

2SHB 1234 - S COMM AMD

By Committee on Economic Development

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that the use of
4 industrial clusters as a descriptive tool can provide a clear
5 understanding of the relationships between firms that drive the local
6 economy. An industry cluster is a group of complementary, competing,
7 and interdependent firms that represent the entire value chain of a
8 broadly defined industry from suppliers to end products, including
9 supporting services and specialized infrastructure. The legislature
10 further finds that (1) cluster-based economic analysis is a tool for
11 understanding industry dynamics; (2) the purpose of cluster analysis is
12 to identify those areas of the economy in which a region has or might
13 develop a comparative advantage and to develop short and long-term
14 strategies for growing the regional economy; and (3) using cluster
15 analysis in the development of economic development strategies
16 highlights opportunities for coordination and improvement in areas of
17 mutual concern to firms without threatening or distorting competition.
18 It is the intent of the legislature that the department of community,
19 trade, and economic development use a cluster-based economic analysis
20 in the development and delivery of economic development services in the
21 state.

22 **Sec. 2.** RCW 43.330.090 and 1998 c 245 s 85 are each amended to
23 read as follows:

24 (1) The department shall work with private sector organizations,
25 industry and cluster associations, federal agencies, state agencies,
26 local governments, local economic development organizations, and higher
27 education and training institutions (~~(to assist)~~) in the development of
28 industry cluster-based strategies to diversify the economy, facilitate
29 technology transfer and diffusion, and increase value-added production

1 (~~by focusing on targeted sectors~~). The initial industry clusters
2 targeted (~~sectors~~) by the department may include, but are not limited
3 to, software, forest products, biotechnology, environmental
4 (~~industries~~) technology, recycling markets and waste reduction,
5 aerospace, photonics, food processing, tourism, film and video,
6 microelectronics, new materials, robotics, and machine tools. The
7 department shall, on a continuing basis, evaluate the potential return
8 to the state from devoting additional resources to (~~a targeted~~
9 ~~sector's~~) an industry cluster-based approach to economic development
10 and (~~including~~) identifying and assisting additional (~~sectors in its~~
11 ~~efforts~~) clusters. The department shall use information gathered in
12 each service delivery region in formulating its (~~sectoral~~) industry
13 cluster-based strategies (~~and in designating new targeted sectors~~).

14 (2) The department shall ensure that the state continues to pursue
15 a coordinated program to expand the tourism industry throughout the
16 state in cooperation with the public and private tourism development
17 organizations. The department shall work to provide a balance of
18 tourism activities throughout the state and during different seasons of
19 the year. In addition, the department shall promote, market, and
20 encourage growth in the production of films and videos, as well as
21 television commercials within the state; to this end the department is
22 directed to assist in the location of a film and video production
23 studio within the state.

24 (3) In assisting in the development of (~~a targeted sector~~) its
25 industry cluster-based strategies, the department's activities may
26 include, but are not limited to:

27 (a) Conducting focus group discussions, facilitating meetings, and
28 conducting studies to identify (~~members of the sector~~) industry
29 clusters, appraise the current (~~state of the sector~~) information
30 linkages within a cluster, and identify issues of common concern within
31 (~~the sector~~) a cluster;

32 (b) Supporting the formation of industry and cluster associations,
33 publications of association directories, and related efforts to create
34 or expand the activities (~~of~~) of industry and cluster associations;

35 (c) (~~Assisting in the formation of flexible networks by providing~~
36 ~~(i) agency employees or private sector consultants trained to act as~~

1 ~~flexible network brokers and (ii) funding for potential flexible~~
2 ~~network participants for the purpose of organizing or implementing a~~
3 ~~flexible network;~~

4 ~~(d))~~ Helping establish research consortia;

5 ~~((e))~~ (d) Facilitating joint training and education programs;

6 ~~((f))~~ (e) Promoting cooperative market development activities;

7 ~~((g))~~ (f) Analyzing the need, feasibility, and cost of
8 establishing product certification and testing facilities and services;
9 and

10 ~~((h))~~ (g) Providing for methods of electronic communication and
11 information dissemination among firms and groups of firms to facilitate
12 ~~((network))~~ industry cluster activity."

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13 On page 1, line 1 of the title, after "development;" strike the
14 remainder of the title and insert "amending RCW 43.330.090; and
15 creating a new section."

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