

## II. Goals & Strategies

The central Puget Sound region's economic strategy is committed to a thriving, prosperous, and just future for all residents by:

- Ensuring a healthy and beautiful environment, vibrant and thriving communities, and a high quality of life for all the region's residents
- Preparing the region to compete globally in the future, working within the region, and around the globe, to continuously identify the near-term actions necessary to maintain a diverse and resilient economy
- Creating and supporting access to family wage jobs for all people in the region and access to talent for all the region's employers to succeed, innovate, and compete globally
- Advancing progress on equity and social justice to better connect the region's residents with the needs of the future and provide opportunity for everyone to thrive
- Fostering a business climate that supports retention of valued employers, new investment, investment in local human resources, and job creation
- Supporting land use and transportation policies and investments that provide housing in proximity to jobs
- Providing infrastructure to support the growth potential of the region's economy and ensuring affordable access to housing and opportunities to grow and enjoy life here
- Embracing diversity of the people within the region, and globally, to enrich life within the region and enhance global connections beyond the region
- [NEW] Support a more equitable tax system that ensures small towns and Rural Areas are not shortchanged on infrastructure needs

The regional economic strategy establishes a set of broad goals. These goals are; sustain a high-quality of life, open economic opportunities to everyone, compete globally, and connect the region to the world.

A series of strategies are contained in each goal. These strategies, when taken together, are greater than the sum of their parts. They build on each other to improve the whole of the economy and support the people who live in the region, as well as making the region more competitive for job growth in established and emerging industry clusters.

The regional economic strategy is a living document and is meant to be flexible as new opportunities emerge, challenges arise and activities evolve. The strategy is a road map to help focus future work efforts and provide a critical role in informing the Economic Development Board and the development and maintenance of a set of current regional economic priorities.

## Goal: Sustain a high quality of life

The central Puget Sound region must remain a great place to live, work, do business, go to school, and visit. Residents value the region's natural beauty and cultural assets and are determined to sustain and enhance an outstanding quality of life for generations.

### Strategies:

- Sustain an outstanding and healthy natural environment
- Embrace, celebrate, and promote the diversity of the region's people
- Improve the region's transportation system
- Ensure a diversity of housing stock that is affordable and connected to jobs
- Invest in pre-K through 12 education systems that produce, attract, and inspire world class talent
- Preserve, enhance, and improve access to open space
- Grow access to arts, sciences, culture, entertainment, and sports
- Focus new growth in urban areas, regional centers, and cities

### Strategy: Sustain an outstanding and healthy natural environment

The central Puget Sound region's natural environment and natural resources are assets that attract - and retain - talent to the region. As stewards of this landscape, the region has made important strides in enhancing the area's natural biodiversity conditions by protecting water resources, open space, farmland, and forests. These activities directly influence the physical, social, and mental wellbeing of residents in communities across the region.

#### Healthy headwaters, healthy communities

The region's natural environment - its forests, mountains, clean air, and clean water - is the envy of metropolitan regions worldwide. Clean air and clean water support the region's vibrant forests, farms, estuaries, aquatic life, and varied ecological systems. Nature is close to population centers and sustains a healthy populace. The region's healthy streams, rivers, lakes, and tidelands create outdoor recreational opportunities.

Numerous efforts are underway to improve water quality, including the identification of critical areas, acquisition of open space, stormwater recycling and controls, and rehabilitation of previously polluted sites. Locally based resource plans have been implemented, or are under development, for each of the region's seven major river systems.

A 15-year plan is in place to restore the health of Puget Sound. The region is meeting or beating all federal clean air standards.

#### A healthy place to live, work, and raise a family

The health of a community is integrally connected to the health of its environment. VISION 2040 recognizes this relationship and addresses numerous ways that human health can be impacted in the central Puget Sound region, including exposure to air and water pollution, automobile-related injuries and deaths, chronic diseases related to physical inactivity, and lack of fresh and healthy foods. Attention to health as a consequence of economic, planning, and infrastructure decisions can improve quality of life for residents, reduce health care costs, and lessen impacts from lost productivity.

Efforts that improve the health outcomes of all residents across communities in the central Puget Sound area elevate the region as a competitive destination for new talent and investment.

#### Addressing global climate challenges

The success of global efforts to decarbonize will be a primary determinant of the future environmental health of the region. Warming temperatures, acidifying marine waters, rising seas, increasing flooding and wildfire risks, decreasing mountain snowpack, and less water in summer streams will have a significant impact on the region's core

industries. For businesses, climate change can bring increased risk of extreme weather events, disruption of supply chains, and damage to critical infrastructure.

Climate change also can bring opportunities to local inventors, innovators, and entrepreneurs as a call to action for those who are able to profitably evolve sustainable solutions to these issues.

State and local leaders have instituted laws and policies designed to reduce greenhouse gas emissions. State law places limits on statewide emissions. Local leaders are undertaking complementary policies to further reduce emissions. Regional ports are participating in the Green Marine program, a voluntary effort to reduce the environmental impact to air quality, greenhouse gases, spill prevention, stormwater treatment and recycling (i.e., creation water corridors useful for funneling water to improved wetlands, ponds and lakes useful for wildlife augmentation and agriculture), and other community impacts.

What needs to happen:

- Continue to implement VISION 2040 policies that safeguard the region's natural environment and ensure that all residents live in healthy places
- Make progress on stormwater retention and recycling systems and removal of barriers to fish passage
- Continue recovery and preservation of lands vital to the health of the region's waters
- Develop common ground on the best approaches to reduce greenhouse gas emissions and increase resiliency to climate change, natural disasters, and other stressors within state and local policymaking
- Decrease reliance on fossil fuels through the development and adoption of alternative energy technologies and transportation systems, while emphasizing the reduction of carbon emissions during the transition phase to clean energy
- Encourage federal action on additional federal greenhouse gas reduction measures and federal leadership toward progress on a global greenhouse gas reduction plan
- [NEW] Promote, encourage, mentor, and sponsor commercial leadership (including business start-ups, small business, and disadvantaged businesses) in developing, producing, and evolving local solutions toward progress on greenhouse gas reduction goals

### Strategy: Embrace, celebrate, and promote the diversity of the region's people

The home of industry revolutionaries Nordstrom, Amazon, and Microsoft - all founded or led by first or second generation immigrants - cannot deny the importance of ensuring that people of all backgrounds are welcomed and respected when they come to live, work, and visit the central Puget Sound region.

Embracing and celebrating diversity and social justice as fundamental values in an economic strategy is a step toward achieving equity in opportunity for all people. Actively maintaining and promoting the region as a welcoming place is essential to the region's culture of invention and innovation, and evolution of economic success.

#### A region enriched by cultural diversity

The region's population is becoming increasingly racially diverse. In the last 25 years, 80% of the population growth has been non-White, increasing the population of color from 15 to 33%. Youth are becoming more diverse, with the population of non-White youth growing at a faster rate than White youth over the last 10 years.

Immigration is a factor fueling regional growth. Between 2005 and 2015, immigrants accounted for 29% of the region's population growth. Foreign born residents make up 17% of the region's population while residents born in the state make up 45% of the population. Among the region's foreign born residents, Asian Pacific countries are the most common countries of origin.

The region is home to 128 different religious groups and over 2,600 congregations attended by more than 1.2 million people. People of the region speak more than 170 different languages and have among the most geographically diverse origins of any metro region in the nation.

Cultural diversity is a strength and has a positive influence on economic development in the region and around the state. In Washington, immigrant-owned companies employ 141,483 Washingtonians and 57,780 immigrant entrepreneurs are creating small businesses. Roughly 24% of the state's STEM workers are immigrants, leading innovation through many of the region's core industries.

Political and business leadership within the region promote values that embrace differences in culture, economic background, ethnicity, age, disability, education, physical appearance, language, race, political affiliation, sexual orientation, and religious beliefs. Special attention also should be offered to our veterans, and this should include (in addition) programs serving unique needs within varied service(s) base (these programs may tie into Federal programs as well).

What needs to happen:

- Encourage federal and also immigration and foreign worker policies that recognize the talent requirements and opportunities of regional businesses
- Encourage federal leadership to ground policies and decisions in the United States government's established prohibition of discrimination based on religion or national origin, and work with state leaders to challenge unconstitutional federal policies that discriminate
- Encourage dialogue on race and social justice that strengthens community policing and respects diverse community backgrounds and attitudes
- Promote regional leadership to address intolerance, hate speech, or discrimination in their communities as a tool to ensuring caring, safe, and inclusive communities

### Strategy: Improve the region's transportation system

The region faces many transportation challenges and is making unprecedented investments to enhance travel alternatives and improve mobility, efficiency, and reliability, while working to reduce environmental impact.

#### A robust transportation system supporting a growing region

Commuters and freight circulate throughout the region on a robust system of roadways, rail, air and marine ports, transit, ferries, bikes, and pedestrian facilities. The region is linked to North America by Interstate 5, Interstate 90, and two transcontinental railways (Burlington Northern Santa Fe and the Union Pacific). A robust highway network is complemented by light rail, bus rapid transit, high frequency local bus service, and passenger ferries.

Regional planning for transportation, land use, environment, and economic development are naturally linked. Plans identify and set timelines for the completion of priority investments over the coming decades. Funding and investments have been secured to maintain, rehabilitate, and build out much of the system. Companies that invest in the region can count on transportation improvements backed by the public resources to deliver them.

#### Investments underway to strengthen and diversify transportation

New state and local investments exceeding \$11 billion for 87 projects in the region are now underway to make major improvements to the area's freeway system and shore up state and local roads. Through a voter approved levy, \$54 billion has been secured to build out the region's light rail network which will extend from Seattle to Everett, Tacoma, Redmond, and Issaquah. When complete, the region's light rail system will be among the largest in the nation.

Funding has been secured to deliver new, fast passenger only ferry services between Seattle, Bremerton, Kingston, and Southworth by 2020 - cutting commute times across the sound in half. Fast ferry craft should be designed to operate as comfortable, quiet, and economical, as well as being environmentally friendly to Puget Sound and its coastal shore systems.



## What needs to happen:

- Manage new roadway, light rail, transit, and ferry projects to meet or beat projected delivery dates
- Identify gaps in the transportation system to be addressed in updates to regional plans and secure funding to address those gaps while determining a long-term solution for local funding shortfalls
- Encourage full funding of the Highway Trust Fund by the President and Congress
- Continue exploration of potential replacements to the state fuel tax by the state, advancing more fuel efficient and electric vehicles , and alternative systems
- Develop land use around transit stations that better ensures equitable access to transit and maximizes the return on the region's transit investments
- Support innovation through public and private initiatives like the University of Washington's new Mobility Innovation Center, and Western Washington Universities (Dept. of Technology) Vehicle Research Institute, to stay ahead of trends in fuel economy, car sharing, and autonomous vehicles

**Strategy: Ensure a diversity of housing stock that is affordable and connected to jobs**

Housing costs and proximity of housing to jobs and transit largely influence the region's quality of life - impacting the region's ability to attract and retain business and talent. Rising housing costs within the region especially strain middle and low income families.

A region that's building housing, but increasingly challenged by affordability

The region's VISION 2040 goal is to preserve, improve, and expand its housing stock to provide a range of efficiently located, affordable, healthy, and safe housing choices to every resident. Communities across the region are seeing a surge in new multi-family housing, providing relatively affordable housing units in proximity to a greater number of transportation choices and reducing commute times and costs.

Job and population growth has significantly outpaced housing supply. High demand for housing in some areas of the region has resulted in housing cost increases that rank among the highest in the nation. A challenging aspect of housing costs is its location-based impact. The proximity of housing to job opportunities and community resources are determining factors that drive the migration of residents to and around the region.

Job growth in recent years is characterized by high concentrations within Seattle and King County's Eastside communities, driving up the price of homes in this area. By comparison, home prices are generally more affordable in south King County and in Kitsap, Pierce, and Snohomish counties.

Increasing and improving business types opportunities and increasing job opportunities in Kitsap, Pierce, and Snohomish counties will enhance access to jobs by allowing residents to live in proximity to work. In addition, a transit network that connects workers to where jobs are located is crucial to a continued thriving economy.

Equitable Transit-Oriented Development is a helpful tool for keeping neighborhoods connected to transit and thus to jobs around the region. A Regional Equitable Development Initiative provides financing to develop housing near light rail stations, providing opportunity for lower wage households.

Attention should be paid to reducing barriers to increasing housing supply. These include innovations in housing types and styles and sizes, new or increased sources of funding to subsidize affordable housing, collaboration between affordable and market rate developers that makes it easier to build housing, policies that encourage market rate developers to expand new housing inventory, incentives for affordable homes within mixed income development and identifying and addressing gaps in the housing construction sector.

What needs to happen:

- Encourage local policies and plans that support the development of an adequate supply of workforce housing, housing of different sizes and for different incomes, and removal of barriers to housing production
- Expand a sufficient supply of housing to meet the needs of low-income, moderate income, and people with special needs - distributed equitably throughout the region where suitable infrastructure exists
- Establish a more balanced distribution of employment and housing across the region, including more affordable housing near employment centers and job growth in proximity to more affordable housing
- Preserve and create “housing wage” jobs and increase accessibility to those jobs through education, training, and other opportunity assistance
- Improve the links between more affordable housing and employment centers by delivering reliable transit connections that cut current commute times

**Strategy: Invest in pre-K through 12 education systems that produce, attract, and inspire world class talent**

School district performance can be a deciding factor when determining where to live for residents. School systems, however, are striving to prepare students for the jobs of the future without adequate resources.

**Schools challenged by inadequate resources**

Many school systems in the central Puget Sound region attract families to their communities, despite problems with state funding and public investments. Most public schools rely on ad hoc community support and an inequitable system of local levies to function. Some families see private schools as a better environment for their children than what is offered by local public schools. Far too many schools come up short with resources and are forced to make sacrifices to educational programs, tarnishing local schools' reputations and desirability. While some schools have prioritized investments in early learning, a focus in early childhood is not systemic or feasible for all given strained resources. Therefore, high-quality, affordable pre-k options remain limited and difficult to access.

An economic vision for the central Puget Sound region should include school systems with stellar reputations and outcomes, well supported by a thriving regional economy. A well-educated populace and workforce leads to business productivity and strong social systems. Children growing up in the region require world class educational opportunities in order to compete in a global labor market for jobs in their own communities.

**Affecting both businesses and families**

Access to quality schools affects location decisions for businesses and families as they consider staying in the region or relocating to the area. High performing local schools are an asset that complements other quality of life considerations that attract talent from all over the world.

There will always be some communities with outstanding school programs that outperform others. Statewide funding challenges, however, should not further undermine a school's efforts to inspire, prepare, and support its students.

What needs to happen:

- Ensure that state leaders address the education funding shortfall as required by *McCleary, et al. v. State of Washington* and make policy decisions to improve educational outcomes
  
- Promote investments in public schools to bring funding up to nationally competitive standards
  
- Understand the connection between pre-K, K-12, and economic opportunity, furthering efforts by local school systems to prepare kids to compete in a global labor market
  
- Invest in schools and early learning programs as an asset to local and regional economies and encourage city and county leaders to continue to make investments in schools and early learning programs as part of an investment in economic opportunity

### Strategy: Preserve, enhance, and improve access to open space

Open space is the natural and built green infrastructure on which we depend and includes public parks, trail systems, wetlands and water bodies, wilderness lands, and working lands for agriculture and timber production in addition to urban green spaces. Open spaces are important to residents, workers, and visitors. Open spaces help sustain healthy air, water, sustainable habitats, and support rural communities.

#### A metropolis set within the wilderness

The region's scenic beauty, clean air, and access to nature make it an increasingly desirable place to live. An urbanizing metropolis is set among snowcapped mountains and surrounded by water, creating an abundance of recreational opportunities and scenic beauty.

Mountain snowpack and reservoirs supply clean water along with relatively low cost and carbon free electricity.

More than half of the land in the region is within state and national forests, wilderness areas, and national parks. Puget Sound's tidelands create 655 miles of shoreline. There are 182 square miles of designated farmlands situated close to urban places. There are 75 square miles of parks within the region's urban areas.

Outdoor recreation in Washington state contributes an estimated \$11.7 billion annually and supports 115,000 jobs.

#### Expanding access to nature

With rapid growth, priority has been placed on accelerating protection of open space. The Regional Open Space Conservation Plan, under development at the Puget Sound Regional Council, will knit together open space and related plans from counties, tribes, resource agencies, salmon recovery groups, and others. The plan will prioritize and elevate open space needs to attract funding and support.

Numerous efforts are underway to complete trail systems, enhance access, restore habitat, preserve farmland, and acquire critical areas.

What needs to happen:

- Preserve the beauty and natural ecological processes of the region through the conservation of natural resources and the environment through the regional planning policies within VISION 2040
- Preserve and enhance open space, protect wildlife corridors, and preserve and restore native ecosystems
- Support conservation planning, project funding, landscape maintenance, and critical areas regulation at the local level
- Improve access to open space, particularly for underserved populations, including completing gaps in regional trails
- [NEW] Reduce environmental impact to salmon populations throughout their feeding, migration, breeding, and growth cycle (e.g., take damaging structures, such as rotating propellers or hydrofoils out of sensitive fish or salmon habitat)

### Strategy: Grow access to arts, science, culture, entertainment, and sports

Arts, science, culture, entertainment, and sports enhance communities, creating educational opportunities and promoting a high quality of life for residents. It is a key characteristic of the region's city centers and neighborhoods and this creativity helps nurture the region's economy.

#### Thriving arts, science, culture, and entertainment

The Puget Sound region is the arts, science, culture, and entertainment capital of the Pacific Northwest and is an epicenter for collegiate and professional sports. More than 300 arts, science, and cultural organizations in the region support over 35,000 jobs and generate over \$2.4 billion in annual business activity. The region is truly a center of creativity whose encouragement often leads to innovation and invention.

Much support for arts, science, and culture comes in the form of neighborhood strategies, ensuring access to safe, affordable, and thriving cultural centers of activity. These vibrant neighborhoods with thriving cultural activities - from Edmonds to downtown Kirkland to Tacoma's Proctor District and in Gig Harbor - play an important role in the region's quality of life, including growth in innovation and potential rise in regional opportunities.

#### Expanding cultural access and attracting more professional sports

Efforts are underway to expand access to the arts, heritage, science, and culture by creating new cultural access programs enabled by the state. Proposals are being developed to ask voters to decide on more public investment.

New venues and events will also expand access and broaden offerings. The region's newest venue is the 716-seat Federal Way Performing Arts and Events Center. Fundraising is underway for the new 2,000-seat Tateuchi Center Concert Hall in Bellevue. The Upstream Music Festival and Summit aims to be both an exciting music festival and a forum for navigating the rapidly changing music industry. The region's e-gaming prowess is supporting growing international interest in events such as "Dota 2." The region's native residents offer cultural experiences and education through facilities like the Tulalip Tribes' Hibulb Cultural Center.

Interests within the region hope to attract the National Hockey League and National Basketball Association to the region's professional sports portfolio with the building or refurbishment of a suitable arena.

Public facilities districts are an important development tool for arts, science, culture, entertainment, and sports. They have been used for the Greater Tacoma Convention and Trade Center, the Kitsap Conference Center, the Edmonds Center for the Arts, and Safeco Field to name a few examples.



What needs to happen:

- Encourage government approval of ballot measures to create new cultural access and events programs\_
- Encourage local government support for an arena to attract NBA and NHL franchises and high profile sporting events such as the return of the U.S. Open Golf Tournament
- Support strategies at the neighborhood level focused on varied cultural activities
- Continue support for the use of public facilities district as a tool for arts, science, culture, sports, and entertainment

### Strategy: Focus new growth in urban areas, regional centers, and cities

Focusing growth within regional centers will make the region a better place to live and to locate a business. Concentrating activities helps businesses connect to customers, allows transit investments to better serve the workforce, connects industrial areas to the region's transportation network, and allows for housing strategies to include more affordable choices.

#### Businesses thrive in centers

Businesses benefit from clustering of customers, workers, infrastructure, and other supportive industries. This can be seen in today's regional centers, which are thriving through mixed use development and other strategies that support local businesses. High capacity transit service and nearby housing provide access to talent and workers that businesses need to succeed.

In addition, people want amenities at or near the workplace, which are often more readily available in concentrated centers of business activity. Health clubs, restaurants, shopping, and open space all rely on a vibrant mix of workers for support for the whole market-driven ~~ecosystem~~ economy, social matrix, and natural balance to work.

#### A region that plans for the future

For the past two decades, the region has been making progress on long range plans for growth and will be extending plans to the year 2040. Regional plans are informed by locally developed comprehensive plans and underscore the value of the region's people and place on achieving prosperity.

The region's growth strategy focuses housing and employment within the region's urban growth area and cities. Counties and cities are coordinating to move remaining unincorporated urban areas to annexation. VISION 2050 particularly encourages growth within designated regional growth centers and manufacturing/industrial centers. The strategy aims to protect farms, open space, and resource lands while delivering development infrastructure more efficiently. Regional growth centers account for less than 1% of the land within the region, but contain 35% of all jobs. The region will accommodate growth through a system of designated regional and countywide centers.

The region's plans have reinforced planned land use and transportation systems. Investors in the region can count on a sustained direction of long range plans for growth.

### A region positioned for more growth

The region's population is expected to grow by nearly a million people, approaching five million by 2040. Regional land use and transportation planning supports these growth forecasts. Land use plans need to accommodate increasing demand for all types of land uses, including housing, open space, maritime, industrial and military. This includes the preservation, protection, and support for the region's manufacturing centers. Recent investments in regional transportation infrastructure supports the development of regional centers connected by robust regional road, transit, freight and ferry systems. Locally developed comprehensive plans help support regional plans for the location and nature of future growth.

Regional population growth includes consideration of safe housing choices within a structure that provides adequate opportunity and proximity toward parks and other recreational choices, as well as encourage self and cultural development, such as houses of worship, libraries, educational and industrial arts centers.

What needs to happen:

- Support growth within the urban growth area and regional centers with investments in infrastructure
- Work with jurisdictions with centers to accept anticipated growth and development through zoning and permitting and continue to support local comprehensive plans that support centers

## Goal: Open economic opportunities to everyone

No region can achieve sustainable economic development without investing in human capital. Education improves quality of life, raises productivity and creativity, and encourages entrepreneurship. It is also an essential pathway to a more just and equitable region. Advancing equity in job and business opportunities requires recognizing the historic marginalization of certain populations and establishing pathways of opportunity for everyone to prosper. The region is sustaining and growing systems to provide a competitive and diverse workforce, a climate good for businesses of all sizes, and one that provides everyone access to the opportunities of the future.

### Strategies:

- Provide adequate support for basic education for all
- Coordinate programs in education and training to address workforce gaps and advance economic opportunity
- Advance economic development within rural communities
- Support women and minority-owned, disadvantaged businesses
- [NEW] Encourage access to high-speed internet and other productivity tools

### Strategy: Provide adequate support for basic education for all

Washington youth must increasingly compete for jobs in their own backyard. A strong foundation in basic education is essential to preparing youth to engage in the workforce. Further, disadvantaged communities require a network of services to help children in those communities overcome social and institutional barriers and disruptive cultural change. A child's potential, and educational and economic achievement should not be determined by their zip code. Pathways toward social mixing and team development should be encouraged.

#### Increased focus to meet big challenges

Only 39% of Washington's 8<sup>th</sup> graders have scored at or above proficient on the nation's math exam. Similarly, only 36% of Washington 8<sup>th</sup> graders scored at or above proficient on the nation's science exam.

Washington has designated 255 out of 2,300 schools as low performing - nearly half are within the central Puget Sound region. Not all low performing students attend low performing schools. The Washington Roundtable points out that approximately 200,000 3<sup>rd</sup> through 8<sup>th</sup> graders scored below proficiency on Smarter Balance assessments, only half of whom attended a low performing school.

While the state's graduation rate has been improving - up from 75.4% for the class of 2010 to 78.1% for the class of 2015 - there is an obvious need to invest more in the region's schools and in a manner that improves outcomes for students.

The Washington Roundtable's Pathways to Great Jobs in Washington State has identified four areas of action for the state:

- Improve school-readiness, emphasizing services for low-income children and traditionally underserved populations
- Improve ~~the~~ both student and teacher performance of ~~of~~ in the K-12 system to ensure more students graduate career- and college-ready
- Increase participation of Washington students in postsecondary education, focusing on high-demand fields
- Help students, beginning in elementary schools, understand career opportunities, inspire them to think about and envision their futures and develop the necessary skills to identify and attain their goals

### Efforts to strengthen early childhood education

Recognizing the effectiveness and importance of the first five years of life, there have been recent efforts to strengthen early childhood programs in Washington state and in King County.

Washington state has been investing in early learning programs such as research-based home visiting programs, Early Support for Infants and Toddlers, parent and family support programs such as Reach Out and Read and Play and Learn groups, the Early Childhood Education and Assistance Program, and child care for low-income working families. The state has made a commitment to serving all eligible 3- and 4-year olds in ECEAP. Additionally, Washington has been working to build a system of high quality early learning utilizing Early Achievers, Washington's quality rating and improvement system. Washington State's Department of Early Learning has a goal of getting 90% of children ready for kindergarten by 2020.

Best Starts for Kids is a comprehensive early childhood development initiative that invests in promotion, prevention, and early intervention for children, youth, families, and communities in King County. Seattle voters approved funding for the Seattle Preschool Program in 2014, supporting the City goal of making voluntary, high-quality preschool accessible and affordable to all 3- and 4-year olds in the city.

### Preparing all youth for the jobs of the future

The region's educational system is not adequately serving racial and ethnic minority students who have lower high school graduation and kindergarten readiness rates than the state average.

The Road Map Project is a community-wide effort in south Seattle and south King County to "drive dramatic improvement in student achievement from cradle to college and career." Youth served by the Road Map Project are 73% of King County's low-income students, 69% of King County's English language learner students, and 58% of King County's students of color. These students face greater institutional and social barriers to educational attainment and opportunity than their peers across the county, though they must compete for jobs in the same global marketplace.

The Project sets specific goals to level the playing field:

- By 2020, increase equitable policies and practices in the educational systems and dramatically improve outcomes for children and youth, from cradle to career
- By 2030, eliminate the opportunity and achievement gaps impacting children of color and low-income children in the area, and ensure that 70% of youth earn a college degree or career credential

Created in 2010, the Road Map Project has made progress. More students are taking one or more college-level courses before graduating high school, more students are graduating from high school on time, and more students are enrolling in College Bound Scholarships. Major challenges still exist, however, and greater effort can be made within the region to advance the Project's goals.

What needs to happen:

- Ensure Washington Roundtable's Pathways to Great Jobs in Washington State's key "cradle to career" steps are implemented
- Continue to support the Road Map Project and draw best practices from that program to support other parts of the region, connecting a full range of social and productivity training services for the success of kids from cradle to career

### Strategy: Coordinate programs in education and training to address workforce gaps and advance economic opportunity

Students and job seekers need to see pathways through education and training that will prepare them to succeed in meaningful occupations. Education and training providers need clear alignment with employers to meet demand for workers. Meanwhile, workforce gaps persist in a variety of sectors. Greater investment and better data are needed to respond to training needs and address these gaps.

#### Meeting the needs of the region's workers

The state's job growth over the next five years is expected to be nearly triple the national average. Students in Washington classrooms today will enter a job market bursting with opportunities and require tailored skills to meet those opportunities. Too many students do not understand how the skills they are learning are applied in the work world. Often, student application skills are learned through job internships or jobs usually provided by both large and small business concerns.

Programs exist to assist workers at all stages of career development: those new to the workforce, mid-career workers who want to shift focus, underemployed workers, or those trying to re-enter the workforce. Strong collaboration is needed among government, local employers, training providers and education institutions, service and advocacy groups, and other local organizations to make sure the workforce system succeeds in strengthening the talent pool and expanding economic opportunities.

#### Strong economy with workforce gaps

Despite very low unemployment, the regional economy has gaps in middle income jobs, a graying workforce in key manufacturing industries, and employers in need of more workers. The Washington Roundtable notes that there are more than 25,000 unfilled jobs in Washington as a result of the job skills gap, 80% of which are in high-skilled STEM and health care positions. By 2020, it is estimated that 45% of all jobs in the U.S. will require a post-secondary education of one sort or another.

Data from state and local agencies must accurately inform training and educational investments. Comprehensive data on graduates, placement rates, and hiring can shape curriculum, programs, and policies that affect training institutions. An understanding of hiring needs and training program alignment can help educators and training providers identify opportunities for the region's youth and upwardly mobile workforce.

#### Solving for industry sectors

According to the Washington Council of Presidents, an organization led by the presidents of the state's six public universities, the largest workforce gaps at the baccalaureate and graduate levels in Washington are in computer science, engineering,



education, maritime, and the health occupations. However, many occupations facing workforce gaps do not require a four-year degree. Two-year colleges and apprenticeship programs provide the necessary training in many instances and the prospective worker may more readily achieve employment goals by pursuing these pathways.

Each industry faces different challenges in meeting demand for workers. As a result, workforce, education, and industry groups are partnering to evaluate existing degree and credential programs and align course offerings to provide students and employers with the skills they need to fill open positions. For example, the Aerospace and Advanced Materials Manufacturing Pipeline Advisory Committee, overseen by the State Board for Community and Technical Colleges, coordinates strategies to close skill gaps in the Aerospace in industry. Committee members represent each level of the pipeline, from labor, education, and industry within these larger industry trade groups or coalitions. A mechanism needs to be created to also embrace start-up and small businesses within this framework, recognizing their valuable human and physical resources.

#### Building career literacy and pathways

Workforce Development Councils in the Puget Sound region provide employer outreach and oversee the state's WorkSource employment centers. They conduct the critical work of administering the U.S. Department of Labor's Workforce Innovation and Opportunity Act (WIOA) within the region. Each council develops a local strategic plan assessing local employment and coordinating workforce activities throughout their area. This enables activities such as innovative career pathway programs that prepare workers for employment and support their advancement within high-demand occupations by aligning education, training, and workforce development programs.

There are a variety of apprenticeship programs to address workforce gaps, including union-sponsored and industry association programs. Workers finishing apprenticeship programs earn on average \$73,000 within a year of graduation.

Many other government agencies and non-profit organizations provide workforce development services as well. Local government offices and non-profits tied to philanthropy, and even for-profit companies, all partner to create a robust network of practitioners in the region. This type of collaboration led Starbucks Coffee and the City of Seattle to partner to achieve youth hiring goals for the company.

Companies are also connecting to K-12 education through career development activities. Through programs like DiscoverU the region's leading executives, such as Satya Nadella from Microsoft and Sue Desmond-Hellman from the Bill and Melinda Gates Foundation, are connecting with students to share their own personal pathways and help middle and high school students see how the skills they are learning connect to their dreams and the world.

The Washington State Opportunity Scholarship program addresses unfilled seats in the high-demand sectors that drive the region's economy. This first-of-its-kind program supports Washington students from low- and middle-income households to attain bachelor's degrees in high-demand fields including science, technology, engineering, math, and health care through scholarships of up to \$22,500. The program also provides professional development, skills-building workshops, and genuine industry exposure to help increase the rate at which students enter our state's workforce. In addition, the State Need Grant program provides need-based financial aid to income-eligible students pursuing postsecondary education. Eligible students have a household income that is less than 70% of the state's median family income.

What needs to happen:

- Help students, beginning in elementary school, develop better awareness of the careers that will be available, inspiring them to think about their futures, the skills necessary for the jobs that interest them, and the pathways to attaining those skills
- Invest in data systems that show gaps in workforce systems and hiring needs
- Expand investment in current programs to help bridge expected workforce gaps filling job openings in the state and providing meaningful careers to the state's citizens, including underserved communities, and start-up and small business

### Strategy: Advance economic development within rural communities

Jobs and economic opportunity in the region's small cities and rural areas have often not kept pace with the region's overall prosperity. Many rural economies have struggled to transition from resource based industries into new opportunities. Many rural areas have become bedroom communities for urban cities, resulting in a dearth of transportation often stifling their economic potential. Vibrant local economies across the region are critical to the region's economic success and quality of life.

#### Preserving rural lands and character while supporting small cities

Rural lands make up 25% of the region, and 13% of the population lives and works in rural areas. There are more than 5,400 farms generating products valued at an estimated \$356 million annually. Working forests continue to sustain rural jobs.

Regional policies that focus growth within urban areas help maintain rural character. VISION 2040 calls for continued use of rural lands for farming, forestry, recreation, cottage industries, and low density housing maintained by rural services.

At the same time, smaller cities outside the central urban growth area are hubs for higher density housing, job and service centers for surrounding rural areas, and bases for outdoor recreation and tourism. Smaller cities offer a high quality of life, vibrant communities, connections to the regional economy, while being sparks for the region's creative economy. Funding mechanisms like the region's Rural Town Centers and Corridors Program and the state's Main Street program help support development in these smaller cities to support these activities and encourage local job formation.

#### Sustaining local economies

There is continuing pressure to convert farmlands, forests, and open spaces to other uses. Rural areas are a unique resource that should be protected. There are ongoing efforts to better identify prime farmland to protect it from development while sustaining local economies. High quality soils within the region's major river valleys, diversified crops and products, new sustainable farming practices, "buy local" food trends, and a growing affluent local market are among the factors that can boost the region's farm economy. Global-reach exporting home businesses/industries is another.

The region has a strong culture of outdoor recreation, and the smaller cities and rural areas are often the base of activity for camping, hiking, skiing, activities on rivers and lakes, or visiting wineries. The region is home to a major trail system that is being expanded and better connected. Recreational businesses, as well as recreational activity tied to retail, restaurant, and hospitality establishments help sustain these communities.

Recent collaboration in the Stillaguamish River Valley and along the Great Northern Corridor are examples of economic development initiatives that focus on recreation and tourism, in addition to preserving resource driven businesses. This collaboration is an effort to build a cultural foundation to connect residents to social and economic opportunities.

The industry makeup of jobs in the smaller cities and rural areas is different than that of the core urban areas, but opportunities continue to emerge to strengthen those industries. New technology and innovations can help sustain jobs in rural communities, while maintaining their character. Former timber based communities may see new opportunities in Cross Laminated Timber. Strengthening broadband access to rural communities can help create maker spaces, incubators, and tech hubs that are scaled to these areas and may support local “start-up” businesses. Local talent will find its way to support local economies, if the area economics, human resources, logistics, and right tools are provided.

Residents from smaller cities and rural areas often commute into urban centers or work with regional markets while living rural or small-town lifestyles away from the region’s larger cities. Residents from the core urban areas and tourists visiting the region travel to smaller cities and rural areas for recreational opportunities. Transportation investments in line with growth expectations are important to keeping these communities connected to the regional economy. Also, maintaining rural transportation infrastructure--increasingly used by urban commuters--is a growing fiscal challenge.

What needs to happen:

- Support funding mechanisms for redevelopment in smaller cities that is to scale with regional growth expectations
- Restore and complete major trail systems identified within regional plans while encouraging recreational use in rural areas that is compatible with environmental interests and local culture
- Support economic development strategies that recognize and encourage long-term sustainability of agriculture, small businesses, and other industries that drive the economies in smaller cities and rural areas
- Support equitable funding mechanisms to maintain rural transportation improvements infrastructure in smaller cities and rural areas that connect regional residents safely to recreational and economic opportunities and are designed and operated in a way that fits local context and culture
- Ensure the availability of inexpensive broadband access within rural areas to facilitate telecommuting, distance learning, and small businesses that depend upon high-speed internet access

### Strategy: Support women and minority-owned, disadvantaged businesses

Minority and women owned businesses face unique barriers to succeed and to realize their full potential and economic contribution. Many minority and women owned businesses are small businesses. Small businesses in general must overcome challenges in dealing with regulations, financing, and access to markets with fewer resources than larger businesses. The same small business challenges become compounded for women, veteran, and minority owned businesses that face barriers from historical structural biases, less access to information and key decision-makers, and inability to access traditional sources of startup capital.

#### Importance to the economy

Minority and women owned businesses make up a large percentage of small businesses and play an important role in the regional economy. About 20% of businesses in the region are minority owned companies above the national average of 17.6%.

Women and minorities together make up 65% of the labor force in the central Puget Sound region. Their ability to thrive requires employers that can open doors and level the playing field. Companies owned by minorities and women are much more apt to understand and be responsive to the needs and consideration of minorities and women in the workforce. They can better connect with customer markets defined by minorities and women. Creating a level playing field for women, minority and disadvantaged businesses creates more jobs and adds to the diversity of the economy and region.

#### Opportunities to grow these businesses

A variety of programs exist to help these businesses at the federal, regional, and local levels. The Small Business Administration provides advice and technical expertise on both starting and managing a business, as well as a variety of loan and grant programs to help business startup or expansion. SBA has located a Minority Business Development Administration Business Center in Tacoma, Washington to generate increased financing and contract opportunities for minority business in the region. Similarly, SBA supports three Women's Business Centers around the state, with one in Seattle. For veteran enterprises, U. S. Public Law 106-50 "The Veterans Entrepreneurship and Small Business Development Act of 1999" offers support.

Cities and counties also have programs designed to serve disadvantaged businesses, including information outreach programs and accelerator and incubator programs. As the region struggles to meet demand for commercial and retail space, local communities can support equitable access to space for women and minority owned businesses, especially for legacy businesses that root communities in a developing neighborhood.

Governments at all levels have contracting programs to provide more access to these companies in the government procurement process. With the continued growing diversity of the region, there is an opportunity to reach more of these populations to create and grow small businesses that will add to the vitality of the region's economy.

What Needs to Happen:

- Regional economic development efforts should address challenges that, women, veteran, and minority businesses face, and integrate opportunities for disadvantage businesses into all programs
- Government agencies need to maintain procurement practices that open opportunity to disadvantaged businesses (including veterans and disabled veterans, including special consulting and education benefits not covered by federal government programs)
- Private sector leaders must support diverse subcontracting opportunities

## Goal: Compete globally

Global economic opportunity aligns with the region's economic strengths and advantages. Metropolitan regions throughout the world are continuously competing for jobs and opportunity. The region is not only taking strong steps to grow and retain talent, it is also enhancing foundational support for diverse businesses to thrive. The region's competitive edge must be nurtured and honed through continual business support and by developing a nimble and talented workforce able to meet new challenges.

### Strategies:

- Increase higher education capacity to expand high demand programs and foster world class research
- Preserve, protect, and support industrial centers, military facilities, and maritime sites
- Continuously improve the business climate
- Maintain and grow incentives for industry competitiveness
- Strengthen, coordinate, and grow retention, expansion, and recruitment efforts
- Sustain and evolve the conditions necessary for innovation

**Strategy: Increase higher education capacity to expand high demand programs and foster world class research**

The region's libraries and universities are hubs of producing world class talent and research. They inspire inventors, entrepreneurs and emerging leaders in innovation, coordinate public private partnerships, and much more.

Many students, however, face barriers to accessing high quality programs at the region's four year and community and technical colleges. Too many Washingtonians are unable to attain the degrees and credentials they need to gain living wage employment and too many companies are facing challenges in filling talent needs.

**Demand exceeding capacity**

The region is home to first-class institutions of higher learning that may provide talent for the region's businesses and institutions. But these entities - particularly our public institutions - have not kept up with regional demand. At the University of Washington's College of Engineering, of the roughly 2,000 University of Washington freshman who qualify to study engineering, fewer than half will get in.

This throughput problem holds back opportunities for businesses, families, and communities. Only 31% of students who attend a Washington public high school will earn a postsecondary credential by age 26. Washingtonians ages 25 to 34 are projected to be the first generation in history with lower educational attainment levels than their parents. If left unchecked, educational inequality will further exacerbate income inequality and undermine regional prosperity.

**World class institutions are located here**

The University of Washington is one of the premier research universities in the world and is the second-largest recipient of federal research funds of any public institution in the country. Serving over 45,000 students at its Seattle Campus, it is ranked 15<sup>th</sup> on the Shanghai Academic Ranking of World Universities. Urban campuses in Bothell and Tacoma, serving 5,700 and 4,900 students respectively, expand the reach of UW within the region as do its professional and continuing education programs.

Washington State University is deeply rooted in the central Puget Sound region, serving directly from its Pullman main campus and its urban campuses throughout the state. WSU's newest campus in Everett has established - and continues to grow - industry aligned undergraduate programs primarily focused around STEM degrees. Western Washington University also has a strong Science and Technology STEM program.

There are numerous other top universities, both public and private, located in the region. The region is home to 18 community and technical colleges that serve 142,700 students. These colleges produce more than half of all undergraduate credentials



awarded in Washington. In fact, all six of Washington's public baccalaureates maintain a presence in the region through their partnerships with community and technical colleges.

#### Expansion is happening

Higher educational institutions in the region are well aware of capacity challenges and are actively attempting to meet them. For example, the UW Seattle Campus Master Plan calls for increasing full time equivalent student enrollment before 2028 to 52,400 students. Branch campuses in Tacoma and Bothell are also preparing for increases. In addition, the UW has created Husky Promise which guarantees full tuition and standard fees will be covered by grant or scholarship support for eligible Washington state students.

In STEM fields, WSU has introduced new degree programs in line with regional industry needs. The new Everett campus offers mechanical, electrical and software engineering, and data analytics degree programs. A partnership with Olympic College in Bremerton offers mechanical and electrical engineering degree programs. WSU's Global Campus offers an online master's degree in software engineering. [WWU's emerging STEM and Product Design programs encourage integrating undergraduate and graduate work into an invention and innovation driven series of works.](#)

The Washington State Board for Community and Technical Colleges has set a goal to increase access to post-secondary education. The Board's plan seeks to enroll more underrepresented, first-generation, and adult students as well as active military, veterans, [disabled veterans](#), and their dependents. The plan will also develop means to attract former students needing credits to complete degrees, certificates, or credentials. Further, the Board aims to expand educational opportunities such as eLearning, open educational resources, and competency-based degrees and certificates to enhance and accelerate educational attainment.

The Washington Student Achievement Council has set a roadmap for improving the educational attainment of Washington residents by 2023. It sets a goal that 70% of adults in the state ages 25-44 will have a postsecondary credential. This would require the entire system to produce an additional 380,000 credentials by this time. Growth in regional four-year institutions, their urban campuses, and community and technical colleges are key to bridging these gaps. The Washington State Council of Presidents, Washington State Board for Community and Technical Colleges, and the Independent Colleges of Washington have collectively supported "Washington Competes: A Sector Wide Agenda for Higher Education Growth and Completion" to serve more students and strengthen the state's competitive advantage.

What needs to happen:

- Expand capacity in the postsecondary system making a college education and technical training accessible to all
- Reduce bottlenecks in high-demand and priority workforce programs and courses
- Ensure that students have the support and resources to graduate
- Strengthen education and cultural pathways for historically underserved populations
- [NEW] Support development of college programs supporting start-up business and small-business evolution, including STEM mentoring and student internships

### Strategy: Preserve, protect, and support industrial centers, military facilities, and maritime sites

The region's industrial centers, military facilities, and maritime sites are assets that make significant contributions to the overall economy. With growth, the region will be challenged to preserve and protect the long-term viability of these lands and facilities from incompatible use and encroachment.

#### Industrial lands, military bases, and maritime sites generate jobs and opportunity

The Puget Sound Regional Council's Industrial Lands Analysis documented the importance of industrial lands to the region's economy and laid out 10 strategies to strengthen competitiveness of industrial lands. The region's industrial lands are expected to support over 560,000 jobs by 2040 - over 80,000 more than in 2016 - and over one quarter of all jobs within the region. Annual wages for industrial jobs on these lands average \$80,000 - a third higher than the average wage in the region.

The region's proximity to Pacific Rim countries, its deep water and freshwater ports, ease of transportation access, energy supplies, and the presence of mature Aerospace, Maritime, and Life Sciences industries are among unique regional industrial lands assets.

Military bases throughout the region provide an estimated 82,700 jobs and generate an annual impact of \$10.5 billion to the regional economy. Significant military installations include Joint Base Lewis-McChord, Naval Base Kitsap, and Naval Station Everett. Military communities within the region generate significant economic benefits in retail and services. Concentration of active duty military, civilian base employment, and contractor employment in the region is more than twice that of the U.S. as a whole, attesting to the importance of the region's military to national defense.

The region has a large and diverse maritime sector. Typical maritime uses include commercial fishing, seafood processing, passenger transportation, ship and boat building, marine equipment manufacturing, container terminals, marine support industries, and deep and shallow draft water transportation. The Washington State Maritime Cluster Economic Impact Study identified these regional assets as major factors in the strength of the state's \$30 billion maritime economy.

#### Industrial lands and military bases evolving

Despite preservation and planning efforts, some industrial lands, military bases, and training ranges face competition and encroachment. Some designated areas within the urban core have a high value for redevelopment, require new transportation investment, and are surrounded by incompatible land uses.

Military bases and training ranges in the region face encroachment with the potential to impact military training and readiness. Competition for air space and radio frequency, noise pollution, protected marine resources, and urban growth around military bases are a few of the issues faced by the region's military.

Federal defense spending has decreased in recent years, leading to modest cuts at the region's military bases and reduced spending with military suppliers and support. The outlook could be brighter due to the region's strategic position within the Asia-Pacific region and emerging federal proposals to enhance troop strength and military equipment.

Emerging growth areas for the region's military sector include: Arctic security, cyber security, defense health, unmanned systems and space, naval craft and supporting equipment, and renewable and alternative energy.

What needs to happen:

- Support state and regional policies that protect industrial, maritime, and military lands from encroachment and incompatible land uses
- Collaborate within the region to support export based and locally producing businesses operating on the region's industrially zoned land
- Protect industrial lands from encroachment by incompatible uses and development on adjacent land
- Support policies within regional planning that strongly and specifically affirm the importance of military centers, training ranges, and supportive infrastructure
- Support the efforts of the Washington Military Alliance to promote the importance of military and defense industries, retain and enhance military assets, and maximize opportunities presented by the military and defense sector

### Strategy: Continuously improve the business climate

Business climate improvements have focused on streamlining regulations and recognizing their impact on small businesses while continuing to protect the environment, health, and safety. To support important social goals and adhere to environmental stewardship, businesses need a focus on predictability and efficiency. The next step is to scale up efforts with those foci in mind and understand how the state's fiscal environment interacts with business to serve the economy and quality of life.

#### Starting from a strong economic foundation

The region is operating from the foundation of a robust economy with strong and diversified industry clusters and successful, world-leading companies. Economic success, however, is not evenly distributed throughout the region and businesses are struggling to locate or retain space in a highly competitive market. Further, there has been a renewed focus on streamlining business regulations at the state level, working with local government entities. Integrating this approach to federal level also is needed.

#### As the region competes for business, business competes for space

Demand for industrial and commercial space is at an all-time high in the central Puget Sound region. A report published by JLL states that demand for industrial warehousing and facilities in the region is six times the demand for office space. Much of this demand for industrial space is focused in the Kent Valley and Pierce County. Industrial space, however, is not being built at nearly the rate of office space throughout the region, especially for larger facilities between 100,000 and 250,000 square feet.

At the same time, market pressures on limited available commercial space for lease threatens longstanding, successful businesses. Higher rent prices and low vacancy rates and inventory further exacerbate existing barriers to success for small businesses, especially for minority and women owned enterprises.

#### Efforts to streamline regulations

The Washington State Department of Commerce is partnering with local and state agencies to help improve the regulatory experience for businesses. The effort uses cross-jurisdictional partnerships to develop and promote regulatory streamlining best practices and tools that decrease the time, costs, and uncertainty for businesses complying with local and state requirements. In addition, Commerce has conducted pilot projects that test the streamlining of regulations while protecting health, environment, and other crucial factors. This approach also should be integrated into federal and international trade-related commerce,

Commerce partnered with the cities of Arlington, Bothell, Everett, Lynnwood, Marysville, and Mukilteo, the Economic Alliance Snohomish County, Impact Washington, and five manufacturers with facilities in Snohomish County on the Snohomish County Manufacturing Streamlining Pilot Project. The resulting Regulatory Roadmap provides manufacturers with concise and city-specific regulatory guidance to inform decisions on siting or expanding facilities.

The state Regulatory Fairness Act requires agencies to consider how proposed rules would impact the state's businesses. If an agency's proposed rule would put more than minor compliance costs on a business, the agency is required to prepare a Small Business Economic Impact Statement. This could also be carried into federal and international regulations that may impact local business product development, marketing, growth, and other aspects relating to its success.

Counties and cities must independently continue to do their part to foster a business climate that supports local economies. This is challenging in Washington due to significant fiscal constraints on local revenue sources. Continuous improvement in business processes and regulatory navigation are critical for businesses to invest in local municipalities.

#### State fiscal considerations

The state's fiscal structure has engendered debate regarding education funding gaps and, at the local level, cities and counties must be more creative to find revenues to cover ever-increasing costs of providing services. Businesses are challenged by Business & Occupation taxes and past ballot initiatives have greatly reduced cities' and counties' reliance on property taxes. Retail sales tax and creative new business taxes are among the very few tools cities have to raise revenue.

What needs to happen:

- Support and evolve existing regulatory streamlining efforts and find ways to scale up those efforts
- Create a process for collecting data across local and county jurisdictions on regulatory metrics - including length of time to acquire permits and land use planning - and utilize to target areas for improvement
- Produce quality information that demonstrates sources of public revenues and identifies how funds are raised to cover needed public investments and services

### Strategy: Maintain and grow incentives for industry competitiveness

Washington state and the Puget Sound region have fewer financial incentive programs to attract businesses and jobs than other states and regions. This makes credits to incentivize business to stay and grow all the more critical to compete with other places willing to give money to businesses to relocate.

Fewer incentives but more reasons for business success

Compared with other states, Washington state has fewer incentives. The Washington State Constitution limits the ability to provide incentives to individual businesses. Other states are more aggressive in providing tax and other incentives for companies to locate jobs in their states. Washington levies a business and occupation tax on the gross receipts of business activity occurring in the state, with rates that vary by industry.

Although it has fewer incentives, Washington state's tax structure appeals to industries with high earners. Washington state has no personal income tax, no unitary tax, and no inventory tax and no tax on interest, dividends, or capital gains.

Research and development is critical to the innovation economy

The state's R&D tax credit expired on January 1, 2015. The region's ICT and Life Science industries particularly valued these credits and cluster leaders cite the lack of the credit as a short-coming for state competitiveness. The tax programs served businesses conducting qualified research and development and pilot programs in advanced computing, advanced materials, biotechnology, electronic device technology, and environmental technology.

Washington is an important center for private and public sector research and development (R&D).

In 2014, the state ranked:

- 13<sup>th</sup> in higher education R&D expenditures (\$1.4 billion)
- 17<sup>th</sup> in Small Business Innovation Research awards (85)
- 5<sup>th</sup> in utility patents (6,448)

Businesses in the state are national leaders in R&D. In 2013, R&D performed among businesses in Washington totaled \$14.9 billion, ranking Washington 5<sup>th</sup> among all states. Businesses across the state received \$1.7 billion in federal science and engineering R&D spending in 2014, making Washington the 8<sup>th</sup> largest recipient in the U.S.

R&D activities require a highly skilled workforce, often with advance training, specialized work experience, and degrees. These workers earn wages well above the state average and a large share of these earnings are spent throughout the economy, supporting additional jobs and economic activity.

#### Additional non-tax incentives and pilot programs

There are a variety of other incentives in the state, including the High Unemployment County/Community Empowerment Zone and the Rural County/Community Empowerment Zone. The Strategic Reserve Fund can also be used for economic development purposes.

The Life Sciences Discovery Fund, funding for which was excluded from the state's FY 2016 budget, is also an important source of capital to support start-ups and innovation in the life sciences sector.

The cities of Arlington and Marysville have participated in a pilot program for an Industrial and Manufacturing Property Tax Exemption. They jointly funded a market study for the Arlington-Marysville Manufacturing Industrial Center, which is a hub of industrial activity. The pilot program exempts property taxes for the value of new construction of industrial/manufacturing facilities for 10 years.

#### What needs to happen:

- Restore R&D tax credits to support broad-based economic development across many sectors of the economy, including Clean Technology, Aerospace, Life Sciences, and Maritime
- Preserve industry tax incentives to maintain and expand the region's strong industry clusters
- Protect and grow the Strategic Reserve Fund and deploy it in strategic ways to further economic development, including for workforce development
- [NEW] Protect tax incentives that grow domestic investments in the state



## Strategy: Strengthen, coordinate, and grow retention, expansion, and recruitment efforts

The region's economy is strong, which is the best time to develop a strategy to leverage strengths and grow opportunity. Increased investments in business start-up encouragement, retention (both large and small) and expansion efforts will help coordinate these efforts better and enhance critical links in the region's industry clusters.

A region with the assets to attract investment, retain, and grow business

The region has the assets and attributes to successfully recruit and retain companies from around the country and the world. A joint project between the Brookings Institution and JPMorgan Chase, the Global Cities Initiative aims to help leaders in metropolitan areas reorient their economies to achieve greater engagement in world markets. This could be extended to start-ups and small businesses to aid in expanding into international commerce either directly and/or by networking with larger companies.

The Initiative found that successful metropolitan regions that attract investment:

- Have strong industry sectors
- Are organized to attract such investment
- Are home to strong educational and research institutions
- Have world renowned companies that act as magnets for other companies in their industry sector

The region has these attributes and assets, and more. As a result of their participation in the Global Cities Initiative, the Greater Seattle Region developed a Global Trade & Investment Plan and to further leverage these assets to capture a greater share of potential Foreign Direct Investment (FDI). An FDI Working Group continues to implement recommendations of the Plan.

### Organizing to attract investment

Each county in the region is home to an Associate Development Organization that serves as the retention, expansion, and recruitment arm for the cities in their counties. Each ADO has a detailed strategy that outlines their county's priority sectors and strategies. In addition, the Washington State Department of Commerce has created a strong retention and recruitment program and has leads designated to support key industry sectors. Coordination also happens as part of the Washington Economic Development Association meetings.

ADOs have a history of coordinating with each other and the Washington State Department of Commerce to leverage investment opportunities that contribute to the success of the whole region. The Washington State Department of Commerce

maintains a database of investment opportunities that foreign investors can tap into. ADOs, cities, and counties can add opportunities from their geographic areas into the database.

Existing coordination efforts between each of these entities are not overly formalized, however, and gaps can occur between economic development institutions at city, county, and state levels. More coordination is needed for the region to take full advantage of investment opportunities, especially as global competition increases.

### Economic Development Organizations in the Central Puget Sound Region

Statewide	Regionwide	Counties	Cities & Subregions
<p>U.S. Department of Commerce</p> <p>Washington State Department of Commerce</p> <p>Leading Cluster Associations</p> <ul style="list-style-type: none"> <li>■ Washington Aerospace Partnership</li> <li>■ Washington Technology Industry Association</li> <li>■ Washington Military Alliance</li> <li>■ Life Sciences Washington</li> <li>■ Washington Maritime Federation</li> </ul> <p>Emerging Cluster Associations</p> <ul style="list-style-type: none"> <li>■ Washington Wine Commission</li> <li>■ CleanTech Alliance</li> </ul> <p>International Groups</p>	<p>Puget Sound Regional Council (PSRC) - King, Kitsap, Pierce, and Snohomish counties</p> <p>Trade Development Alliance - King, Pierce, and Snohomish counties</p>	<p>Associate Development Organizations</p> <ul style="list-style-type: none"> <li>■ Economic Alliance Snohomish County</li> <li>■ EDC of Seattle-King County</li> <li>■ Economic Development Board Tacoma-Pierce County</li> <li>■ Kitsap County Economic Development Alliance</li> </ul> <p>Seattle Metropolitan Chamber of Commerce</p> <p>County Government Departments (all but Kitsap County)</p> <p>Workforce Development Councils</p> <ul style="list-style-type: none"> <li>■ Workforce Snohomish</li> <li>■ WDC Seattle-King County</li> <li>■ WorkForce Central (Pierce)</li> <li>■ Olympic WDC (includes Kitsap County)</li> </ul>	<p>City governments; economic development offices</p> <p>Chambers of Commerce</p> <ul style="list-style-type: none"> <li>■ Local chambers</li> <li>■ Ethnic chambers</li> </ul> <p>Sub-county alliances</p> <ul style="list-style-type: none"> <li>■ OneRedmond</li> <li>■ Sound Cities Association</li> <li>■ Soundside Alliance</li> </ul>

Investment in business retention and expansion efforts is smaller than in other regions. Compared to regions in other parts of the U.S. and the world, the region and state invest much less in business, recruitment, and expansion efforts. Over the years, funding has been flat and in some cases decreased for state, regional, and local efforts. At the same time, opportunities have grown, especially for FDI with emerging markets increasingly interested in investing and locating companies overseas. As opportunities

have grown, so too has competition. Other domestic regions are organizing and investing to become what the Puget Sound region already is. So too are international regions.

#### International opportunities

FDI is incorporated into outbound missions of the Trade Development Alliance of Greater Seattle and the Washington State Department of Commerce. The TDA works with the ADOs, Commerce, and cities on inbound efforts related to FDI.

Commerce organizes delegations to trade shows that attract FDI to the region and are often accompanied by ADO representatives that target investment for county specific industries.

In recent years, Commerce has organized a strong delegation to participate in an investment conference in Washington, D.C. where participants can meet with and attract foreign investment to their regions.

Industry sector organizations such as Life Science Washington and the Clean Technology Alliance engage in some FDI efforts, including working with inbound investors and participating in international missions organized by other organizations.

#### Cluster and supply chain

The Puget Sound region's strong industry sectors often rely on supply chains that play a key role in their continued success. There are critical links in the region's clusters and distribution networks such as advanced manufacturing suppliers and venture capital that help drive continued success.

#### Nurturing new opportunities

New opportunities are emerging in the region, including space exportation and innovative retail. The New York Times recently suggested the Puget Sound region is the Silicon Valley of space startups with companies such as Blue Origin, Vulcan Aerospace, and Planetary Resources located here. Though retail is certainly not a new industry in the region, regionally headquartered companies including Starbucks, Nordstrom, REI, and Costco continue to set new standards for the industry. New opportunities also exist with the region's flagship companies, including competing for assembly of a new Boeing jet likely to start development in the near future.

What needs to happen:

- Support investment in economic development organizations that assist with business start-ups (including market pioneers, and also retain, expand, and recruit companies to the region, both from domestic and international sources
- Improve coordination between economic development entities working to encourage business start-ups and small business and recruit and retain businesses to the region
- Strengthen critical links in the region's clusters (such as venture capital) and distribution networks (advanced manufacturing suppliers) that will require execution of recruiting strategies that engage top leadership among public and private sectors
- Identify, examine, and support new market and industry growth opportunities

### Strategy: Sustain and evolve the conditions necessary for innovation

The Puget Sound region has a history of innovation in business, institutions, and government. The region is home to anchor companies which conduct ground breaking research. Boeing, Amazon, Microsoft, and others provide a foundation for basic and applied research in the commercial sector. These businesses help inspire and attract talent from the sciences, arts, and other disciplines that can be leveraged by other industry clusters.

Sustaining the conditions that made this possible, such as world class research institutions and strong industries, along with evolving to create more areas of cross-sector collaboration, is critical to continued innovation.

#### World class research institutions

World class research institutions are key to innovation. The region is fortunate to have two top research universities in the nation - the University of Washington and Washington State University - to help drive the region's innovation economy.

UW is the top public university recipient of federal research dollars in the nation, receiving \$995 million in 2015. CoMotion, UW's collaborative innovation hub, launched 35 startups in 2015 and 2016.

WSU was awarded \$141 million in federal grant awards in 2016. Its Office of Commercialization helped launch 25 startups in the past four years, including three in the Puget Sound region.

The innovation process converts ideas into accepted products and services. Often it's a complex adaptive pathway consuming capital resources (physical, monetary, intellectual, social, cultural, etc.) over time.

#### Commercialization and collaboration are critical

Both universities have experts devoted to commercializing new ideas that directly impact the regional economy. At UW, CoMotion's goal is to develop companies and foster research from all areas of the university, including technology, health care, social sciences, and environmental studies. CoMotion provides co-working space and a startup accelerator for innovators and nurtures start-ups in software and science.

WSU's research serves the region in aerospace, biofuels, and agriculture best practices. Based at WSU's Puyallup Research and Extension Center, the Washington Stormwater Center's work on stormwater run-off mitigation has garnered international acclaim. The research supports industrial activities and aims to save energy and provide clean water for people and the fish they eat, while improving the quality of life throughout the region and beyond. WWU has similar STEM initiatives.

## Nurturing the Entrepreneurship Ecosystem

The region's entrepreneurship ecosystem is bolstered by formal institutions and programs, as well as through informal linkages. These range from access to guidance on start-ups, to capital through venture capital located locally and outside the region, to innovation spaces, incubators, and makerspaces.

The Seattle and Vancouver, B.C. regions' synergies in research, innovation, and technology development represent a game-changing opportunity to create an innovation corridor that could generate increased job opportunities and prosperity well beyond what the two cities could achieve separately. Strengthening the transportation systems from Portland through the central Puget Sound region to Vancouver, B.C. could create a larger economic region bolstered by more talent and active innovators, including institutions, strengthening the region as a destination for innovation.

What needs to happen:

- Encourage investment in higher education and research institutions as a tool to maintaining the region's strength in innovation
- Support collaborations between start-up business, small business, industry and universities to drive innovation in both the public and private sectors

## Goal: Connect the region to the world

The region is a growing pivotal domestic and global gateway for goods and people. Critical regional interests rely on growing global relationships. The movement of goods and people is central to economic growth and vitality and depends on quality infrastructure. Not only freight and transportation infrastructure, but also air travel, technology connectivity, energy, and non-motorized networks lay the groundwork for the region's connection both domestically and globally.

Forecasted population growth will increase demand on existing infrastructure. This is an opportunity to bolster existing infrastructure in a sustainable and ~~smart~~ flexible way that accommodates growth and signals to the rest of the world that the region efficiently competes globally. The region is enhancing domestic and global connections to bring the region closer to the rest of the world.

### Strategies:

- 🏭 Sustain and ~~grow~~ optimize commercial air travel connections domestically and globally
- 🏭 Build up and sustain ports and other infrastructure to support international trade and logistics
- 🏭 Support and promote international trade

### Strategy: Sustain and grow commercial air travel connections domestically and globally

Commercial aviation is a cornerstone of the region's economy and Seattle-Tacoma International Airport is its aviation powerhouse. Passenger traffic and cargo volumes are at record levels and are on a high-growth trajectory. In response, the Port of Seattle is investing hundreds of millions of dollars to modernize and increase the airport's capacity. A long-term strategy is needed to ensure the region's aviation capacity continues to match the needs of an expanding population and economy.

Sea-Tac Airport connects the region to the world

Sea-Tac is among the fastest growing major airports in the United States and ranks as one of the top 10 busiest airports in North America. The airport is a major regional employment center with more than 18,000 workers and indirectly supporting 172,000 jobs throughout the state.

The 24 airlines serving Sea-Tac offer flights to 77 non-stop domestic and 22 international cities. Locally headquartered Alaska Air Group is the nation's fourth-largest airline and serves 116 destinations throughout the U.S., as well as cities in Canada, Mexico, Costa Rica, and Cuba. Global giant Delta Air Lines operates a major international hub at Sea-Tac and provides non-stop service to destinations in Asia, Europe, Canada, and Mexico, as well as domestic locations. It is estimated that each international route provides \$75 million in economic activity each year.

Air cargo is another important element of the airport. Major imports include high value aerospace components and industrial machinery that are destined for Boeing and other aerospace companies. Fresh cherries grown in eastern Washington make up 20% of the cargo by tonnage exported via Sea-Tac. Seafood, including live geoduck, are 15% of the air cargo export tonnage.

Tourism and leisure travel is also a huge driver of aviation demand - both inbound and outbound. Approximately 55% of the state's population was born outside of Washington, including 17% who were born outside of the U.S. Those demographics drive travel demand as residents go "home" to visit family and friends or as they host visitors. Conventions, professional sporting events, and cruise ships also drive inbound travel.

The region needs to ~~increase~~ improve air capacity

Current projections are for passenger traffic through Sea-Tac to reach 66 million by 2034. Recent passenger traffic has exceeded projections. Growing demand for air passenger and cargo service reflects the airport's increased ties to the global economy. About nine million out-of-town visitors arrived via Sea-Tac for business or pleasure in 2013. Booming regional industries need to connect their employees with counterparts,



customers, and collaborators around the country and the world. Microsoft alone accounts for about 3,000 outbound air travelers each week. Sustaining the region as a center of innovation and excellence depends upon maintaining connections to the world.

Sea-Tac is planning for the future

The Port of Seattle is developing a Sustainable Airport Master Plan. The plan projects that 123 domestic gates will be needed, up from the current 88; and 27 international gates, more than doubling the current 11 gates. Sea-Tac is breaking ground on a new, multi-level, 450,000 square-foot International Arrivals Facility to accommodate growing demand for international service.

The extension of light rail will allow for more access to Sea-Tac Airport, both for employees and travelers. Airport officials are continuing to take steps to make the airport more environmentally sustainable and reduce its impact on the community.

Eventually new airports will be needed

King County International Airport (Boeing Field) in Seattle averages around 200,000 takeoffs and landings each year. This airport serves smaller commercial passenger airlines and private aircraft owners, Boeing, as well as cargo carriers and the military. In Snohomish County, there are plans at Paine Field to accommodate passenger air travel at two new gates. The airport currently handles around 100,000 annual flights for Boeing operations and other private aircraft, and this expansion would add approximately 10-20 new flights per day.

As the region grows in population and jobs, so will the demand for commercial air service. The highest quality of passenger experience includes timeliness and frequency of flights, efficient access in and out of the terminals, ready connectivity to the region, and a superior airport experience.

What needs to happen:

- Provide input and support for the Sustainable Master Plan, as well as prepare for, but not encourage, the possibility of commercial flights at other locations in the region
- Support environmental efforts by the Port Commission to reduce greenhouse gas emissions at airport by 50% from 2005 levels by 2030, and reduce aircraft noise
- Support airlines that service Sea-Tac Airport for continued success as a connected region
- Support tourism efforts which drive a substantial amount of passenger traffic through Sea-Tac Airport.

### Strategy: Build up and sustain ports and other infrastructure to support international trade and logistics

The Puget Sound region's strategic location, robust distribution infrastructure, and outward looking vision help make it one of the great transshipment and export centers of the country. The region has repeatedly taken proactive steps to maintain and expand its manufacturing, distribution, and exporting status.

The region is a major transshipment point

The Puget Sound region is home to the fourth-largest port container complex in the country with the Northwest Seaport Alliance, a joint venture by the Ports of Seattle and Tacoma. Everett is an important high-value port that supports the manufacturing, construction, energy, and forest product industries. Bremerton is home to the Puget Sound Naval Shipyard.

The natural deep water ports of the region, combined with short rail transit times to population centers in the Midwest and on the East Coast, continue to provide a competitive advantage for both imports and exports. The region has a balance of both imports and exports, a positive signal to global shipping carriers. In addition to manufactured products, the region has strong export streams for agricultural and seafood products.

The Northwest Seaport Alliance supports almost 50,000 jobs via its marine cargo operations generating \$4.3 billion in statewide business revenue. The Port of Everett supports Washington's largest export value custom's district with more than \$29 billion in goods exported in 2015 alone. The ports are an economic engine for the region and provide a competitive advantage for exporters in the region to easily, effectively and cost-efficiently get their products to market.

Investing for the future success

The Northwest Seaport Alliance is making strategic infrastructure investments to ensure the ports continue to be competitive in the future guided by its 10-year Strategic Business Plan. These include modernization plans to prepare for larger container ships, harbor deepening, road and rail improvements, and improving communications among the different elements of the port supply chain. These improvements are critical to keeping regional ports competitive.

The Port of Everett is also making infrastructure upgrades including extending its rail connections, widening intersections to make it easier to move containers to the highway, and other improvements to accommodate larger ships. The Port of Everett is a key supporting element for the aerospace industry. Port of Seattle and private terminals

also include active terminals for maritime industry, fishing and seafood processing as well as grain exports.

The Port of Bremerton continues to upgrade its infrastructure which includes rail access to deep water cargo facilities, the Bremerton National airport, major highways, and over 3000 acres for future development. The Bremerton area is a hub for the military and defense sector and supports the maritime and aerospace industries.

The region has an established track record of delivering strategic local infrastructure projects that have regional benefits through the work of the FAST Corridor Partnership. The region has built on these successes and continues to identify strategic investments through new and emerging opportunities at the state and federal level that will benefit freight mobility throughout the entire region. The Urban Freight Lab at the University of Washington works for innovative ways to improve goods movement in the region.

#### Freight mobility

Freight mobility continues to be a priority for the region. Truck traffic is projected to increase 122% by 2040. Currently, trucks move 64.3% of freight in Washington. At the same time, railroads transported 121.8 million tons of freight in Washington in 2014.

PSRC has developed a comprehensive, multimodal Freight Strategy that serves as the freight component of Transportation 2040. The Freight Strategy examines all of the main freight modes, including rail, truck, air, and marine cargo, and examines the current and future issues as the region looks to planning for a sustainable transportation system out to 2040. Major changes in the industry and freight delivery systems will require revisiting that strategy as part of future plan updates to ensure the continued viability and competitiveness of the region's ports.

What needs to happen:

- Implement the Northwest Seaport Alliance's 10-year terminal improvements
- Support the Port of Everett's, Port of Bremerton's, and other ports' modernization infrastructure improvements
- Support the recommendations of the region's Multimodal Freight Strategy, including prioritizing investments that enhance freight and goods environmentally efficient mobility

### Strategy: Support and promote international trade

International trade is critical to the region's economy. To ensure continued prosperity, the region needs to support robust branding and connecting initiatives as well as trade policies that benefit the region.

The most internationally trade tied region

No other U.S. region is tied to the international economy more than the Puget Sound region. More than 40% of jobs in the region are tied to international trade. The Puget Sound region is one of the largest exporting regions in the country and, per capita, Washington is the second-largest exporting state. The region's markets are located all over the world, with special strengths in Asia and Europe, and has world class air and water transportation connections to match.

The region's private and philanthropic sectors provide relationships that span the globe. Boeing, Microsoft, Amazon, Starbucks, the Bill and Melinda Gates Foundation, PATH, and others have offices, outlets, and facilities around the world.

The Puget Sound region and Washington state are home to higher education institutions with international relationships, expertise, students, and partnerships. Washington is 11<sup>th</sup> in the nation for the number of international students studying at its universities and colleges.

Tourism is an export of the region that has seen large growth in recent years. It has also seen a diversity of markets, including in recent years a large increase of tourists from China. There are tourism attractions throughout the region that would benefit from greater marketing and exposure to key markets.

The region works to help companies trade internationally

The TDA, Washington State Department of Commerce, and others work to connect small and medium size companies with international opportunities. Amplifying those activities is especially important in an uncertain federal environment and as more regions around the country actively seek their own international opportunities. While the organizations doing this work do meet and coordinate, it is important to strengthen this collaboration even further. Negotiable pathways may be found in sales involving export regulations. Products and long-term collaborative service agreements may need long-term support within federal trade regulations and export requirements.

The Washington State Department of Commerce takes a sectoral approach to its international trade efforts with specialists in a variety of the state's top industries. These staff provide a range of technical and consulting services to help small and medium size companies export. Commerce commissioned an export plan to encourage defense contractors to export their products and services. Research conducted in developing the plan found that many companies neither knew of the help that is available to them to

export, nor that much of that assistance is free of charge. The region should find ways and methods to better inform businesses that such assistance is available.

Various organizations connect, market, and brand the region

The region is home to organizations such as the Trade Development Alliance of Greater Seattle, Associate Development Organizations, the Washington State Department of Commerce, U.S. Export Assistance Center, and others who have been building relationships around the world. Other regions around the United States are emulating what the Puget Sound region has created to connect itself internationally. At the same time, other region's efforts at international economic development are often performed at a larger scale and engage in deeper analytics to target markets for specific opportunities.

The Trade Development Alliance of Greater Seattle promotes and connects the Puget Sound region internationally for trade and business. There are also a variety of other international organizations located in the region, including country-specific organizations, that conduct similar outreach. The Puget Sound region is home to a large and active consular corps. Industry specific organizations coordinate some international activities and partner with and participate in other international organizations' activities and initiatives. Challenge Seattle, a private sector initiative led by CEOs of some of the region's largest companies, has an initiative to tell the Puget Sound region's story around the country and around the world.

WSU is developing an Asia Pacific Center to further advance, extend, and apply knowledge with and about the Asia Pacific region. The University of Washington continues to develop the Global Innovation Exchange (GIX) with Tsinghua University with the first group of students slated to begin studying and conducting research at the partnership's new Bellevue campus next fall.

Branding challenges remain

Many World famous companies are headquartered here, however, many people do not associate them with the Puget Sound region. Other state's offer support for marketing efforts that help promote the region to tourist and businesses around the world. Washington state currently provides only minimal support for these efforts, being significantly outspent by other states.

The Washington Tourism Alliance has been working to strengthen both public and private support for statewide branding and marketing efforts. Investors, buyers, and visitors, however, also associate the region with nearby peer communities that share similar natural, social, and business environments. There may be opportunities to coordinate broader marketing efforts with this greater region, including Portland, Oregon, and Vancouver, B.C.

The region supports free and fair trade

With the new presidential administration, there may be a different approach to federal international trade policy. While the region does not set federal trade policy, it competes within the framework established by the federal government. Although the region is home to perhaps the most internationally-trade literate population in the U.S., given the unpopularity of international trade around the country, it is important to reiterate international trade's importance to the region: the region supports free and fair trade.

It is also important to mitigate trade-offs from international trade in both the national and regional economy. Other strategies address these issues specifically, including worker training programs and education access.

The Washington Council on International Trade continues to play a leadership role on key international trade policy issues. WCIT is focusing on support for the Export-Import Bank, increasing port competitiveness, and support for freight mobility among other issues. The International Trade Administration, an agency in the U.S. Department of Commerce, helps to promote U.S. exports of nonagricultural goods and services.

The Export-Import Bank, which finances and insures the foreign purchases of U.S. goods and services, saw its authorization severely reduced from \$20 billion to \$5 billion. This limited the Bank's ability to help exporters. In the year prior to that, the Export-Import Bank supported \$27.5 billion in exports from Washington state companies. In the last five years, 70% of the companies helped by Ex-Im were small businesses.

What needs to happen:

- Support efforts by the TDA, Commerce, regional ports and others to connect the region, and its companies, to international markets
- Work to better educate regional businesses about resources to help them export, and encourage regional businesses to export
- Support continued international partnerships such as GIX and the creation of the WSU Asia Pacific Center
- Continue to market the region internationally and support the coordinated branding efforts of Commerce, TDA, and Challenge Seattle
- Support state tourism marketing efforts to raise the region's profile for trade relationships
- Promote understanding of international trade's importance to the region, while working to mitigate the trade-offs from international trade
- Encourage federal leadership on trade policy, including the extension of the authorization of the Export-Import Bank and to fill vacancies on the Board of Directors