2027
LEGISLATIVE AGENDA

Washington Economic Development Association
WEDA
THE VOICE OF ECONOMIC DEVELOPMENT

Working Together for Economic Vitality, Job Growth & Economic Opportunity Across Washington

--DRAFT--as of 11/23/26











Washington State has an unparalleled quality of life, uniquely diverse industry sectors and a highly skilled workforce. It is the "Home of Big Ideas" and an engine of innovation, with multiple globally-leading corporations and research institutions headquartered and based in our state. Yet all of this is at risk without restoration of our economic competitiveness.

During these continually complex and challenging times, communities across Washington need strong partnership with the State as they continue to face challenges growing jobs and addressing affordability for residents and employers. Business competitiveness in Washington has been threatened with historic state tax increases, difficult regulations and the uncertainty of federal tariffs and the loss of federal contracts/funding. Serious equity gaps persist, with access to capital and resources in underserved communities, including rural areas. We are losing business recruitment and expansion opportunities due to energy capacity needs, infrastructure gaps and uncertainty for development. Building economic vitality and opportunity across all of Washington requires intentional work, strategic partnerships and smart investments.

As Washington addresses this moment with the Governor's Economic Development Council and the emerging statewide Economic Development & Competitiveness Strategic Plan, WEDA urges bold action as well as a focus on alignment with regional and local strategies. WEDA and economic developers stand ready to lead, implement and execute.

As Washington's *only* trade association laser-focused on economic development, WEDA is committed to retaining, recruiting and expanding jobs and fostering investment across all of Washington. Economic Development returns critically-needed revenue for the State and communities; reductions to the economic development ecosystem and toolbox only result in lost opportunities for revenue, employers, workers and families.

WEDA's 2027 Legislative Agenda focuses on the actions lawmakers must take to help communities statewide grow family wage jobs, foster vibrant and resilient communities, support opportunity for all, increase business competitiveness and spark investment.

WEDA'S TOP 2027 LEGISLATIVE PRIORITIES:

1. ***Strengthen the Economic Development Ecosystem***
2. ***Support Catalysts & Climate for Business Competitiveness***
3. ***Increase Economic Vitality for All of Washington***

WEDA's over 185 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 inclusive economic development.

WEDA'S TOP 2027 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.

2027 LEGISLATIVE REQUESTS

- *Support state-level leadership & funding* for economic development, including the creation and implementation of a collaboratively-developed statewide Economic Development & Competitiveness Strategic Plan, and Business Recruitment, Retention & Expansion, trade/export, innovation & entrepreneurship programs.
- *Restore funding (to $5M/year) for regional capacity* to coordinate and deliver economic development services. Funding must include fixes to ADO bill, SB 5677 (2025) and related funding reductions.

Governor Booth Gardner created the "Team Washington" network in 1985 and 42 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. **However, state funding reductions in 2025 and 2026 have hampered this partnership and ADOs' abilities to reach their potential.**

The collective results from these entities are outstanding. Over the last five years, local ADO/EDC partners have helped over **512 businesses expand or develop new facilities** and **assisted 1,294 startups**. These companies have invested over **$13.2 billion** in land, buildings and equipment over five years, with additional ongoing impacts. These growing businesses have **created over 19,800 new jobs and retained over 14,659 jobs**. ADO-supported clients generate over **$100 million in new, ongoing tax revenues** for Washington State and local communities annually; **every $1 invested in ADOs returns $10 to the public.**

Beyond the legislative restoration of prior severe state funding reductions from the Great Recession and one-time only funding during the pandemic and partial investment in all but the three largest counties in 2024, ADO funding levels have remained stagnant for almost 15 years, *and they were significantly reduced in 2025*. Despite significant additional responsibilities and challenges retaining and recruiting staff, ADOs do not receive any Cost-of-Living, inflation or annual population adjustments. Restoration of 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.

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. Small businesses including microenterprises need a strong ecosystem of technical assistance, capital and new tools to pivot and grow. State funding reductions to ADOs and other organizations in small business programming and technical assistance have undermined small business

Recognizing current fiscal constraints but also the return on investment of effective economic development and the critical need for statewide implementation of the emerging Economic Development & Competitiveness Strategic Plan, WEDA asks for a restoration from the reduced $4 million per year to at *least* the State's $5 million (annual) prior investment, and also supports additional resources for Commerce's collaborative implementation of the Economic Development & Competitiveness Strategic Plan. WEDA also asks for funding language to fix problems with SB 5677 (2025), which drastically reduced rural ADO funding.

2. Support Catalysts & Climate for Business Competitiveness

WEDA supports investments in infrastructure, energy capacity and programs that catalyze business retention, expansion and recruitment and job growth at the regional and local levels – and a predictable fiscal and regulatory environment that fosters business competitiveness.

2027 LEGISLATIVE REQUESTS

- **Support clean energy and 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
- **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 state public works programs designed to help expand businesses** including: Community Economic Revitalization Board, Public Works Trust Fund, Freight Mobility Strategic Investment Board & Transportation Improvement Board
- **Support increases to the Economic Development Strategic Reserve Fund**
- **Protect targeted incentives to foster manufacturing, innovation and private investment**
- **Support permit streamlining, regulatory reform and predictability for development**
- **Oppose additional taxation on employers that hinders economic growth, and undermines business competitiveness**

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*. **WEDA supports tools and programs that fund infrastructure which enables economic development, encourages out-of-state public and private investment and improves the State's competitiveness.**

Washington needs a predictable fiscal and regulatory environment to be competitive and protect and grow jobs. WEDA supports Governor Ferguson's new regulatory reform Executive Order. The 2025 state legislative session was one of the most consequential for businesses ever, with passage of the largest tax increases in history. Washington's employers and residents continue to struggle with rising inflation, affordability challenges and economic uncertainty, and tax increases have hit businesses and the communities they serve hard. The cumulative impact of new state and local taxes and regulations have created a climate of uncertainty for employers, particularly small businesses. If Washington is to remain a place where economic opportunity, innovation and entrepreneurship thrive, lawmakers must prioritize tax and regulatory and permitting reform that supports job retention and growth.

Washington already has key tax policies that catalyze job retention, expansion and recruitment, including Business & Occupation tax credits and incentives for trade and logistics, manufacturing, food processing and agriculture, and the local Targeted Urban Area program. These should be maintained for job retention and growth.

Clean/Green Economy: WEDA supports programs, funding and incentives to create Clean Economy jobs including the circular economy, hydrogen, fusion, fission, solar, wind and other renewable technologies including industrial symbiosis, while also maintaining a balanced approach. Washington is dead last of states in renewable energy growth, with a backlog estimated at $149 billion – over 250 stalled clean-energy projects and about 580,000 potential jobs – stuck in the development pipeline. This must be addressed for economic growth to occur.

WEDA opposes taxation that hinders job growth. WEDA also supports permit streamlining, regulatory reform and efficiency initiatives that increase certainty and predictability in development. State legislative action and agency rule proposals should address their impact on economic development and business competitiveness and be carefully crafted to avoid stifling competition and investment.

WEDA'S TOP 2027 LEGISLATIVE PRIORITIES



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. Workforce development and workforce and attainable housing are critical for economic vitality and opportunity, as are Tourism, creative economy and community development programs.

2027 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, extended by the Legislature to 2054, helps build critical infrastructure, attract new industry, diversify economies and create and retain jobs.
- ***Protect Inclusion investments in outreach and assistance programs for equitable and inclusive economic development*** to ensure that historically disadvantaged businesses, particularly underserved and underrepresented communities statewide, have equal opportunity to achieve economic prosperity.
- Support ***flexible and nimble workforce development programs*** to meet employers' and workers' current and future needs, and foster access and opportunity.

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.

Workforce Development: In a global economy, human capital is an essential ingredient that drives business innovation, growth and competitiveness. WEDA supports flexible and nimble workforce development programs to meet employers' and workers' current and future needs, and foster access and opportunity. WEDA prioritizes aligned, responsive and dynamic workforce development programs and targeted state training programs to keep pace with evolving industry demands. WEDA supports Washington's 12 Local Workforce Development Boards which meet talent pipeline needs with innovative, data-driven solutions, and 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, which helps provide a quality workforce through reskilling and reemployment. Other important workforce programs include the Job Skills Program, Customized Training, registered Apprenticeships, One-Stop WorkSource Centers, work-based learning and reskilling.

WEDA also supports the preservation and 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 (*current level is just 61%*). 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 and skyrocketing costs that must be addressed to support early child development and working families; Washington's childcare costs are among the highest in the nation. Our education systems can't be taken for granted and need sustainable funding and support.

Housing Affordability & Supply: WEDA supports legislation to improve housing affordability and expand opportunities for housing at all income levels, particularly workforce and attainable housing. WEDA encourages a review of permitting burdens and long-term solutions to address Energy Code and other barriers to construction.