

WASHINGTON ECONOMIC DEVELOPMENT ASSOCIATION (WEDA)

Working Together for Economic Vitality & Opportunity Across Washington

TOP 2025 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 vitality, resilience and job growth.

2025 LEGISLATIVE REQUEST: Protect existing (\$5 million/year) funding for regional economic development capacity through Associate Development Organizations, and pass Senate Bill 5677 (amendment needed).

Established Statewide Network: Governor Gardner created the “Team Washington” network in 1985 and 40 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. **ADOs are a proven, accountable, cohesive, and intergovernmental network that covers the entire state.**

ADOs are Results-Driven: The collective results from ADOs are outstanding. Over the last five years, ADOs 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 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 and beyond, ADOs have shouldered significant *new* responsibilities, providing locally-driven resources and tools to employers across the state, rapidly responding to business/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 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, and a partial investment which excluded the three largest counties in 2024, 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 for the many important, exciting and additional responsibilities that ADOs have undertaken. Protection of existing 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.

WEDA supports the passage of SB 5677 (with amendment) and protection of the existing funding level of \$5 million per year. State funding for ADOs catalyzes ADO initiatives that are fostering innovation, sustainability, partnerships and equity, and would provide critical and much-needed support to these organizations. SB 5677 helps address the needs of the state’s most urban and most rural communities.