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SECOND SUBSTITUTE SENATE BILL 6790

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State of Washington                      61st Legislature                      2010 Regular Session

By Senate Ways & Means (originally sponsored by Senator Kastama)

READ FIRST TIME 02/09/10.

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

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

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

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

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

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

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

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

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

37 (c) Administering a competitive grant program to fund economic  
38 development activities designed to further regional cluster growth and

1 to integrate its sector-based and cluster-based strategies with its  
2 support for the development of innovation partnership zones. In  
3 administering the program, the department (~~((shall))~~) must work with (~~((an~~  
4 ~~industry cluster advisory committee with equal representation from))~~)  
5 the economic development commission(~~(,)~~) and the workforce training and  
6 education coordinating board(~~(, the state board for community and~~  
7 ~~technical colleges, the employment security department, business, and~~  
8 ~~labor))~~) to develop criteria for rewarding grants.

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

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

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

32 (iii) ~~Applications must evidence financial participation of the~~  
33 ~~partner organizations.~~

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

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

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

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

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

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

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