

Understanding Washington's Economic Development Ecosystem, the Importance of Regionalism & the Power of Partnerships



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First - What an Incredible Region!

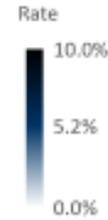


About WEDA

- ▶ Washington State's *only* trade association laser-focused on economic development
- ▶ WEDA is committed to recovering, retaining, expanding and recruiting jobs and investment across all of Washington State
- ▶ 25th Anniversary in 2020
- ▶ ***Our Strategic Goals - since COVID-19***: Creating an imperative to empower communities across Washington with tools to recover from the COVID-19 crisis, assisting employers large and small in rebuilding, becoming globally competitive and growing jobs, while supporting an equitable economy and inclusive economic development.
- ▶ ***We Believe: The time is now*** to rebuild our economic vitality, increase the resiliency of our economy and strengthen the economic development ecosystem at state, regional and local levels.

Statewide Challenges but Progress

Unemployment Rate by County
October 2022
Not Seasonally Adjusted



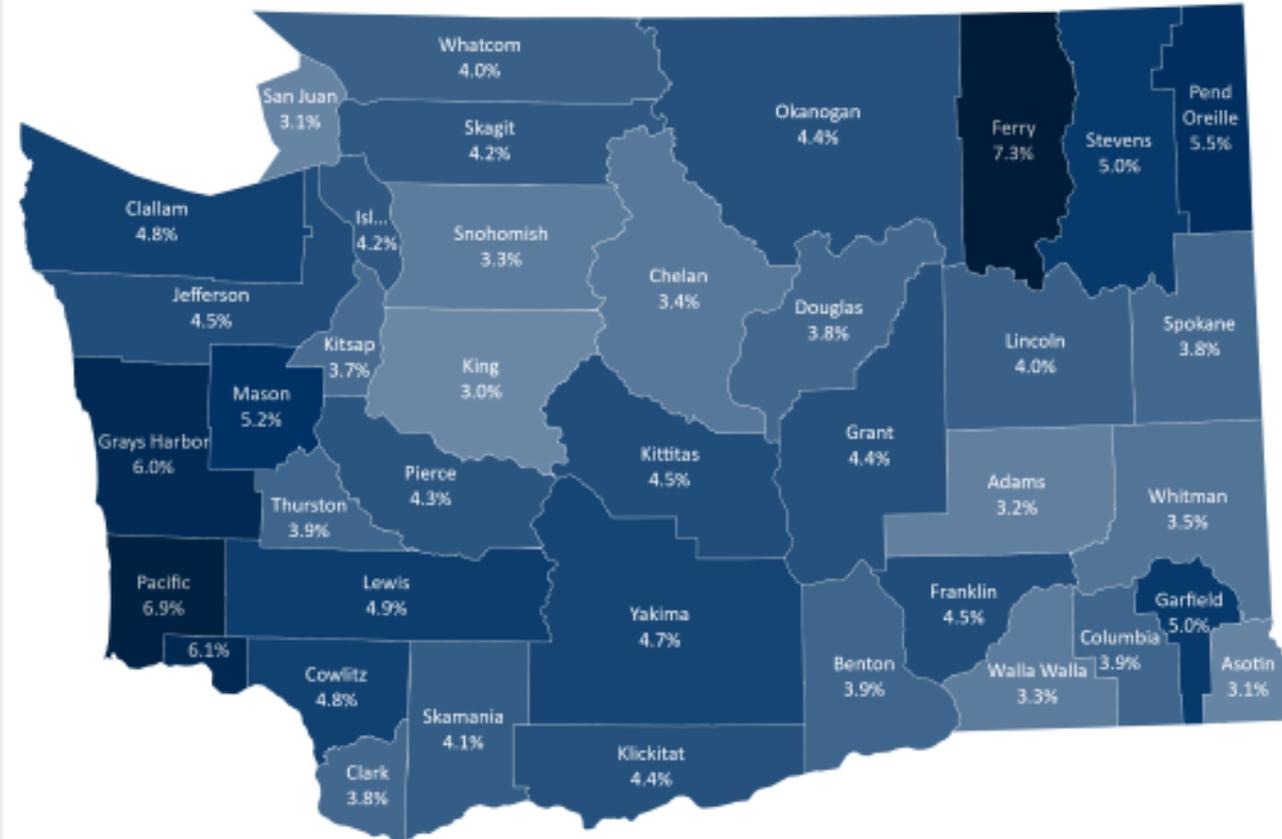
US Rate:

3.7%
- 6.1M

**WA State
Rate:**

3.8% -
154K --
was as
high as
16.3% in
4/20

Source: WA
State ESD; US
BLS



WEDA's 2023 Action Agenda

WEDA's 2023 Legislative Agenda focuses on the most critical actions lawmakers can take to recover, retain and grow living wage jobs, foster vibrant communities, support equity and opportunity for all and spark re-investment across Washington State:

2023 --DRAFT-- LEGISLATIVE AGENDA

Working Together for Job Growth & Economic Vitality Across Washington

- ▶ ***Strengthen the Economic Development Ecosystem***
- ▶ ***Foster Catalysts for Job Recovery & Growth***
- ▶ ***Increase Economic Vitality for All of Washington***

Defining ECOSYSTEM

ec·o·sys·tem /'ēkō ,sistəm/ **noun:**
A complex network or interconnected system.

- An *Economic Development Ecosystem* consists of a well-thought-out network of interconnected organizations and institutions, within a defined area, that *collaborate to enhance the economic well-being of a community*. (Hickey Global, 2021)
- A strong & balanced economic ecosystem *must consider the well-being of the entire community*, including desired impacts and economic outcomes.

What Is an Econ. Dev. ECOSYSTEM?

ECONOMIC FOUNDATIONS

-  Talent/Education
-  Entrepreneurship/Innovation
-  Transportation/Infrastructure
-  Real Estate/Quality of Place

 Marketing

 Business Attraction

 Retention & Expansion

 Export/Trade

BUSINESS DEVELOPMENT

INTEGRATED ECOSYSTEM

ECONOMIC OUTCOME

 Increased Prosperity

 Job Opportunity

 Increased Standard of Living

 Job Creation

 New Payroll

 Capital Investments

IMPACT

Strengthen the Economic Development Ecosystem

Economic Development is a Team Sport. There are many important economic development entities and players:

- ▶ Washington State Department of Commerce, including Industry Sector Leads
- ▶ Other state and federal agencies, WA Small Business Development Centers
- ▶ Economic Development Councils/Associate Development Organizations
- ▶ Ports (some are Associate Development Organizations)
- ▶ Local Government - Counties & Cities
- ▶ Tribes
- ▶ Universities
- ▶ Workforce development partners
- ▶ State industry cluster/trade associations (AFA, WTIA, LSW, WA Maritime Fed.)
- ▶ Association of Washington Business, Washington Roundtable, local Chambers of Commerce, private businesses, banks, Community Devel. Financial Institutions
- ▶ Other coalitions/EDOs/regional EDOs/Economic Development Districts/MPOs
- ▶ Labor partners
- ▶ ***Many more:*** Visitor & Convention Bureaus, Main Street, MDOs, railroads, utilities, redevelopment agencies, Impact WA, incubators & accelerators

Strengthen the Economic Development Ecosystem

Associate Development Organizations/Economic Development Councils

- ▶ Governor Booth Gardner created “Team Washington” network in 1985 - still high-performing 37 years later
- ▶ 34 regional economic development organizations serve all 39 counties
- ▶ “**Ground game**” for Washington State Commerce department; underpin the State’s economic development programs and initiatives
- ▶ Enhance economic development service delivery and results statewide through public-private, state-local partnerships
- ▶ **Mission: confidential, client-based economic development** that public-private partnerships are uniquely equipped to provide
- ▶ Critical role as *conveners & catalysts*

Strengthen the Economic Development Ecosystem

Associate Development Organizations/Economic Development Councils

COLLECTIVE RESULTS:

- ▶ Over the last five years, local ADO/EDCs have helped over **672 businesses** expand or develop new facilities and assisted **564 start ups**.
- ▶ These companies have invested over **\$3.84 billion** in land, buildings and equipment.
- ▶ These growing businesses have created over **13,851 new jobs** and retained over **13,733 jobs**.
- ▶ EDC business clients are estimated to generate over **\$100 million** in new tax revenues for Washington State and local communities. Every state dollar leverages a match of at least six dollars from other public and private sources.

PROPOSED ADDITIONAL SUPPORT:

- ▶ ***New responsibilities*** including equity and increased accountability yet no Cost-of-Living, inflation or annual population adjustments
- ▶ ***Ongoing \$10 million “ADO Innovation, Sustainability, Partnerships & Equity Fund”*** proposed to Governor & Legislature

Defining REGIONALISM

re·gion·al·ism /'rējənəl,izəm/ **noun:**
The theory or practice of *regional* rather than *central* systems of administration or economic, cultural, or political affiliation.



REGIONALISM in Economic Development is. . .

- 1) **Building a cross-border Regional Economic Strategy** focused on common business retention/expansion/recruitment/entrepreneurship priorities, extensive research and data analysis, targeting industry clusters and diversification, defining and addressing a SWOT analysis (*should be within counties and across counties*)
- 2) **Executing on this Regional Economic Strategy** with measurable and accountable action items – short and long-term
- 3) **Focusing on cross-border and common Infrastructure & Innovation** needs that will catalyze job growth
- 4) **Building Resources to Build Business Resilience** and Address Access to Capital, Technical Assistance & Equity Gaps (esp. Small Business)
- 5) **Robust Partnerships to Address Workforce Gaps & Meet Employers' Talent Needs**
- 6) **Building Our Own Economic Development Talent Pipeline**
- 7) **Recognizing We Can Accomplish Much More** if we *align on shared visions, common goals* and *not* who gets the credit

REGIONALISM is. . .



Reflections on REGIONALISM & the Importance of PARTNERSHIPS

- ▶ **Regional Economic Development is a Team Sport.** Must work across: disciplines, government levels, public/private/nonprofit. Look “up and out,” leverage regional, state & federal collaborations & resources.
- ▶ **Collective, coordinated capacity *can be differentiator***
- ▶ There is no **silver bullet** solution, but there are **professionals in every discipline** who should be consulted and leveraged, and could be partners.
- ▶ Employers and economic developers and all leaders must share learnings/best practices broadly and ***work together!***
- ▶ **Leverage data, continually evaluate and improve.**
- ▶ **Need short-term wins *and* long-term “Big Ideas.”**
- ▶ **Be nimble, adaptive and stay humble.**
- ▶ ***Great work underway right here, right now!***

Important Trends & Opportunities

- ▶ **Talent (or lack thereof)** is a major driver of our ability to make progress in almost all levels and sectors
- ▶ **Reinvention of the Workplace** sparking need for flexibility and worker retention - and reinvention of commercial real estate uses and strategies
- ▶ **Major Opportunities** through federal Infrastructure package, CHIPS Act and Inflation Reduction Act/Clean Energy legislation, plus state transportation package
- ▶ **Diversity, Equity & Inclusion** must be central to the work.
- ▶ Addressing **broadband** infrastructure gaps is essential.
- ▶ Critical need for **Child Care** infrastructure and options
- ▶ **Workforce Housing** is an economic imperative
- ▶ **Manufacturing is Back!** Supply chain crisis = closer to home

Let's Connect

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