
SUBSTITUTE SENATE BILL 6790

State of Washington 61st Legislature 2010 Regular Session

By Senate Economic Development, Trade & Innovation (originally sponsored by Senator Kastama)

READ FIRST TIME 02/04/10.

1 AN ACT Relating to cluster and innovation partnership zone grants;
2 amending RCW 43.330.090; and making an appropriation.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 43.330.090 and 2009 c 151 s 1 are each amended to read
5 as follows:

6 (1) The department (~~shall~~) must work with private sector
7 organizations, industry and sector associations, federal agencies,
8 state agencies that use a sector-based approach to service delivery,
9 local governments, local associate development organizations, and
10 higher education and training institutions in the development of
11 industry sector-based strategies to diversify the economy, facilitate
12 technology transfer and diffusion, and increase value-added production.
13 The industry sectors targeted by the department may include, but are
14 not limited to, aerospace, agriculture, food processing, forest
15 products, marine services, health and biomedical, software, digital and
16 interactive media, transportation and distribution, and
17 microelectronics. The department (~~shall~~) must, on a continuing
18 basis, evaluate the potential return to the state from devoting

1 additional resources to an industry sector-based approach to economic
2 development and identifying and assisting additional sectors.

3 (2) The department's sector-based strategies (~~shall~~) must
4 include, but not be limited to, cluster-based strategies that focus on
5 assisting regional industry sectors and related firms and institutions
6 that meet the definition of an industry cluster in this section and
7 based on criteria identified by the working group (~~established in~~)
8 convened by the state economic development commission and the workforce
9 training and education coordinating board under this chapter.

10 (3) (~~(a) The department shall promote, market, and encourage growth~~
11 ~~in the production of films and videos, as well as television~~
12 ~~commercials within the state; to this end the department is directed to~~
13 ~~assist in the location of a film and video production studio within the~~
14 ~~state.~~

15 (~~b) The department may, in carrying out its efforts to encourage~~
16 ~~film and video production in the state, solicit and receive gifts,~~
17 ~~grants, funds, fees, and endowments, in trust or otherwise, from~~
18 ~~tribal, local, or other governmental entities, as well as private~~
19 ~~sources, and may expend the same or any income therefrom for the~~
20 ~~encouragement of film and video production. All revenue received for~~
21 ~~such purposes shall be deposited into the film and video promotion~~
22 ~~account created in RCW 43.330.092.~~

23 (~~4~~) In assisting in the development of regional and statewide
24 industry cluster-based strategies, the department's activities
25 (~~shall~~) must include, but are not limited to:

26 (a) Facilitating regional focus group discussions and conducting
27 studies to identify industry clusters, appraise the current information
28 linkages within a cluster, (~~and~~) identify issues of common concern
29 within a cluster, and promote industry cluster involvement in the
30 application process for designation of innovation partnership zones;

31 (b) Supporting industry and cluster associations, publications of
32 association and cluster directories, and related efforts to create or
33 expand the activities of industry and cluster associations including
34 their involvement with innovation partnership zones;

35 (c) Administering a competitive grant program to fund economic
36 development activities designed to further regional cluster growth and
37 to integrate its sector-based and cluster-based strategies with its
38 support for the development of innovation partnership zones. In

1 administering the program, the department (~~(shall)~~) must work with (~~(an~~
2 ~~industry cluster advisory committee with equal representation from)~~)
3 the economic development commission(~~(,)~~) and the workforce training and
4 education coordinating board(~~(, the state board for community and~~
5 ~~technical colleges, the employment security department, business, and~~
6 ~~labor)~~) to develop criteria for rewarding grants.

7 (i) (~~The industry cluster advisory committee shall recommend~~
8 ~~criteria for evaluating applications for grant funds and recommend~~
9 ~~applicants for receipt of grant funds. Criteria shall include not~~
10 ~~duplicating)~~) Grant recipients must provide matching funds equal to the
11 size of the grant.

12 (ii) Grants may be awarded to support the formation of sector
13 associations or cluster associations, the identification of the
14 technology and commercialization needs of a sector or cluster,
15 facilitating working relationships between a sector association or
16 cluster association and an innovation partnership zone, expanding the
17 operations of an innovation partnership zone, and developing and
18 implementing plans to meet the technology development and
19 commercialization needs of industry sectors, industry clusters, and
20 innovation partnership zones. The projects receiving grants must not
21 duplicate the purpose or efforts of industry skill panels but priority
22 must be given to applicants that complement industry skill panels and
23 will use the grant funds to build linkages and joint projects.

24 (~~(ii) Applicants must include organizations from at least two~~
25 ~~counties and participants from the local business community. Eligible~~
26 ~~organizations include, but are not limited to, local governments,~~
27 ~~economic development councils, chambers of commerce, federally~~
28 ~~recognized Indian tribes, workforce development councils, and~~
29 ~~educational institutions.~~

30 (iii) ~~Applications must evidence financial participation of the~~
31 ~~partner organizations.~~

32 (iv) ~~Eligible activities include the formation of cluster economic~~
33 ~~development partnerships, research and analysis of economic development~~
34 ~~needs of the cluster, the development of a plan to meet the economic~~
35 ~~development needs of the cluster, and activities to implement the plan.~~

36 (v) ~~Priority shall be given to applicants that complement industry~~
37 ~~skill panels and will use the grant funds to build linkages and joint~~
38 ~~projects.~~

1 ~~(vi))~~ (iii) The maximum amount of a grant is ~~((one hundred))~~
2 seventy-five thousand dollars.

3 ~~((vii) A maximum of one hundred thousand dollars total can go to~~
4 ~~King, Pierce, Kitsap, and Snohomish counties combined.~~

5 ~~(viii))~~ (iv) No more than ten percent of funds received for the
6 grant program may be used by the department for administrative costs.

7 ~~((5))~~ (4) As used in this chapter, "industry cluster" means a
8 geographic concentration of interconnected companies in a single
9 industry, related businesses in other industries, including suppliers
10 and customers, and associated institutions, including government and
11 education.

12 NEW SECTION. **Sec. 2.** The sum of eight hundred thousand dollars,
13 or as much thereof as may be necessary, is appropriated to the
14 department of commerce for the fiscal year ending June 30, 2011, from
15 the state general fund to meet the department's obligations under
16 section 1 of this act. Of this amount, six hundred thousand dollars
17 must be used for the grant program required under section 1(3)(c) of
18 this act.

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