

# WASHINGTON ECONOMIC DEVELOPMENT ASSOCIATION (WEDA)

## *Working Together for Economic Vitality & Resiliency Across Washington*

While job growth has improved, many communities, employers and families across Washington State are still struggling and employers face major challenges recruiting and retaining talent. Washington's communities continue to face serious equity gaps with access to capital and resources in underserved communities, including rural. Building economic vitality and resilience across all of Washington will continue to take intentional work, strategic partnerships and smart investments.

**As Washington State's *only* trade association laser-focused on economic development, WEDA is committed to retaining, recruiting and expanding jobs and re-investment across all of Washington.**

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

### WEDA'S TOP 2024 LEGISLATIVE PRIORITIES:

- 1. Strengthen the Economic Development Ecosystem*
- 2. Foster Catalysts for Job Growth & Innovation*
- 3. Increase Economic Vitality for all of Washington*

WEDA's over 175 member organizations includes cities, counties, ports, economic development councils, tribes, business, education/workforce and community-based organizations that prioritize economic development.

WEDA's strategic goals are to 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.



# 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 vitality, resilience and job growth.

### 2024 LEGISLATIVE REQUESTS

- **Support state-level leadership and funding for economic development, including Business Recruitment, Retention & Expansion and Innovation programs.**
- **Increase funding for regional capacity to coordinate and deliver economic development services through a *new and ongoing* \$5 million (annual) "ADO Innovation, Sustainability, Partnerships & Equity Fund."**

Governor Booth Gardner created the "Team Washington" network in 1985 and 38 years later, 35 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 **575 businesses expand or develop new facilities** and **assisted 842 startups**. 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.

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. In recent years, Commerce has 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. ADOs are 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/regional initiatives underway and emerging to foster improved workforce development, innovation, sustainability and regional partnerships and collaboration for results-driven and inclusive 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 for almost 15 years. 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 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 \$5 million fund (annual) 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 Growth & Innovation

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, pursuit of exports & "Go Global" website program for small businesses
- Support for property tax exemptions for manufacturing projects
- Protect the TIF for Jobs tool (2021) now being employed/explored by over 10 jurisdictions
- 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 for rapid assistance
- Support the Economic Development Strategic Reserve Fund
- Protect targeted incentives to foster innovation clusters and stimulate private investment

Adequate reliable, modern infrastructure is critical for successful economic 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 development. Washington State's economic future depends on both infrastructure capacity and the wise stewardship of these resources, **particularly as capacity challenges increase**. Each year, hundreds of businesses invest in new facilities around Washington. 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, encourages out-of-state public and private investment, improves the State's competitiveness and helps Washington capitalize on federal funding opportunities.** An unprecedented amount of federal investment in industry is being deployed through funding programs that require state and/or local match. To be eligible for federal funds and submit competitive grant proposals, and to support Washington's goal of doubling manufacturing jobs by 2031, Washington needs to make more substantial investments. 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) the "Go Global" e-commerce program and resources to secure new export opportunities for Washington businesses; 3) small business disaster funding to nimbly address emergencies.

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 did not reopen. 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 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 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 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 amplified serious gaps 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 workforce through reskilling and reemployment in family-sustaining jobs. WEDA supports resources that offer regions flexibility to implement programs and support strategies to address the myriad workforce challenges faced by certain communities and sectors. 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, and Washington is falling terribly short at meeting employers’ needs of 70% post-secondary attainment by our students. Talent development 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, fission, 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.