

WASHINGTON ECONOMIC DEVELOPMENT ASSOCIATION (WEDA)

Working Together for Job Growth & Economic Vitality Across Washington

While some communities, employers and families have recovered from the historic and unprecedented economic recession provoked by the COVID-19 pandemic, many across Washington State are still struggling and countless small businesses are still boarded up. Despite significant federal relief, emergency state investments and hard work by many, economic recovery will continue to be a long haul. Building economic resilience and growth across all of Washington will take intentional work, strategic partnerships and smart investments.

As Washington State's *only* trade association laser-focused on economic development, WEDA is committed to recovering, retaining, recruiting and expanding jobs and re-investment across all of Washington. WEDA's 2023 Legislative Agenda focuses on the most critical actions lawmakers and agencies can take to help communities across Washington recover and grow living wage jobs, foster vibrant and resilient communities, support equity and opportunity for all and spark re-investment.

WEDA'S TOP 2023 LEGISLATIVE PRIORITIES:

- 1) *Strengthen the Economic Development Ecosystem***
- 2) *Foster Catalysts for Job Recovery & Growth***
- 3) *Increase Economic Vitality for All of Washington***

WEDA's over 160 member organizations includes cities, counties, ports, economic development councils, tribes, business, education/workforce and community-based organizations that prioritize economic development.

WEDA's strategic objective is to continue to empower communities across Washington with tools to recover from the COVID-19 crisis, assisting employers large and small in rebuilding, becoming globally competitive and growing jobs, while supporting an equitable economy and inclusive economic development.



WEDA'S TOP LEGISLATIVE PRIORITIES

1) Strengthen the Economic Development Ecosystem

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

2023 LEGISLATIVE REQUESTS:

- **Support state-level leadership and funding for economic development, including Business Recruitment, Retention & Expansion programs**
- **Increase funding for regional capacity to coordinate and deliver economic development services through a new and ongoing \$10 million “ADO Innovation, Sustainability, Partnerships & Equity Fund”**

Governor Booth Gardner created the “Team Washington” network in 1985 and 37 years later, 34 high-performance regional economic development organizations serve all 39 counties and underpin the State’s economic development initiatives. These economic development organizations (called Associate Development Organizations-ADOs or Economic Development Councils-EDCs) enhance economic development service delivery and deliver results statewide through public-private, state-regional-local partnerships. ADOs have a mission of *confidential, client-based* economic development that public-private partnerships are uniquely equipped to provide.

The collective results from these entities are outstanding. Over the last five years, local ADO/EDC partners have helped over **672 businesses expand or develop new facilities** and **assisted 564 startups**. These companies have invested over **\$3.84 billion** in land, buildings and equipment. These growing businesses have **created over 13,851 new jobs, and retained over 13,733 jobs**. EDC business clients are estimated to generate over **\$100 million in new tax revenues** for Washington State and local communities annually.

Through the COVID-19 pandemic, ADOs shouldered significant new responsibilities, rising to the challenge of urgently providing locally-driven resources and tools to employers across the state, working around the clock to respond to business and community leaders in crisis to save, recover and grow jobs. Commerce has recently implemented new performance measurement and accountability systems and universal usage of an online platform which more efficiently and rigorously provides for quarterly reporting on performance metrics, initiatives and ADO work to foster equity and inclusive economic development. The ADO network is working with Commerce and many others on strategies to address equity gaps with increased outreach, capital and technical assistance and efforts to stimulate markets in underserved communities. There are also multiple state and regional initiatives underway and emerging to foster improved workforce development, innovation, sustainability and regional partnerships and collaboration for results-driven economic development.

Beyond the legislative restoration of prior severe state funding reductions from the Great Recession and one-time only funding during the COVID-19 pandemic, ADO funding levels have remained stagnant. Despite significant additional responsibilities and challenges retaining and recruiting staff, ADOs do not receive any Cost-of-Living, inflation or annual population adjustments. *Now is the time* to support additional funding, on a competitive basis but equitably awarded to ADOs, for the many important, exciting *and additional* responsibilities that ADOs have undertaken. Additional ADO funding is critical if Washington wants to 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. Every state dollar leverages a match of at least six dollars from other public and private sources. **WEDA supports the creation of an ongoing \$10 million fund for ADOs based on an annual competitive application which would catalyze ADO initiatives that are fostering innovation, sustainability, partnerships and equity, and would provide critical and much-needed support to these organizations.**

2) Foster Catalysts for Job Recovery & Growth

WEDA supports investments in infrastructure and programs that catalyze business recovery, resilience, retention, expansion and recruitment at the regional and local levels.

2023 LEGISLATIVE REQUESTS:

- Passage of the “TIF Fix” bill to address necessary technical corrections to TIF for Jobs law (2021)
- Support \$4.5 million request for Industrial Site Readiness for shovel-ready manufacturing sites
- Support Catalytic Innovation & Investment Programs: Innovation Cluster Accelerator Program (ICAP), pursuit of exports & development of a roadmap to align the State’s trade supply chain
- Support state public works programs designed to help recover and expand businesses including: Community Economic Revitalization Board (CERB), Public Works Trust Fund and the Transportation Improvement Board (TIB)
- Support broadband capacity initiatives and investment
- Support and protect investments in road, rail and transit infrastructure, maintenance and services to move people and freight more efficiently
- Support ongoing Small Business funding for a Disaster Fund & Procurement Technical Assistance
- Support the Economic Development Strategic Reserve Fund
- Protect targeted incentives to foster innovation clusters and stimulate private investment

Reliable, modern infrastructure is critical for successful economic recovery and development. Underpinning all commerce is physical infrastructure: roads, transit, airports, railroads, water/sewer, broadband and energy. Public investments in infrastructure create construction jobs, set the stage for future private investment and shape an area’s prospects for generations. Responding swiftly to unforeseen infrastructure needs of new or relocating businesses is also crucial to economic recovery. Washington State’s economic development future depends on both infrastructure capacity and the wise stewardship of these resources. Each year, hundreds of businesses invest in new facilities around the State. Many of these firms can immediately tap into existing public services, but some must rely on public sector partnerships to access infrastructure.

WEDA supports tools and programs that fund infrastructure which enables economic development and encourages development and private investment. The proposed “TIF Fix” bill will address necessary technical corrections to the “TIF (Tax Increment Financing) for Jobs” bill passed by the Legislature in 2021.

WEDA also supports proposals to catalyze Innovation & Investment in Washington by: 1) Funding the Innovation Accelerator Cluster Program (ICAP) to develop new regional economic development strategies and clusters in new and legacy industries. 2) Investing in Washington’s capacity to attract highly strategic, out-of-state investment opportunities, secure new export opportunities for Washington businesses, and 3) Develop a roadmap to better align Washington’s trade supply chain. These initiatives will help Washington capitalize on federal funding opportunities and improve the State’s competitiveness to attract out-of-state investment.

The COVID-19 crisis heightened awareness that small businesses are the backbone of our economy, creating two-thirds of net new jobs and anchoring the vibrancy of business districts. Unfortunately, over 70% of US small businesses shut down in March 2020 and at least one-third have still not reopened. Small businesses need additional short-term assistance, short and long-term technical assistance, capital and new tools to pivot and grow.

Washington also has some key tax policies that lead to job retention, expansion and recruitment, including Business & Occupation (B&O) tax credits and incentives for trade and logistics, food processing and agriculture. These key tax policies should be maintained so jobs are not lost.

3) Increase Economic Vitality for All of Washington

WEDA supports policies and investments that ensure that all parts of the state, and all people, benefit in economic recovery and 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.

2023 LEGISLATIVE REQUESTS:

- **Protect the .09 percent Sales & Use Tax for Public Facilities and economic development activities in Rural Counties.** Rural counties in Washington have benefitted from up to a .09% “rebate” of locally generated state sales & use tax for over twenty years. This tool helps build critical infrastructure, attract new industry, diversify economies and create and retain jobs.
- **Protect new Diversity, Equity & Inclusion investments** in outreach and assistance programs for equitable and inclusive statewide recovery to ensure that historically disadvantaged businesses, particularly underserved and underrepresented communities statewide have an equal opportunity to achieve economic recovery and prosperity.

Many of Washington’s high-wage industries weathered the COVID-19 crisis, yet many rural and underserved communities continue to struggle without adequate access to capital and resources. This has negative impacts on communities’ broader ability to grow their tax base and provide basic government services. WEDA supports strategies to address equity gaps with increased outreach, capital, tools and technical assistance and efforts to stimulate markets in underserved communities, including rural.

ADDITIONAL WEDA PRIORITIES

Workforce Development: In a global economy, human capital is an essential ingredient that drives business innovation, growth and competitiveness. WEDA supports Washington’s 12 Local Workforce Development Boards who apply an equity lens to meeting talent pipeline needs with innovative, data-driven solutions. Local Boards leverage public and private resources to help provide a quality workforce, yet the pandemic created a serious gap between the available workforce and the changing demands of Washington employers. This requires new approaches based upon understanding local economies – rural and urban – and investing in collaborative local efforts that sustain our state’s economic recovery through reskilling and reemployment in family-sustaining jobs. To accomplish this, Washington state needs to look beyond federal and state resources. WEDA supports proposed new **Workforce Impact** resources through an Economic Security for All proposal that would offer flexibility to implement programs and support strategies to address the myriad challenges faced by communities as we all work to develop and connect our talent with new opportunities in the 21st century economy. Other important workforce programs include the Job Skills Program, Customized Training, Apprenticeships, One-Stop WorkSource Centers, career connected learning and reskilling.

WEDA also supports the preservation of state funding for Washington’s community colleges and public four-year universities. Maintaining investments in post-secondary education and producing a highly-skilled workforce is vital for economic development. Our nationally-ranked talent starts with strong early learning, a robust K-12 system and completion with credentials from the State’s top-quality educational institutions and internationally-recognized research universities. We also face severe childcare capacity gaps that must be addressed to support early child development and working families. Our education systems can’t be taken for granted and need sustainable funding and support.

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.

Clean/Green Economy: WEDA supports programs and funding to create jobs in the Clean Economy including the circular economy, hydrogen, fusion, solar, wind and other renewable technologies while also maintaining a balanced approach.

Rulemaking: State agency rule proposals should address their impact on economic development. WEDA supports permit streamlining/efficiency initiatives that increase predictability in development.