
HOUSE BILL 2482

State of Washington 62nd Legislature 2012 Regular Session

By Representatives Kenney, Finn, Ryu, Hasegawa, and Stanford

Read first time 01/16/12. Referred to Committee on Community & Economic Development & Housing.

1 AN ACT Relating to designating innovation partnership zones; and
2 amending RCW 43.330.270.

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

4 **Sec. 1.** RCW 43.330.270 and 2009 c 72 s 1 are each amended to read
5 as follows:

6 (1) The department (~~shall~~) must design and implement an
7 innovation partnership zone program through which the state will
8 encourage and support research institutions, workforce training
9 organizations, and globally competitive companies to work cooperatively
10 in close geographic proximity to create commercially viable products
11 and jobs.

12 (2) The director (~~shall~~) must designate innovation partnership
13 zones on the basis of the following criteria:

14 (a) Innovation partnership zones must have three types of
15 institutions operating within their boundaries, or show evidence of
16 planning and local partnerships that will lead to dense concentrations
17 of these institutions:

18 (i) Research capacity in the form of a university or community

1 college fostering commercially valuable research, nonprofit
2 institutions creating commercially applicable innovations, or a
3 national laboratory;

4 (ii) An industry cluster as defined in RCW 43.330.090. The cluster
5 must include a dense proximity of globally competitive firms in a
6 research-based industry or industries or ((of)) individual firms with
7 innovation strategies linked to (a)(i) of this subsection. A globally
8 competitive firm may be signified through international organization
9 for standardization 9000 or 1400 certification, or ((other-recognized))
10 evidence of sales in international ((success)) markets; and

11 (iii) Training capacity either within the zone or readily
12 accessible to the zone. The training capacity requirement may be met
13 by the same institution as the research capacity requirement, to the
14 extent both are associated with an educational institution in the
15 proposed zone.

16 (b) The support of a local jurisdiction, a research institution, an
17 educational institution, an industry or cluster association, a
18 workforce development council, and an associate development
19 organization, port, or chamber of commerce;

20 (c) Identifiable boundaries for the zone within which the applicant
21 will concentrate efforts to connect innovative researchers,
22 entrepreneurs, investors, industry associations or clusters, and
23 training providers. The geographic area defined should lend itself to
24 a distinct identity and have the capacity to accommodate firm growth;

25 (d) The innovation partnership zone administrator must be an
26 economic development council, port, workforce development council,
27 city, or county.

28 (3) With respect solely to the research capacity required in
29 subsection (2)(a)(i) of this section, the director may waive the
30 requirement that the research institution be located within the zone.
31 To be considered for such a waiver, an applicant must provide a
32 specific plan that demonstrates the research institution's unique
33 qualifications and suitability for the zone, and the types of jointly
34 executed activities that will be used to ensure ongoing, face-to-face
35 interaction and research collaboration among the zone's partners.

36 (4) On October 1st of each odd-numbered year, the director
37 ((shall)) must designate innovation partnership zones on the basis of
38 applications that meet the legislative criteria, estimated economic

1 impact of the zone, evidence of forward planning for the zone, and
2 other criteria as ~~((recommended by))~~ developed by the department in
3 consultation with the Washington state economic development commission.
4 Estimated economic impact must include evidence of anticipated private
5 investment, job creation, innovation, and commercialization. The
6 director ~~((shall))~~ must require evidence that zone applicants will
7 promote commercialization, innovation, and collaboration among zone
8 residents.

9 (5) Innovation partnership zones are eligible for funds and other
10 resources as provided by the legislature or at the discretion of the
11 governor.

12 (6) If the innovation partnership zone meets the other requirements
13 of the fund sources, then the zone is eligible for the following funds
14 relating to:

- 15 (a) The local infrastructure financing tools program;
- 16 (b) The sales and use tax for public facilities in rural counties;
- 17 ~~((and))~~
- 18 (c) Job skills; and
- 19 (d) Local improvement districts.

20 (7) An innovation partnership zone ~~((shall))~~ must be designated as
21 a zone for a four-year period. At the end of the four-year period, the
22 zone must reapply for the designation through the department.

23 (8) If the director finds that an applicant does not meet all of
24 the statutory criteria or additional criteria recommended by the
25 department in consultation with the Washington state economic
26 development commission to be designated as an innovation partnership
27 zone, the department must:

- 28 (a) Identify the deficiencies in the proposal and recommended steps
29 for the applicant to take to strengthen the proposal;
- 30 (b) Provide the applicant with the opportunity to appeal the
31 decision to the director; and
- 32 (c) Allow the applicant to reapply for innovation partnership
33 designation on October 1st of the following calendar year or during any
34 subsequent application cycle.

35 (9) If the director finds at any time after the initial year of
36 designation that an innovation partnership zone is failing to meet the
37 performance standards required in its contract with the department, the

1 director may withdraw such designation and cease state funding of the
2 zone.

3 ~~((+9))~~ (10) The department ~~((shall))~~ must convene annual
4 information sharing events for innovation partnership zone
5 administrators and other interested parties.

6 ~~((+10))~~ (11) An innovation partnership zone ~~((shall))~~ must
7 annually provide performance measures as required by the director,
8 including but not limited to private investment measures, job creation
9 measures, and measures of innovation such as licensing of ideas in
10 research institutions, patents, or other recognized measures of
11 innovation.

12 ~~((+11))~~ (12) The department ~~((shall))~~ must compile a biennial
13 report on the innovation partnership zone program by December 1st of
14 every even-numbered year. The report ~~((shall))~~ must provide
15 information for each zone on its: Objectives; funding, tax incentives,
16 and other support obtained from public sector sources; major
17 activities; partnerships; performance measures; and outcomes achieved
18 since the inception of the zone or since the previous biennial report.
19 The Washington state economic development commission ~~((shall))~~ must
20 review the department's draft report and make recommendations on ways
21 to increase the effectiveness of individual zones and the program
22 overall. The department ~~((shall))~~ must submit the report, including
23 the commission's recommendations, to the governor and legislature
24 beginning December 1, 2010.

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