



2025 ECONOMIC LEGISLATIVE AGENDA WASHINGTON ECONOMIC DEVELOPMENT ASSOCIATION (WEDA)

—DRAFT— as of 11/18/24



Working Together for Economic Vitality & Opportunity Across Washington

Communities across Washington continue to face challenges growing jobs and fostering the needed talent for local employers. Serious equity gaps with access to capital and resources in underserved communities, including rural, persist. We are losing business recruitment and expansion opportunities due to energy capacity needs and infrastructure gaps. Building economic vitality and opportunity across all of Washington will continue to take intentional work, strategic partnerships and smart investments. The transition of Washington’s Governor and a significant number of legislative seats creates a tremendous opportunity to recommit to economic vitality and establish a bold vision and thoughtful economic development strategic plan.



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 2025 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 investment.



WEDA’S TOP 2025 LEGISLATIVE PRIORITIES:

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



WEDA’s over 180 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 empower communities across Washington with tools to foster economic vitality and opportunity, assisting employers large and small in competing globally and growing jobs, while supporting an equitable economy and inclusive economic development.

WEDA'S TOP 2025 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.

2025 LEGISLATIVE REQUESTS

- **Support state-level leadership and funding for economic development, including Business Recruitment, Retention & Expansion programs.**
- **Increase equitable regional funding for Associate Development Organizations (ADOs) to coordinate and deliver economic development through a *new and ongoing* \$5 million (annual) investment in Innovation, Sustainability, Partnerships & Equity initiatives**

Governor Booth Gardner created the “Team Washington” network in 1985 and 39 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, ADO/EDCs have helped over **627 businesses expand or develop new facilities** and **assisted 1,112 startups**. These companies have invested over **\$10.2 billion** in land, buildings and equipment. These growing businesses have created over **20,444 new jobs and retained over 21,532 jobs**. ADO business clients generate over **\$100 million in new tax revenues** for Washington State and local communities annually.

Through the COVID-19 pandemic and beyond, ADOs have been shouldering significant *new* responsibilities, providing locally-driven resources and tools to employers across the state, rapidly responding to business and community leaders to 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, including rural. 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 economic development.

Beyond the legislative restoration of prior severe state funding reductions from the Great Recession and one-time only funding during the pandemic and a partial investment which excluded the three largest counties in 2024, 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 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 a new and ongoing \$5 million (annual) investment 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, including helping address the needs of the state’s most urban and most rural communities.** New funding for ADOs is supported by Washington Commerce.

2. Foster Catalysts for Job Growth & Economic Opportunity

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

2025 LEGISLATIVE REQUESTS

- **Protect the TIF for Jobs tool (2021)** now being employed/explored by over 25 jurisdictions
- Support **site readiness programs**, and the creation of a **site certification program**
- **Support broadband and clean energy capacity initiatives, investment and permitting**
- Support state **Tourism** investments & catalytic opportunities through **World Cup & FIFA26**
- **More state matching funds to improve WA's competitiveness & attract out-of-state investment**
- **Support Catalytic Innovation & Investment Programs: pursuit of exports & "Go Global" website program for small businesses, resources for microenterprises & entrepreneurs**
- **Support state public works programs designed to help expand businesses** including: Community Economic Revitalization Board (CERB), Public Works Trust Fund & Transportation Improvement Board
- **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 infrastructure needs of new or relocating businesses is also crucial to economic development. Washington'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, and demands continue to increase. Development predictability and permit streamlining are also critical.

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 is still available through federal 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 Economic Opportunity by: 1) investing in 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, and other small business support.

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 including microenterprises need additional short-term assistance, short and long-term technical assistance, capital and new tools to pivot and grow.

Washington also has key tax policies that lead to job retention, expansion and recruitment, including Business & Occupation (B&O) tax credits and incentives for aerospace, manufacturing, clean energy, trade & logistics, food processing & agriculture, creative industries and Main Streets. 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.

2025 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 economic development to ensure that historically disadvantaged businesses, particularly underserved and underrepresented communities statewide have an equal opportunity to achieve economic vitality.

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 communities which face unique capacity and capital gaps.

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, which apply an equity lens to meeting talent pipeline needs with innovative, data-driven solutions. WEDA supports resources that offer regions flexibility to implement programs and strategies to address the myriad workforce challenges faced by historically disadvantaged communities, low-income populations and emerging industry sectors, including the Economic Security for All (EcSA) program. Maintaining funding for EcSA (Employment Security Department and Department of Commerce request) is critical for Local Boards to leverage resources to help provide a quality workforce through reskilling and reemployment in family-sustaining jobs. Simplifying these funding streams to align with the codification of EcSA will support local boards’ business services to move people out of poverty and into self-sufficiency. Other important workforce programs include the Job Skills Program, Customized Training, Apprenticeships, One-Stop WorkSource Centers, work-based learning and reskilling.

WEDA also supports the preservation and needed growth 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 are 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, funding and incentives to create jobs in the Clean Economy including the circular economy, hydrogen, fusion, fission, solar, wind and other renewable technologies including industrial symbiosis 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.