
SENATE BILL 6790

State of Washington

61st Legislature

2010 Regular Session

By Senator Kastama

Read first time 01/27/10. Referred to Committee on Economic Development, Trade & Innovation.

1 AN ACT Relating to providing regional economic development
2 services; amending RCW 43.330.070 and 43.330.090; repealing RCW
3 43.330.080, 43.330.082, 43.330.084, and 43.330.086; and making
4 appropriations.

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

6 **Sec. 1.** RCW 43.330.070 and 1993 c 280 s 10 are each amended to
7 read as follows:

8 (1)(a) The department (~~shall~~) must work closely with local
9 communities to increase their capacity to respond to economic,
10 environmental, and social problems and challenges. The department
11 (~~shall~~) must coordinate the delivery of development services and
12 technical assistance to local communities or regional areas. It
13 (~~shall~~) must promote partnerships between the public and private
14 sectors and between state and local officials to encourage appropriate
15 economic growth and opportunity in communities throughout the state.
16 The department (~~shall~~) must promote appropriate local development by:
17 Supporting the ability of communities to develop and implement
18 strategic development plans; assisting businesses to start up,
19 maintain, or expand their operations; encouraging public infrastructure

1 investment and private and public capital investment in local
2 communities; supporting efforts to manage growth and provide affordable
3 housing and housing services; providing for the identification and
4 preservation of the state's historical and cultural resources; and
5 expanding employment opportunities.

6 (b) In carrying out its responsibilities under this subsection (1),
7 the department must provide grants for the delivery of economic
8 development services on a regional basis. Regions must be composed of
9 at least two counties except that counties with populations greater
10 than four hundred fifty thousand people may constitute a single region.
11 No region may have fewer than two hundred thousand people. Each region
12 may have no more than one grant recipient pursuant to this subsection.
13 No recipient may receive more than two hundred fifty thousand dollars
14 and no recipient may receive less than one hundred fifty thousand
15 dollars, subject to available funds.

16 (c) The grant recipient may be a consortium of associate
17 development organizations or other organizations and must be broadly
18 representative of community and economic interests. The grant
19 recipient must be capable of identifying key economic and community
20 development problems, developing appropriate solutions, and mobilizing
21 broad support for recommended initiatives. The grant recipient must
22 provide a locally matched allocation of at least fifty percent of the
23 grant amount.

24 (d) The department must require the following from each grant
25 recipient:

26 (i) The development of a regional economic development plan
27 consistent with the state comprehensive plan for economic development
28 developed by the state economic development commission;

29 (ii) An inventory of sites available for development;

30 (iii) The provision of, either directly, through subgrantees, or
31 through coordinating the work of others, permit and licensing
32 assistance, assistance in site location and selection, and essential
33 information on tax and other issues to businesses seeking to locate or
34 expand in the region. The grantee is obligated to notify the
35 department of any recruitment effort that involves potential employment
36 of greater than twenty-five employees;

37 (iv) Marketing the region and the state as an excellent location to

1 expand or locate a business, in coordination with the department's
2 marketing efforts;

3 (v) Identifying gaps in the delivery of business start-up
4 assistance at the regional level and coordinating efforts with local
5 small business development centers and other assistance providers to
6 fill the gaps;

7 (vi) Providing business retention and expansion services, including
8 business surveys and outreach efforts, early detection of potential
9 relocations or layoffs, and identification of employers' needs. The
10 grantee is obligated to notify the department of any potential
11 relocation or layoff that involves the dislocation of greater than
12 twenty-five employees;

13 (vii) Partnering with local governments, workforce development
14 councils, port districts, export assistance providers, local colleges
15 and universities, the Washington state quality award council, impact
16 Washington, small business development centers, industry cluster or
17 industry sector associations, and other federal, state, and local
18 programs to facilitate the alignment of planning efforts and the
19 seamless delivery of business support services in the region;

20 (viii) Collecting and maintaining data as specified by the state
21 economic development commission for use in program and system
22 evaluation;

23 (ix) Participating in economic research to identify regional
24 industry cluster or industry sector needs, gaps in services, and
25 methods and organizations available to meet identified needs; and

26 (x) Working with regional partners to identify opportunities for
27 promoting increased competitiveness of firms within the region and to
28 coordinate and align regional workforce development and economic
29 development efforts.

30 (e) The department must develop performance measures for regional
31 grant recipients relating to the requirements in (d) of this subsection
32 including, but not limited to: Private investment measures; business
33 creation, attraction, expansion, and retention measures; job creation
34 measures; and measures of innovation. The performance measures
35 developed must be consistently applied across regions to allow for
36 statewide measurement. Specific target levels for the performance
37 measures must be developed for each region, and each grant recipient
38 must submit an annual or more frequent report, as determined by the

1 department. The department must conduct an annual performance review
2 with the grant recipient in each region and if the department
3 determines any region would benefit from having a different grant
4 recipient after the termination of the grant period, the department may
5 award a grant to a new grant recipient for the region.

6 (2) The department (~~shall~~) must define a set of services
7 including training and technical assistance that it will make available
8 to local communities, community-based nonprofit organizations, regional
9 areas, or businesses. The department (~~shall~~) must simplify access to
10 these programs by providing more centralized and user-friendly
11 information and referral. The department (~~shall~~) must coordinate
12 community and economic development efforts to minimize program
13 redundancy and maximize accessibility. The department (~~shall~~) must
14 develop a set of criteria for targeting services to local communities.

15 (3) The department (~~shall~~) must develop a coordinated and
16 systematic approach to providing training to community-based nonprofit
17 organizations, recipients of regional grants pursuant to subsection (1)
18 of this section, small business development centers, industry sector
19 and industry cluster associations, local communities, and businesses.
20 The approach (~~shall~~) must be designed to increase the economic and
21 community development skills available in local communities (~~by~~
22 ~~providing training and funding for training for local citizens,~~
23 ~~nonprofit organizations, and businesses)) and must include training in~~
24 the provision of export assistance skills. The department (~~shall~~)
25 must emphasize providing training in those communities most in need of
26 state assistance.

27 **Sec. 2.** RCW 43.330.090 and 2009 c 151 s 1 are each amended to read
28 as follows:

29 (1) The department (~~shall~~) must work with private sector
30 organizations, industry and sector associations, federal agencies,
31 state agencies that use a sector-based approach to service delivery,
32 local governments, local associate development organizations, and
33 higher education and training institutions in the development of
34 industry sector-based strategies to diversify the economy, facilitate
35 technology transfer and diffusion, and increase value-added production.
36 The industry sectors targeted by the department may include, but are
37 not limited to, aerospace, agriculture, food processing, forest

1 products, marine services, health and biomedical, software, digital and
2 interactive media, transportation and distribution, and
3 microelectronics. The department (~~shall~~) must, on a continuing
4 basis, evaluate the potential return to the state from devoting
5 additional resources to an industry sector-based approach to economic
6 development and identifying and assisting additional sectors.

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

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

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

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

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

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

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

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

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

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

34 (iii) ~~Applications must evidence financial participation of the~~
35 ~~partner organizations.~~

36 (iv) ~~Eligible activities include the formation of cluster economic~~
37 ~~development partnerships, research and analysis of economic development~~

1 ~~needs of the cluster, the development of a plan to meet the economic~~
2 ~~development needs of the cluster, and activities to implement the plan.~~

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

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

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

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

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

17 NEW SECTION. Sec. 3. (1) The sum of two million two hundred
18 thousand dollars, or as much thereof as may be necessary, is
19 appropriated to the department of commerce for the fiscal year ending
20 June 30, 2011, from the state general fund for the operation of the
21 regional grant program required in section 1 of this act.

22 (2) The sum of eight hundred thousand dollars, or as much thereof
23 as may be necessary, is appropriated to the department of commerce for
24 the fiscal year ending June 30, 2011, from the state general fund to
25 meet the department's obligations under section 2 of this act. Of this
26 amount, six hundred thousand dollars must be used for the grant program
27 required under section 2(3)(c) of this act.

28 NEW SECTION. Sec. 4. The following acts or parts of acts are each
29 repealed:

30 (1) RCW 43.330.080 (Coordination of community and economic
31 development services--Contracts with county-designated associate
32 development organizations--Scope of services) and 2009 c 151 s 10, 2007
33 c 249 s 2, 1997 c 60 s 1, & 1993 c 280 s 11;

34 (2) RCW 43.330.082 (Contracting associate development
35 organizations--Performance measures--Remediation plans--Reports) and
36 2009 c 518 s 15 & 2007 c 249 s 3;

1 (3) RCW 43.330.084 (Washington state quality award--Reimbursement
2 of application fee) and 2007 c 249 s 4; and
3 (4) RCW 43.330.086 (Contracts with associate development
4 organizations--Schedule of awards) and 2008 c 131 s 3 & 2007 c 249 s 5.

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