
**Trade & Economic Development
Committee**

HB 1234

Brief Description: Establishing an industry cluster-based approach to economic development.

Sponsors: Representatives Pettigrew, Veloria, McCoy, Conway and Chase.

Brief Summary of Bill

- Directs the Department of Community, Trade & Economic Development to identify industry clusters, working with various entities and to develop strategies to foster the development of the state and regional industry clusters.

Hearing Date: 1/28/03

Staff: Tracey Taylor (786-7196).

Background:

A cluster is a geographic grouping of interdependent, competitive companies, their suppliers and supporting institutions. They represent regional specialization and comparative advantage. There is a growing interest in looking at particular industry clusters in Washington to better focus the public support of economic development. This includes looking at the natural clusters to be more responsive in creating an educated and skilled workforce to support the clusters and providing public infrastructure.

Summary of Bill:

The Department of Community, Trade and Economic Development (DCTED) must work with industry associations and organization to identify regional and statewide industry clusters. This includes conducting focus groups, supporting the formation of industry cluster associations, and providing methods of economic communication and information among the firms within the industry cluster.

The DCTED must also work with industry clusters, private organizations, local governments, local economic development organizations and higher education and training institutions to

develop strategies to strengthen Washington's industry clusters. On a continuing basis, the DCTED should evaluate the effectiveness of the services provided to the industry clusters.

Appropriation: None.

Fiscal Note: Requested on January 24, 2003.

Effective Date: Ninety days after adjournment of session in which bill is passed.