

Economy

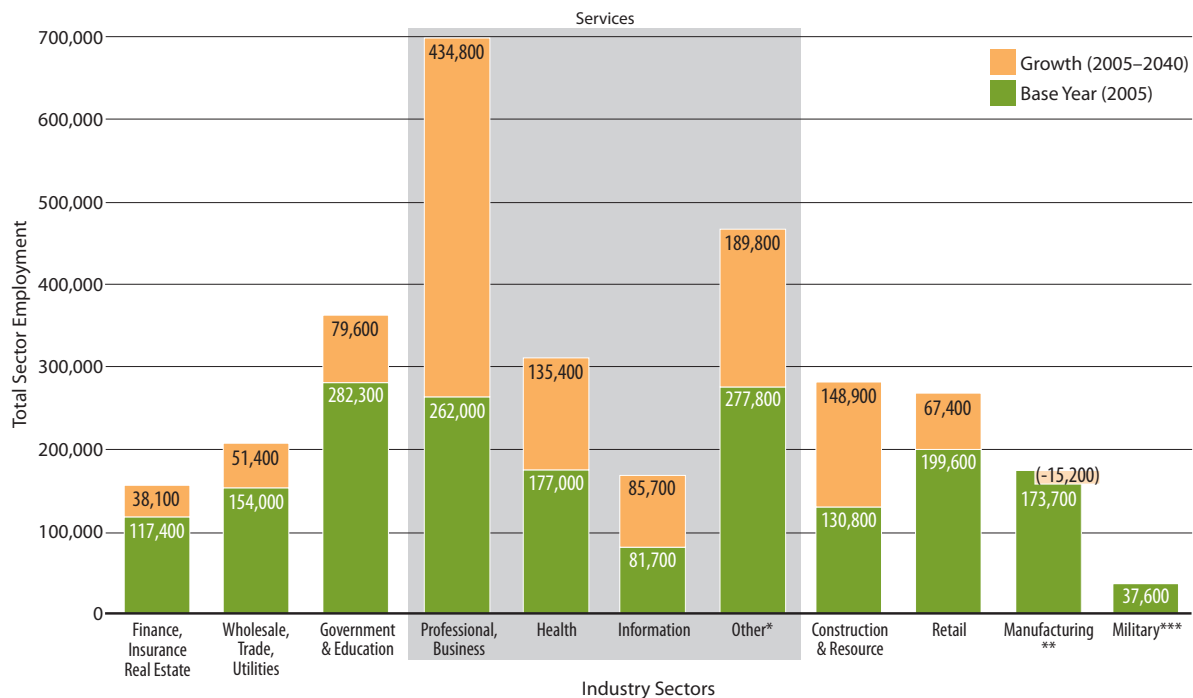
Overarching Goal: The region will have a prospering and sustainable regional economy by supporting businesses and job creation, investing in all people, sustaining environmental quality, and creating great central places, diverse communities, and high quality of life.

VISION 2040's economic goals and policies promote a sustainable economy that creates and maintains a high standard of living and quality of life for all. To create stable and lasting prosperity, VISION 2040 focuses on businesses, people, and places, recognizing that growth management, transportation, economic, and environmental policies must be integrated, and must take social, economic, and environmental issues into account while preserving key regional assets.

A sustainable economy embraces growth that can be supported over the long term by the region's physical infrastructure, financial resources, and natural resources. The region's outstanding natural environment is a key element for economic progress. Our abundant natural resources, spectacular setting, and vibrant communities make every industry more competitive in a global economy. These and other features have helped to attract and retain talented, active, and creative people. The region's connection to the environment gives it a strategic advantage in developing clean, green processes and technologies, and providing new economic opportunities that it can export to the rest of the world. Maintaining this advantage depends on a healthy built and natural environment — with clean industries, good jobs with good incomes, managed growth, and lively centers.

The Region's Economy. The central Puget Sound region's economy is a complex system of business, trade, and individual relationships. The region is the major center in the Pacific Northwest for information technology, aerospace, finance, insurance, health care, business and professional services, recreation, and tourism. It is also one of the most technologically advanced regions in the United States for turning cutting-edge research into products and services. These sectors are forecast to play an increasingly important role in the region's job growth. (See chart below.)

Central Puget Sound Region Economic Sector Employment and Forecasts



* Other includes a wide range of occupations, such as food and drink establishments, private education, and nonprofit organizations.

** Manufacturing is forecast to decrease by 15,200 between 2005 and 2040.

*** PSRC forecasts do not include figures for the Military sector.

In-migration is important to the region's economy and contributes to innovation, the development of new technologies, the creation of startup companies, and related job growth. In-migration also enriches the region's communities with a growing diversity of cultures, languages, and knowledge. These diverse communities serve as a competitive asset in an increasingly connected global economy, creating potential trade linkages and other economic opportunities that would not otherwise exist.

More than any other state in the nation, Washington's economy depends on foreign trade — and the central Puget Sound region is vital to the majority of the state's trade activity. The presence of internationally known and successful companies (such as Amazon, Boeing, Costco, Microsoft, Paccar, Starbucks, and Weyerhaeuser), our internationally competitive ports, and the state's natural resources, make information technology, aerospace, and agricultural products major international exports.

Historically, the region's rate of economic growth has fluctuated greatly due to national and international business cycles and the strong regional influence of aerospace and natural resource based industries. The growth of information technology, life sciences, tourism, clean technology, healthcare, and other trade and service-sector businesses helps to diversify the region's economy and moderates severe fluctuations. However, the region's continued economic prosperity in an increasingly competitive global economy is not ensured.

A Global Economy. In today's economy, information technology and the mobility of goods and services means that many businesses can choose to locate anywhere. New centers of the global creative economy — which increasingly are urban regions rather than states or nations — are emerging quickly, and established players can lose position easily.

Urban regions are pooling their public and private talent and resources to pursue economic goals. Such a regional approach makes sense for central Puget Sound, where communities are so interconnected that they can be seen as a single economic unit.

New, emerging economic sectors, particularly those related to the environment and clean technology, can help us meet the challenges of the coming decades. Climate change, for example, brings both a need to address carbon impacts and provides opportunities for economic growth, due to new technologies and new industries.

Prosperity Partnership Regional Economic Strategy

In July 2004, the Prosperity Partnership was launched. This coalition is made up of over 200 government, business, labor, and community organizations from King, Kitsap, Pierce, and Snohomish counties, representing public, private, and nonprofit interests. The Partnership works together to help us think, act, and market ourselves as one region to become more prosperous and more competitive in national and international economies.

Adopted by the region's Economic Development District in September 2005, the Regional Economic Strategy is the region's federally required comprehensive economic development strategy, as well as the economic functional plan of VISION 2040. The strategy takes a two-pronged approach:

- **Foundation Initiatives:** *Linked to supporting fundamental economic foundations, initiatives were developed for the areas of education, technology commercialization, new and small business support, tax structure, transportation, social capital, and quality of life.*
- **Cluster Initiatives:** *Five pilots were chosen in 2004 to develop cluster specific action initiatives. The five pilot clusters are aerospace, clean technology, information technology, life sciences, and logistics and international trade. In 2007, two additional clusters — military and tourism — were added.*

A healthy and growing economy provides good jobs and opportunity. It pays for vital public services such as education, criminal justice, transportation, and environmental preservation. It allows us to support the arts and cultural institutions, maintain our parks, and build our communities. A healthy economy permits us to provide for ourselves and our families. It enables us to care for those who are vulnerable, to protect the environment, and to preserve the quality of life that makes the region such a special place.

BUSINESS

VISION 2040 emphasizes supporting business and job creation through retention, expansion, and diversification of the region's employment base. It calls for fostering a positive business climate through coordination among public institutions, private businesses, and the nonprofit sector.

This coordination helps us to recognize and address the diverse needs of the region’s economy and to support key employment sectors. These sectors include established and emerging industry clusters, industries involved in trade-related activities, startups, and new businesses.

Industry clusters are concentrated sets of competing and complementary industries that create wealth in a region by selling products or services to outside markets, generating income that fuels the rest of the economy (see diagram). Without these economic drivers, a region would only circulate money already in the local economy and risk losing economic momentum over time.

VISION 2040 places an emphasis on small and locally owned businesses, recognizing their importance in both job growth and promoting sustainable economic development. Supporting clusters and sectors that provide family-wage jobs involves leveraging the region’s position as an international gateway to ensure an efficient flow of people, goods, services, and information throughout the region — particularly in and between designated growth centers.

Industry Clusters



Source: Regional Economic Strategy
Copyright: Economic Competitiveness Group

Although numerous factors affect the region’s business climate, the public sector plays a key role by investing in a way that capitalizes on natural and place-based assets, such as high quality infrastructure and ports. This is consistent with growth management and transportation objectives, and recognizes the important role that the private, public and nonprofit sectors play in fostering environmental and social sustainability.

VISION 2040 recognizes that businesses depend on a multimodal transportation system — serving both personal mobility and freight movement — as well as communications infrastructure to develop, support, and expand commercial relationships, move intermediate and finished products within the region, and support global trade and export activities.

BUSINESS GOAL AND POLICIES

Goal: The region’s economy prospers by supporting businesses and job creation.

MPP-Ec-1: Support economic development activities that help to retain, expand, or diversify the region’s businesses. Target recruitment activities towards businesses that provide family-wage jobs.

MPP-Ec-2: Foster a positive business climate by encouraging regionwide and statewide collaboration among business, government, education, labor, military, workforce development, and other nonprofit organizations.

MPP-Ec-3: Support established and emerging industry clusters that export goods and services, import capital, and have growth potential.

MPP-Ec-4: Leverage the region’s position as an international gateway by supporting businesses, ports, and agencies involved in trade related activities.

MPP-Ec-5: Foster a supportive environment for business startups, small businesses, and locally owned businesses to help them continue to prosper.

MPP-Ec-6: Ensure the efficient flow of people, goods, services, and information in and through the region with infrastructure investments, particularly in and connecting designated centers, to meet the distinctive needs of the regional economy.

MPP-Ec-7: Encourage the private, public, and nonprofit sectors to incorporate environmental and social responsibility into their practices.

PEOPLE

Whereas the region’s economic prosperity was once driven by natural resource extraction and industrial-scale manufacturing, the new economy relies to a greater extent on highly skilled, well-educated, and diverse populations to stimulate creative and innovative enterprise. VISION 2040 responds to the changing reality of the global economy by placing people at the center of a prosperous region.

VISION 2040 underscores investment in all of the region's people to create shared prosperity and to sustain a diversity of family wage jobs. Investing in people means ensuring accessible and high quality education and skills-training programs, fostering economic opportunities in distressed areas, and sustaining the region's arts and cultural activity.

All of the region's residents are valued. VISION 2040 calls for supporting our culturally and ethnically diverse communities, including our tribal communities. It also calls for addressing the unique obstacles and special needs of the region's economically disadvantaged populations, as well as the assets and contributions they bring or have the potential to bring to our regional prosperity.

Family Wage

The term family wage generally refers to a full-time wage level needed to independently support and meet the basic needs of a family. The wage should reflect differing cost-of-living factors, such as housing, food, transportation, utilities, health care, child care, and recreation.

Local definitions vary, with some setting the level above the poverty line, whereas others use the average wage or median household income in the local area.

PEOPLE GOAL AND POLICIES

Goal: The region's economy prospers by investing in all of its people.

MPP-Ec-8: Promote economic activity and employment growth that creates widely shared prosperity and sustains a diversity of family wage jobs for the region's residents.

MPP-Ec-9: Ensure that the region has a high quality education system that is accessible to all of the region's residents.

MPP-Ec-10: Ensure that the region has high quality and accessible training programs that give people opportunities to learn, maintain, and upgrade skills necessary to meet the current and forecast needs of the regional and global economy.

MPP-Ec-11: Address unique obstacles and special needs — as well as recognize the special assets — of disadvantaged populations in improving the region's shared economic future.

MPP-Ec-12: Foster appropriate and targeted economic growth in distressed areas to create economic opportunity for residents of these areas.

MPP-Ec-13: Support the contributions of the region's culturally and ethnically diverse communities in helping the region continue to expand its international economy.

MPP-Ec-14: Sustain and enhance arts and cultural institutions to foster an active and vibrant community life in every part of the region.

PLACES

The region's diverse communities and natural setting are assets that make us a magnet for growth. Protecting and enhancing the environment — both natural and built — helps the region remain both competitive and livable. As the region's economy grows, VISION 2040 calls for sustaining and respecting the area's environmental quality and unique attributes, as well as each community's distinctive identity.

This is accomplished by ensuring an adequate supply of housing with good access to employment centers to support job creation. It also requires using public resources and incentives wisely to help implement the Regional Growth Strategy. The strategy focuses a significant share of economic growth in designated centers, seeks to bolster the region's designated manufacturing and industrial centers, and advances a closer balance between jobs and housing. Commercial, retail, and service businesses are the economic foundation upon which designated regional and county-wide centers are based. Thriving centers are fundamental to the overall economic well-being of the central Puget Sound region and to fulfilling the goals of VISION 2040.

VISION 2040 also recognizes the role of employment in cities and towns in the rural area, and resource-based economic activity. These are supported at a size, scale, and type that are compatible with the long-term integrity, productivity, and character of these areas.

PLACES GOAL AND POLICIES

Goal: The region's economy prospers through the creation of great central places, diverse communities, and high quality of life that integrates transportation, the economy, and the environment.

MPP-Ec-15: Ensure that economic development sustains and respects the region's environmental quality.

MPP-Ec-16: Utilize urban design strategies and approaches to ensure that changes to the built environment preserve and enhance the region's unique attributes and each community's distinctive identity in recognition of the economic value of sense of place.

MPP-Ec-17: Use incentives and investments to create a closer balance between jobs and housing, consistent with the regional growth strategy.

MPP-Ec-18: Concentrate a significant amount of economic growth in designated centers and connect them to each other in order to strengthen the region's economy and communities and to promote economic opportunity.

MPP-Ec-19: Maximize the use of existing designated manufacturing and industrial centers by focusing appropriate types and amounts of employment growth in these areas and by protecting them from incompatible adjacent uses.

MPP-Ec-20: Provide an adequate supply of housing with good access to employment centers to support job creation and economic growth.

MPP-Ec-21: Recognize the need for employment in cities in the rural areas and promote compatible occupations (such as, but not limited to, tourism, cottage and home based businesses, and local services) that do not conflict with rural character and resource-based land uses.

MPP-Ec-22: Support economic activity in rural and natural resource areas at a size and scale that is compatible with the long-term integrity and productivity of these lands.

VISION 2040 Economy Actions

The following VISION 2040 actions have been developed to help implement the economy policies. Detailed information on specific measures that will be used to monitor implementation and performance is contained in *Part IV: Implementation*.

REGIONAL ECONOMY ACTIONS

Regional Economic Strategy: Ec-Action-1

The Puget Sound Regional Council and the Economic Development District will implement and regularly update the Regional Economic Strategy.

- Ongoing / Goals of Business, People, and Places subsections
- Results and Products: (1) updated implementation actions (annually), (2) revised Regional Economic Strategy (as determined)

Regional Support for Local Governments: Ec-Action-2

The Puget Sound Regional Council will support the economic development planning efforts of local governments by:

1. Conducting an inventory and analysis that examines local government economic development programs and practices. (short-term)
2. Revising its plan review process for economic development provisions in countywide planning policies, local comprehensive plans, transit agency plans, and regional center plans. As part of the revised review process, the Regional Council will provide examples of the types of economic development provisions plans can address.

- Short-term, ongoing / MPP-Ec-1, Places subsection
- Results and Products: (1) inventory and analysis of local programs, (2) revised Plan Review provisions

Regional Cooperation: Ec-Action-3

The Puget Sound Regional Council and the Economic Development District, in collaboration with county Economic Development Councils and other partners, will:

1. Maintain a regionwide clearinghouse of data.
2. Prepare regionwide and subarea forecasts.
3. Monitor performance and implementation, including the region's cluster profile.

- Ongoing / MPP-Ec-3, Business subsection

- Results and Products: *(1) regional data clearinghouse, (2) regional and subregional forecasts, (3) monitoring reports on clusters*

Education: Ec-Action-4

The Puget Sound Regional Council will work with its economic development partners to further identify educational opportunities as they relate to the region's economic vitality.

- Mid-term, ongoing / MPP-Ec-9, 10, 11

- Results and Products: *report to Economic Development District Board on educational opportunities*

COUNTY-LEVEL AND CITY ECONOMY ACTIONS

Leveraging Public Investments: Ec-Action-5

Countywide planning policies will address strategies to leverage public investment to promote economic development.

- Mid-term — next update cycle, ongoing / MPP-Ec-16, 17

- Results and Products: *updates (as needed) to Countywide Planning Policies*

Economic Development Elements: Ec-Action-6

Cities and counties will adopt an Economic Development Element — tailored to meet the jurisdiction's unique needs as specified in the Growth Management Act — when conducting the next major comprehensive plan update.

- Mid-term, ongoing / Business, People, and Places subsections

- Results and Products: *Economic Development Element in local comprehensive plans*