

WASHINGTON ECONOMIC DEVELOPMENT ASSOCIATION (WEDA)

Working Together for Job Growth & Economic Vitality Across Washington

TOP 2023 PRIORITY - *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 REQUEST - Increase funding for regional capacity to coordinate and deliver economic development services through a *new and ongoing* \$10M “ADO Innovation, Sustainability, Partnerships & Equity Fund” to build on current maintenance biennial funding of \$8.6M (HB 1717 – House Budget funds: \$5.3M)

Established Statewide Network: Governor 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. **ADOs are a proven, accountable, cohesive, and intergovernmental network that covers the entire state.**

ADOs are Results-Driven: 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. Every state dollar leverages a match of at least six dollars from other public and private sources.

New & Unfunded Responsibilities: 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; communities are expecting and need ADOs to maintain this service level. 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 emerging state and regional initiatives involving ADOs to foster improved workforce development, innovation, sustainability and regional partnerships and collaboration.

Prior Cuts, Stagnant Funding: 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.

WEDA supports the passage of HB 1717 and the creation of an ongoing \$10 million fund for ADOs which would catalyze ADO initiatives that are fostering innovation, sustainability, partnerships and equity, and would provide critical and much-needed support to these organizations.