

WORKING TOGETHER FOR JOB GROWTH & ECONOMIC VITALITY ACROSS WASHINGTON



Suzanne Dale Estey, WEDA Executive Director
Q4 2023



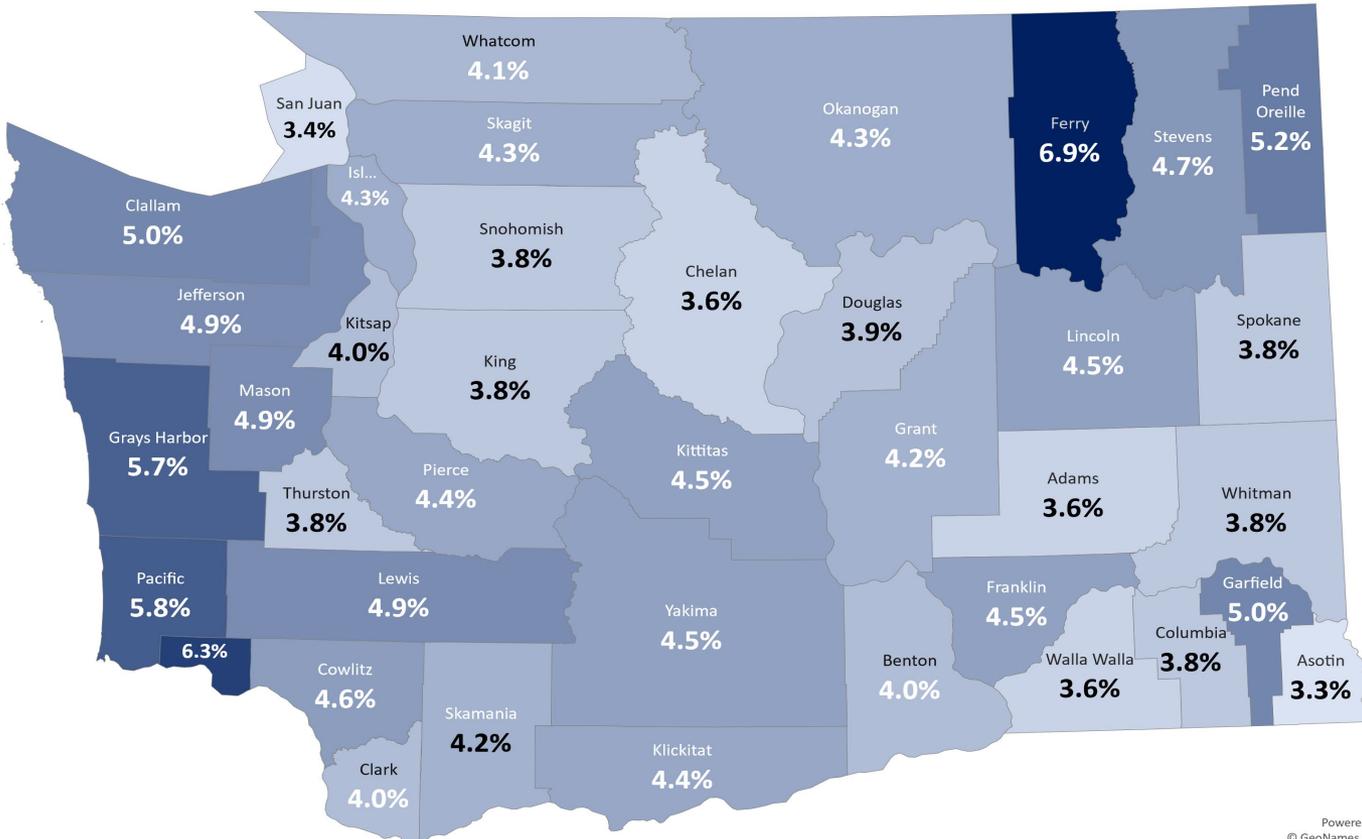
ABOUT WEDA

- Washington State's *only* trade association laser-focused on economic development
- WEDA is committed to retaining, expanding and recruiting jobs and investment across all of Washington State
- 25th Anniversary in 2020
- ***Our Strategic Goals:*** Continue to empower communities across Washington with tools to foster economic vitality and resilience, assisting employers large and small in competing globally and growing jobs, while supporting an equitable economy and inclusive economic development.
- ***We Believe: The time is now*** to rebuild our economic vitality, increase the resiliency of employers and communities and strengthen the economic development ecosystem at state, regional and local levels.

STATEWIDE CHALLENGES BUT MAJOR PROGRESS

October 2023 Unemployment Rates by County

Unemployment Rate 
3.3% 6.9%



US Rate:

3.9% - 6.5M

WA State Rate:

3.8% - 154K - was as high as 16.3% in 4/20

Sources: WA State ESD;
US BLS



WEDA'S 2024 LEGISLATIVE AGENDA

WEDA's 2024 Legislative Agenda focuses on the most critical actions lawmakers can take to retain and grow living wage jobs, foster vibrant communities, support equity and opportunity for all and spark re-investment across Washington.

2024 --DRAFT-- LEGISLATIVE AGENDA

Working Together for Economic Vitality & Resiliency Across Washington

- Strengthen the Economic Development Ecosystem
- Foster Catalysts for Job Growth & Innovation
- Increase Economic Vitality for all of Washington



KEY COVID-19 AND POST-COVID LEARNINGS

- **Diversity, Equity & Inclusion** must be central to our work
- **Main Streets/small businesses** need more help; must continue work with lenders on flexibility in lending to small, Main Street and microenterprises; lower hurdles to access capital
- Continuing to address **broadband** infrastructure gaps is essential
- Critical need for **Child Care** infrastructure and options
- **Workforce Housing** is an economic imperative
- Economic developers, organizations and communities must share learnings/best practices broadly and ***work together!***

STRENGTHEN THE ECONOMIC DEVELOPMENT ECOSYSTEM

**ECONOMIC
DEVELOPMENT IS A
TEAM SPORT**

There are many important economic development entities and players:

Washington State Department of Commerce, including Industry Sector Leads

Other state and federal agencies, WA Small Business Development Centers

Economic Development Councils/Associate Development Organizations

Ports (some are Associate Development Organizations)

Local Government – Counties & Cities

Tribes

Association of Washington Business, Washington Roundtable, local Chambers of Commerce, private businesses, banks, Community Development Financial Institutions

Colleges & Universities and workforce development partners

Community-based Organizations/Non-profits including Washington Commerce's Small Business Resiliency Network

State industry cluster/trade associations (Aerospace Futures Alliance, Washington Technology Industry Association, Life Sciences WA, WA Maritime Federation)

Other coalitions/EDOs/regional EDOs/Economic Development Districts/MPOs

Labor partners

STRENGTHEN THE ECONOMIC DEVELOPMENT ECOSYSTEM

WEDA believes a robust economic development ecosystem at the state, regional and local levels is crucial for sustained economic vitality, resilience & job growth.

2024 LEGISLATIVE REQUESTS:

- **Support state-level leadership** and funding for economic development, including Business Recruitment, Retention & Expansion programs

2023 Results: Maintenance level preserved, with a few increases including PTAC \$2.2M and ScaleUp \$450K; \$1M for SBDC and \$3M WSMA now *ongoing*

- **Increase funding for regional capacity** to coordinate and deliver economic development services.

***Ongoing* \$5 million (annual) “ADO Innovation, Sustainability, Partnerships & Equity Fund”** supported by Commerce, proposed to Governor & Legislature

2023 Results: 2019/2021 \$2M restoration protected; HB 1717 ADO Innovation bill died in Senate Ways & Means; HB 1783 \$1.4M for ADO Grant Writers *signed into law*

STRENGTHEN THE ECONOMIC DEVELOPMENT ECOSYSTEM

Associate Development Organizations/Economic Development Councils

- Governor Booth Gardner created “Team Washington” network in 1985 – still high-performing 38 years later
- 35 regional economic development organizations serve all 39 counties; each region has unique economic needs, approach
- “**Ground game**” for Washington State Commerce department; underpin the State’s economic development programs and initiatives
- Enhance economic development service delivery and results statewide through public-private, state-local partnerships
- **Mission: *confidential, client-based economic development*** that public-private partnerships are uniquely equipped to provide
- Critical role as ***conveners & catalysts***

STRENGTHEN THE ECONOMIC DEVELOPMENT ECOSYSTEM

Associate Development Organizations/Economic Development Councils

COLLECTIVE RESULTS (*measured and reported quarterly to Commerce*):

- Over the last five years, local ADO/EDCs have helped over **575 businesses** expand or develop new facilities and assisted **842 start ups**.
- These companies have invested over **\$7.89 billion** in land, buildings and equipment.
- These growing businesses have created over **18,118 new jobs and retained over 18,497 jobs**.
- EDC business clients generate over **\$100 million** in new tax revenues for Washington State and local communities annually. Every state dollar leverages a match of at least six dollars from other public and private sources.

STRATEGIC DIRECTION & NEEDS:

- **New responsibilities** including equity and increased accountability yet no Cost-of-Living, inflation or annual population adjustments
- **Goal:** Support & align with state and regional initiatives underway to foster improved workforce development, innovation, sustainability, partnerships & collaboration for results-driven inclusive economic development.

STRENGTHEN THE ECONOMIC DEVELOPMENT ECOSYSTEM

PROPOSED ADDITIONAL SUPPORT: *Ongoing* “ADO Innovation, Sustainability, Partnerships & Equity Fund”

- **Goal:** Recover and grow jobs, retain and expand existing firms, recruit new business, support key industry clusters and support an equitable economy and inclusive economic development
- Proposed by Commerce Department and under Governor/OFM consideration in current 2024 Supplemental Operating Budget decision package
- *Ongoing* \$5M (annual) competitive fund, not a formulaic “plus up” of state funding (ADOs currently receive \$8.6M per biennium, with \$75K floor and \$300K cap – restored to Great Recession levels after multiple reductions)
- Annual competitive application (*simple & straightforward*)
- Equitably distributed and regionally-conceived & directed
- Would support and align with multiple state and regional initiatives underway and emerging to foster improved workforce development, innovation, sustainability and regional partnerships and collaboration for results-driven inclusive economic development.

FOSTER CATALYSTS FOR JOB RECOVERY & GROWTH

WEDA supports investments in infrastructure and programs – as well as matching funds – that catalyze business retention, expansion, recruitment and resiliency at the regional and local levels.

2024 LEGISLATIVE REQUESTS

- More state matching funds to improve WA's competitiveness & attract out-of-state investment
- Support Catalytic Innovation & Investment Programs: Innovation Cluster Accelerator Program, "Go Global" website & disaster programs for small businesses
- Support for local property tax exemptions for manufacturing projects
- Protect the TIF for Jobs tool (2021) now being employed/explored by over 10 jurisdictions **2023 Result:** HB 1527 "TIF Fix" bill *signed into law*
- **Invest in infrastructure** through state public works programs which support expanding businesses (CERB core funding, Public Works, TIB)
- Support **broadband** capacity initiatives and investment
- Support increased investments in **road, rail and transit infrastructure, maintenance and services** to more efficiently move people and freight
- Protect **Economic Development Strategic Reserve Fund**
- Protect targeted incentives to **foster innovation clusters** and private investment

INCREASE ECONOMIC VITALITY FOR ALL OF WA

WEDA supports policies and investments that ensure that all parts of the state, and all people, benefit in economic growth through inclusive economic development. The economic vitality of rural and underserved urban areas is critical to the long-term health of the entire state.

2024 LEGISLATIVE REQUESTS

- **Protect the .09 percent Sales & Use Tax for Public Facilities and economic development activities in Rural Counties**

Rural counties in WA have benefitted from up to a .09% “rebate” of locally-generated state sales & use tax for over 20 years. Tool has helped to build critical infrastructure, attract new industry and diversify economies, and create/retain jobs.

2023 Result: HB 1267 *new law -- .09 extended to 2054*

- **Protect Diversity, Equity & Inclusion investments** (Small Business Resiliency Network, Small Business Online Tools, Equity Development staffing)

ADDITIONAL WEDA PRIORITIES

2024 LEGISLATIVE REQUESTS:

■ Workforce Development

- Human capital essential for business innovation, growth and competitiveness
- Pandemic has created a serious gap between the available workforce and the changing demands of Washington employers
- Support Washington's 12 Local Workforce Development Boards which leverage public and private resources to meet talent pipeline needs; support **Workforce Impact resources** for regional/community-driven responses
- Other important workforce programs include Job Skills Program, Customized Training, Apprenticeships, One-Stop WorkSource Centers, Career-Connected learning
- Preservation of state funding for post-secondary/higher education
- Strong K-12 system and early learning -- must address severe childcare capacity gaps

■ **Housing Affordability & Supply:** WEDA will support legislation to improve housing affordability and expand opportunities for housing at all income levels, particularly workforce and attainable housing. **2023 Results: \$1B, HB 1110+ passed**

■ **Clean/Green Economy:** WEDA will support programs and funding to create jobs in the Clean Economy, while also maintaining a balanced approach.

■ **Rulemaking:** WEDA supports permit streamlining/efficiency initiatives that increase predictability in development.

LET'S CONNECT

Suzanne Dale Estey

Executive Director

Washington Economic Development Association

206-769-4217

suzanne@wedaonline.org



www.wedaonline.org



[/WashingtonEconomicDevelopmentAssociation](https://www.facebook.com/WashingtonEconomicDevelopmentAssociation)



[/company/washington-economic-development-association/](https://www.linkedin.com/company/washington-economic-development-association/)

