64% 7	27.27% 3	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	9.09% 1	0.00% 0	0.00% 0	11	10.91
Selling Real estate	16.67% 1	16.67% 1	16.67% 1	0.00% 0	16.67% 1	0.00% 0	0.00% 0	16.67% 1	0.00% 0	16.67% 1	0.00% 0	0.00% 0	6	8.17
Financial	16.67% 1	16.67% 1	16.67% 1	0.00% 0	0.00% 0	0.00% 0	16.67% 1	0.00% 0	33.33% 2	0.00% 0	0.00% 0	0.00% 0	6	7.83

Foreign Direct Investment in the Process of Tacoma's Globalization

Q5 Are you directly involved with FDI in Tacoma-Pierce County? Yes or No

Answered: 14 Skipped: 0

#	Responses
1	Yes
2	No
3	NO
4	yes
5	no
6	no
7	No
8	Yes
9	No
10	No
11	No
12	yes
13	No
14	Yes. Our partners are foreign nationals.

Foreign Direct Investment in the Process of Tacoma's Globalization

Q6 If yes, what noteworthy issues have you experienced in previous practice in dealing with FDI?

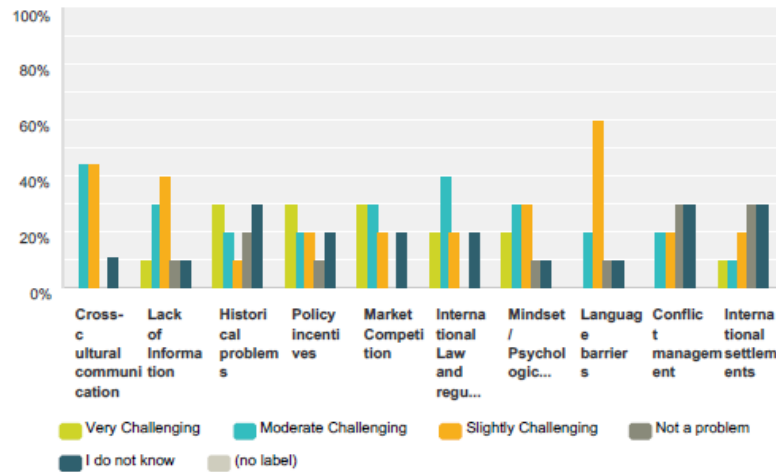
Answered: 6 Skipped: 8

#	Responses
1	From several years ago the major issue was the no other Chinese were investing in Tacoma. Now that this barrier has been broken, the issue is finding investments that are appropriate to the investor. (Note that in Question 4 above, "Selling Real Estate" was not indicated because the simple sale of real estate is not important. Selling and putting into productive use assets that are currently not realizing their potential would, however, be high on my list.)
2	N/A
3	Marketing Tacoma. Making Tacoma known internationally challenge to bringing in foreign capital
4	Negotiating agreement for new Convention Center hotel: Sometimes language / translation issues presented challenges in gaining acceptance, but with patience, concerns were addressed.
5	SISTER CITIES, that includes spots exchanges, and cultural opportunities for our youth.
6	Tacoma real estate is deeply undervalued and has a lot of potential. There are a lot of old buildings that are vacant and not fully occupied. Tacoma's building department is in desperate needs of a new leadership who can balance the need of safety and the reality of the market place. Old buildings need to be activated and put into higher and better use. A lot of them are still sitting there and rotting away. The building department with it is stringent and burdensome codes make it economically impossible to improve these buildings. The market determines the rent and building values. By making the buildings so excessively costly to upgrade, the buildings will just sit there empty and continue to deteriorate. As a result, businesses and jobs cannot be created, and neighborhoods suffer from the blight condition from lack of businesses, jobs, pedestrian traffic, etc., The building department needs new leadership!

Foreign Direct Investment in the Process of Tacoma's Globalization

Q7 If not directly involved, what do you understand to be the greatest challenges with FDI in Tacoma-Pierce County?

Answered: 10 Skipped: 4



	Very Challenging	Moderate Challenging	Slightly Challenging	Not a problem	I do not know	(no label)	Total Respondents
Cross-cultural communication	0.00% 0	44.44% 4	44.44% 4	0.00% 0	11.11% 1	0.00% 0	9
Lack of Information	10.00% 1	30.00% 3	40.00% 4	10.00% 1	10.00% 1	0.00% 0	10
Historical problems	30.00% 3	20.00% 2	10.00% 1	20.00% 2	30.00% 3	0.00% 0	10
Policy incentives	30.00% 3	20.00% 2	20.00% 2	10.00% 1	20.00% 2	0.00% 0	10
Market Competition	30.00% 3	30.00% 3	20.00% 2	0.00% 0	20.00% 2	0.00% 0	10
International Law and regulation	20.00% 2	40.00% 4	20.00% 2	0.00% 0	20.00% 2	0.00% 0	10
Mindset / Psychological differences	20.00% 2	30.00% 3	30.00% 3	10.00% 1	10.00% 1	0.00% 0	10
Language barriers	0.00% 0	20.00% 2	60.00% 6	10.00% 1	10.00% 1	0.00% 0	10
Conflict management	0.00% 0	20.00% 2	20.00% 2	30.00% 3	30.00% 3	0.00% 0	10
International settlements	10.00% 1	10.00% 1	20.00% 2	30.00% 3	30.00% 3	0.00% 0	10

1	Unwillingness or Inability of City staff to focus desired FDI investment, streamline permitting process and provide incentives.	1/24/2016 10:30 AM
2	I'm not knowledgeable enough to rank these topics in an informed fashion.	1/11/2016 5:13 PM

Foreign Direct Investment in the Process of Tacoma's Globalization

Q8 What are Tacoma-Pierce County's advantages for attracting more FDI? (list 3)

Answered: 13 Skipped: 1

#	The first advantage
1	Urban Setting with Character amid Remarkable Natural Assets
2	Economic Plus
3	Port
4	location-near SeaTac, Port
5	Having so many sister cities across the world
6	Beautiful environment
7	Diverse population base
8	Costs are lower than other nearby regions
9	There's lots of potential in Tacoma.
10	Port of Tacoma
11	Port of Tacoma
12	Deep water port with significant export activity
13	Strategic location
#	The second advantage
1	Strategic location as a logistics hub
2	Tourism/Awareness of Tacoma
3	Cultural/Tourism
4	good education institutions
5	Many choices of quality higher education
6	Cheaper real estate and housing/living than Seattle
7	Successful FDI projects
8	Homegrown investment is not strong. City NEEDS FDI to grow
9	We are hungry for FDI
10	Land is relatively cheap
11	Our history of Sister City INVOLVEMENT
12	Attractive city in prosperous region
13	Existing infrastructure
#	The third advantage
1	Center of learning in environment, urban planning, applied technologies
2	Jobs

1 / 2

Foreign Direct Investment in the Process of Tacoma's Globalization

3	Education
4	amenities
5	continuing growth in our variety of museums, Strong performing arts institutions
6	Wide range of educational opportunities
7	Organizational support through World Trade Center, etc.
8	World Trade Center working to be focus for FDI
9	Sister City relationships and visit by President of China
10	Click
11	Elected officials eager to attract more FDI
12	Lower Cost

Foreign Direct Investment in the Process of Tacoma's Globalization

Q9 What are Tacoma-Pierce County's disadvantages for attracting more FDI? (List 3)

Answered: 12 Skipped: 2

#	The first disadvantage
1	Name recognition that is not yet up to potential
2	Cost
3	Seattle/Bellevue is a attractive market
4	Reputation for pollution
5	It is not Seattle, the known city in the region
6	Return on investment may be less than expected
7	A focused FDI team with broad international experience and support
8	Low energy city compared to neighbors.
9	Community acceptance of foreign capital
10	There are no disadvantages, because the future direction is clearly in our own hands.
11	Competition with Seattle/King Co. for the same investment dollars
12	The rough-town image
#	The second disadvantage
1	Local, outdated reputation as center of crime and pollution
2	Policy Makers
3	return on investment perceived to be lower
4	weak public transportation, traffic
5	It has fewer services/amenities for diverse foreign populations
6	Need more critical mass of FDI projects
7	A community attitude that foreign investment means "Tacoma is for sale." --In a word, Yessssssss
8	Are economic development organizations cooperating?
9	Perceived negative impact of more foreigners
10	Lack of coordination among entities pursuing FDI
11	Safety issues
#	The third disadvantage
1	General appearance and atmosphere of certain locations
2	Citizen support for cost
3	the world hasn't heard of Tacoma's greatness
4	It has no City office for hosting/funding delegations

1 / 2

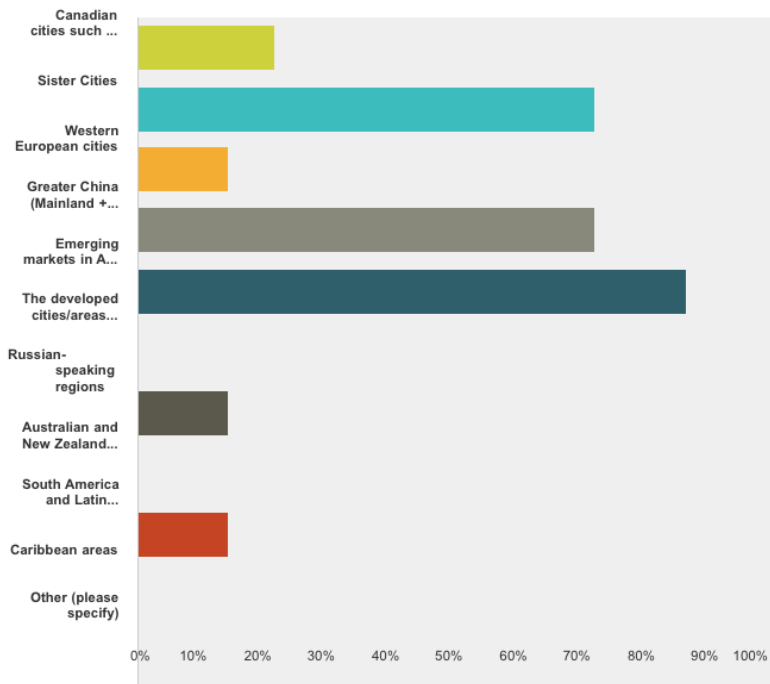
Foreign Direct Investment in the Process of Tacoma's Globalization

5	Increase market demand
6	Is city able to make a great impression and close the deal?
7	We don't have a lot of vacant land to offer
8	Minimal long term history with successful FDI
9	Depressed economy - (Downtown)

Foreign Direct Investment in the Process of Tacoma's Globalization

Q10 In your view, what are the top 3 potential sources of FDI for Tacoma-Pierce County? (Check top 3)

Answered: 14 Skipped: 0



Answer Choices	Responses
Canadian cities such as Vancouver, Victoria Island in BC	21.43% 3
Sister Cities	71.43% 10
Western European cities	14.29% 2
Greater China (Mainland + Taiwan + Hong Kong)	71.43% 10
Emerging markets in Asia besides China	85.71% 12
The developed cities/areas in a certain African country	0.00% 0
Russian-speaking regions	14.29% 2
Australian and New Zealand cities	0.00% 0
South America and Latin America	14.29% 2
Caribbean areas	0.00% 0

1 / 2

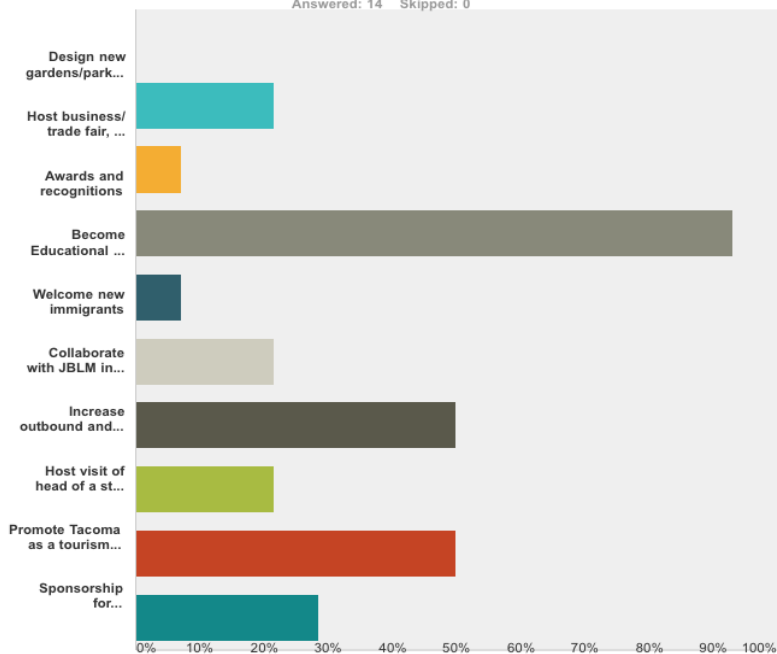
Foreign Direct Investment in the Process of Tacoma's Globalization

Other (please specify)	0.00%	0
Total Respondents: 14		
#	Other (please specify)	Date
	There are no responses.	

Foreign Direct Investment in the Process of Tacoma's Globalization

Q11 Based on this list, which 3 activities do you think are most important for Tacoma-Pierce County to increase FDI? Choose top 3

Answered: 14 Skipped: 0



Answer Choices	Responses
Design new gardens/parks with international focus of a certain region	0.00% 0
Host business/ trade fair, and fashion show	21.43% 3
Awards and recognitions	7.14% 1
Become Educational hub for international students	92.86% 13
Welcome new immigrants	7.14% 1
Collaborate with JBLM in cooperation in Asia-Pacific area	21.43% 3
Increase outbound and inbound trade delegation visits	50.00% 7
Host visit of head of a state and other politicians	21.43% 3
Promote Tacoma as a tourism destination	50.00% 7

1 / 2

Foreign Direct Investment in the Process of Tacoma's Globalization

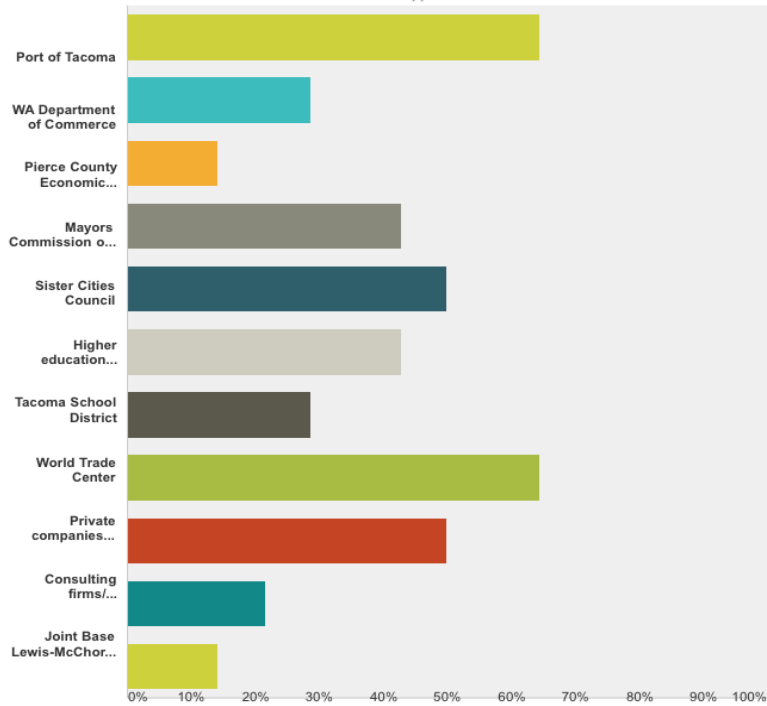
Sponsorship for international conference and film festivals	28.57% 4
Total Respondents: 14	

#	Other (please specify)
1	Promote inbound investment delegations

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Q12 Which of the following would be the collaborative partners for City of Tacoma to attract FDI successfully? Choose at least 3.

Answered: 14 Skipped: 0



Answer Choices	Responses
Port of Tacoma	64.29% 9
WA Department of Commerce	28.57% 4
Pierce County Economic Development Board	14.29% 2
Mayor's Commission on International Relations	42.86% 6
Sister Cities Council	50.00% 7
Higher education institutions such as UWT/ PLU/UPS	42.86% 6
Tacoma School District	28.57% 4
World Trade Center	64.29% 9

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Private companies dealing with international business	50.00% 7
Consulting firms/ Investment banks	21.43% 3
Joint Base Lewis-McChord (JBLM)	14.29% 2
Total Respondents: 14	

#	Other (please specify)
1	International press organizations
2	Sister City relationships already exist. To expect FDI will require investment (e.g., Fuzhou project), expansion of

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Q13 Which cities/counties do you think are good models for Tacoma-Pierce county to learn from for internationalization?

Answered: 10 Skipped: 4

#	Responses
1	Vancouver, BC
2	San Francisco
3	Vancouver BC, Seattle
4	Vancouver, BC Richmond, BC
5	There are many.
6	Seattle. Trade Development Alliance Vancouver BC
7	Not sure
8	Chicago, NY, and SF
9	Seattle, San Antonio, San Francisco
10	Singapore - a city-state that rise from rags to riches in a few decades. A number of Chinese cities.

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Q14 Please state your overall vision of Tacoma-Pierce County's globalization by 2025.

Answered: 12 Skipped: 2

#	Responses
1	Tacoma should utilize as strengths what used to be perceived as its shortcomings. 1) Ecologically friendly post-dirty- industry city that has set the standard for clean, urban, waterfront living, 2) Center of learning for the above, applied technologies, and international studies that will complement our substantial trading relationships, and 3) An inclusive city where all nationalities feel at home, welcome, and that they are stakeholders in the city.
2	50% if economy and jobs related to trade, this would require partnerships, including schools and colleges for more international-global education
3	Tacoma is known outside of Puget Sound as an international city
4	Continues to focus on International trade, while strengthening educational exchanges and building on art and cultural exchange.
5	We will be a destination for 1000 international students each year, We will have FDI from at least 5 of our Sister Cities, We will have replaced heavy industry in the Tideflats with light
6	Greater foreign investment in a broad array of downtown Tacoma projects and new satellite offices of foreign companies here.
7	Port Cargo has doubled to 4m TEU's. Port real estate investment is over \$5B since 2015 County educational institutions host 5,000 international students. 1,000 Tacoma students spend one year every year overseas. Mayor hosts 25 investment groups per year from Tacoma's sister cities, resulting in annual FDI of \$50m. Local artists thrive on international arts and cultural exchanges providing markets for their artistic expression.
8	\$3 billion FDI Headquarters for multinational company Site a major sports team Increase Port trade and local investment
9	Achieving prominent regional projects and attractions will close the gap. Make it a priority to develop the mixed use Convention Center hotel project (6.4 acres), Link light rail, McMenamins Elks and Old City Hall, Freighthouse Square, and port industrial projects. Relationship development and exploiting the President of China's (Xi Jinping's) visit to Tacoma and the planned student exchange trip coming in 2016.
10	To continue to become the International city we have been destined to be.
11	A thriving international port city with a diverse regional economy; attractive because of its fluency in global affairs and reputation for being an open and open-minded city; viewed as a desirable alternative to Seattle because of its livability, affordability and quality of life.
12	I can imagine a number of multinational firms that have Tacoma as their regional headquarters.

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Q15 If you are familiar with successful policies/incentives for attracting FDI, what are they?

Answered: 8 Skipped: 6

#	Responses
1	I believe that the Employment-based immigration policies, if done properly, could be a substantial incentive for Tacoma. Historic preservation incentives and other incentives to purchase and rehabilitate properties is important. Taking the time and care to produce and make available promotional information on the city in various languages, whether printed, video, or on-line
2	No
3	I am not, but recommend focusing on the educational destination idea first.
4	Incentives should not specifically apply to FDI to provide an advantage over a U.S.-based company. However, perhaps there could be an ombudsman to assist in learning about doing business in Tacoma--permits and licenses needed, help with finding properties to buy/lease, etc.
5	World Trade Center has been doing this research. Collaborate with them.
6	Interview successful FDI investors and cities.
7	Not a subject matter expert on this.
8	http://www.brookings.edu/research/reports/2013/06/26-global-metro-traits-mcdearman-clark-parilla Here's an excellent article which speaks to just that!

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