

WORKING TOGETHER FOR ECONOMIC VITALITY & OPPORTUNITY ACROSS WASHINGTON



Suzanne Dale Estey, WEDA Executive Director
Q4 2025 – Recent Results &
Legislative Session Preview




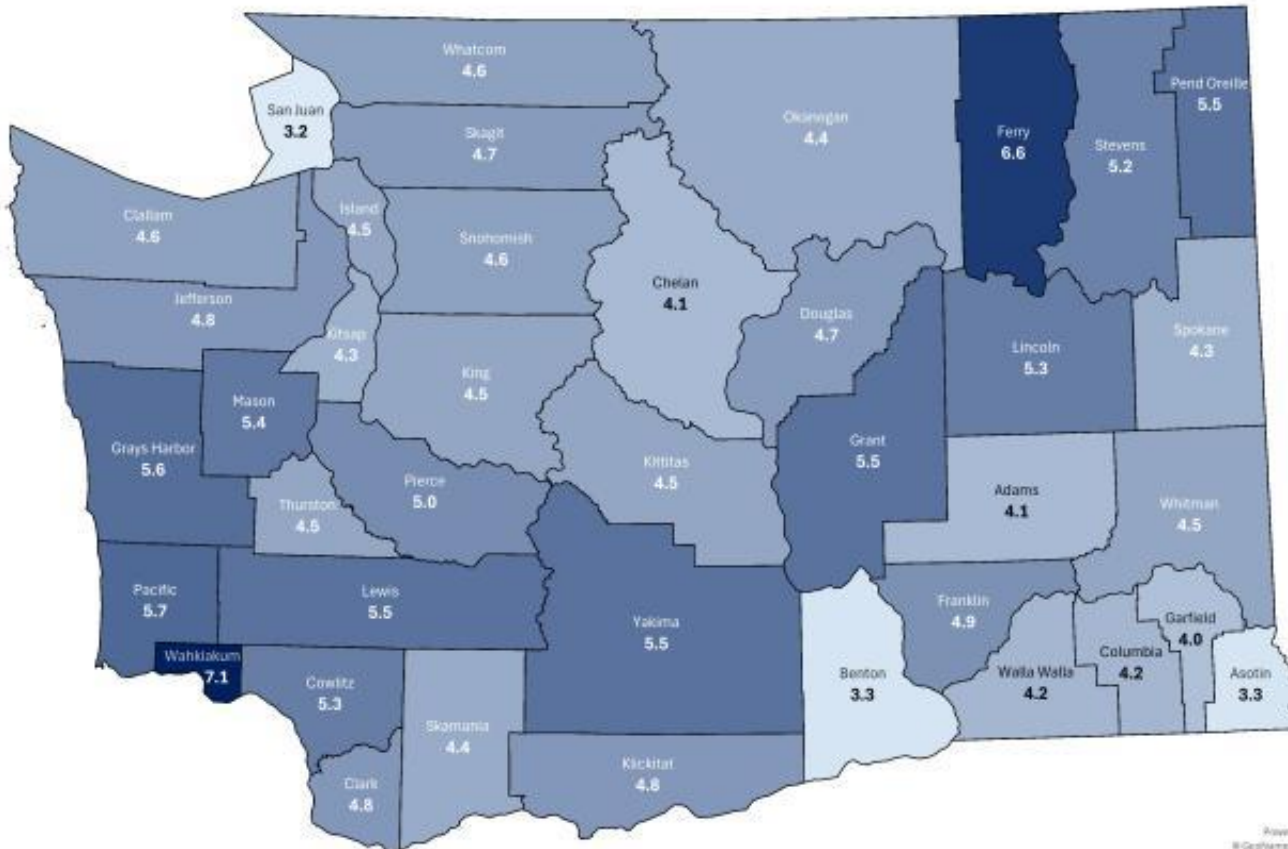
ABOUT WEDA

- Washington State's *only* trade association laser-focused on economic development. 30th Anniversary!
- WEDA is committed to retaining, expanding and recruiting jobs and investment across all of Washington State
- ***Our Strategic Goals:*** Empower communities across Washington with tools to foster economic vitality and opportunity, assisting employers large and small in competing globally and growing jobs, while supporting inclusive economic development.
- ***We Believe:*** Building economic vitality and opportunity across all of Washington will continue to take intentional work, strategic partnerships and smart investments. Now more than ever, Washington State needs to establish a bold vision and thoughtful statewide economic development strategic plan that aligns with regional and local strategies; WEDA stands ready to help lead and support action.

STATEWIDE CHALLENGES AMONGST UNCERTAINTIES & COMPLEXITY

August 2025 Unemployment Rates by County

Unemployment rate 
3.2 7.1



US Rate:

4.4% - 7.6M (*up*)

WA State Rate:

4.5% - 180K (*up*)
- *but was as high as 16.3% in 4/20*

Sources: WA State
ESD; US BLS



WEDA'S 2026 LEGISLATIVE AGENDA

WEDA's 2026 Legislative Agenda focuses on the most critical actions lawmakers can take to help communities statewide retain and grow living wage jobs, foster vibrant communities, support equity and opportunity for all and spark investment across Washington.

--DRAFT-- 2026 LEGISLATIVE AGENDA

Working Together for Economic Vitality & Opportunity Across Washington

- Strengthen the Economic Development Ecosystem
- Support Catalysts & Climate for Business Competitiveness
- Increase Economic Vitality for All of Washington



IMPACTFUL POST-PANDEMIC LEARNINGS – *CONTEXT IS CRITICAL*

- Economic developers, organizations and communities must share learnings/best practices broadly, partner and ***work together!***
- **Diversity, Equity & Inclusion** is an economic imperative
- **Main Streets/small businesses** need more help; must continue work with lenders on flexibility in lending to small, Main Street and microenterprises; lower hurdles to access capital
- Continuing to address **broadband & energy** infrastructure gaps is essential
- Critical need for **Child Care** infrastructure and options; educational attainment key
- **Workforce Housing** is an economic imperative
- Significant competitiveness issues with regulation and taxes (*\$9B new revenue*)
- ***Current moment in time with focus on economic development:***
AWB/Washington Roundtable “WA in Making 2040,” HB 1595, WPPA Trade Strategy Commerce & Governor strategic planning/potential Jobs Strategy

STRENGTHEN THE ECONOMIC DEVELOPMENT ECOSYSTEM

**ECONOMIC
DEVELOPMENT IS A
TEAM SPORT**

There are many important economic development entities and players on the Team:

Washington State Department of Commerce

Other state & federal agencies, SBA, Commerce, Small Business Dev. Centers

Economic Development Councils/Associate Development Organizations

Ports (some are Associate Development Organizations)

Local Government – Counties & Cities

Tribes

Association of Washington Business, Washington Roundtable, local Chambers of Commerce, private businesses, banks, Community Development Financial Institutions

Colleges & Universities, K-12, early learning, workforce development partners

Community-based Organizations/Non-profits including Washington Commerce's Small Business Resiliency Network

State industry cluster/trade associations (Aerospace Futures Alliance, Washington Technology Industry Association, Life Sciences WA, WA Maritime Federation)

Other coalitions/EDOs/regional EDOs/Economic Development Districts/MPOs

Labor partners

STRENGTHEN THE ECONOMIC DEVELOPMENT ECOSYSTEM

WEDA believes a robust economic development ecosystem at the state, regional and local levels is crucial for sustained economic vitality, resilience & job growth.

2026 LEGISLATIVE REQUESTS:

- **Support state-level leadership and funding** for economic development, including the establishment of a collaboratively-developed statewide economic development plan, and strong Business Recruitment, Retention & Expansion + Innovation programs

2025 Results: Funding reduced drastically, with severe cuts/elimination of Industry Sector Leads, state funding for small business programs (including ScaleUp, Thrive, SBDC, PTAC and WSMA), Tourism and Employee Ownership program

- **Protect funding for regional capacity** to coordinate and deliver economic development services. Pass “trailer bill” to address problems with the ADO bill, SB 5677 (2025).

2025 Results: HB 5677 signed into law; Associate Development Organization funding reduced by \$1.7M: from \$10M to \$8.3M for biennium (Governor proposed 50% cut; was \$8.6M 2021-23, \$6.6M 2019-21; \$5.6M 2015-17 - a bit higher 2009-15 and \$5M 2007-09)

STRENGTHEN THE ECONOMIC DEVELOPMENT ECOSYSTEM

Associate Development Organizations/Economic Development Councils

- Governor Booth Gardner created “Team Washington” network in 1985 – still high-performing 40 years later
- 35 regional economic development organizations serve all 39 counties; each region has unique economic needs, approach & strategies
- “**Ground game**” for Washington State Commerce department; underpin the State’s economic development programs and initiatives
- Enhance economic development service delivery and results statewide through public-private, state-local partnerships
- **Mission: confidential, client-based economic development** that public-private partnerships are uniquely equipped to provide
- Critical role as **conveners & catalysts**
- ADOs are a **proven, accountable, cohesive and intergovernmental** network that covers the entire state.

STRENGTHEN THE ECONOMIC DEVELOPMENT ECOSYSTEM

Associate Development Organizations/Economic Development Councils

COLLECTIVE RESULTS (*measured and reported quarterly to Commerce*):

- Over the last five years, local ADO/EDCs have helped over **588 businesses** expand or develop new facilities and assisted **1,207 start ups**.
- These companies have invested over **\$11.7 billion** in land, buildings and equipment.
- These growing businesses have created over **19,538 new jobs** and retained over **22,072 jobs**.
- EDC business clients generate over **\$100 million** in new tax revenues for Washington State and local communities annually. Every state dollar leverages a match of at least six dollars from other public and private sources.

FISCAL REALITIES:

- No Cost-of-Living, inflation or annual population adjustments
- ***New Concern Post-Session:*** Drastic reductions by implemented by Commerce facing about ½ mostly rural ADOs, increases to some – WEDA & ADOs engaging with Commerce to revisit this inequitable approach, explore other options (*administrative?*)

SUPPORT CATALYSTS & CLIMATE FOR BUSINESS COMPETITIVENESS

WEDA supports investments in infrastructure and programs that catalyze business retention, expansion and recruitment at the regional and local levels – and a fiscal and regulatory environment that fosters business competitiveness.

2026 LEGISLATIVE REQUESTS:

- Oppose additional taxation on employers that hinders economic growth, and increased regulation which undermines business competitiveness; support permit streamlining
- Protect the TIF for Jobs tool (2021) now being employed/explored by over 25 jurisdictions; (2023) HB 1527 “TIF Fix” bill passed; **Results:** no impacts to program in 2024 and 2025; Work Group underway
- Support site readiness programs, and the creation of a site certification program **Results:** no action
- **Support** state public works programs designed to help expand businesses (CERB, Public Works Trust Fund, Transportation Improvement Board) **Result:** some investment
- Support **broadband** & clean energy capacity initiatives, investment & permitting **Result:** no huge cuts
- Support and protect investments in **road, rail and transit infrastructure, maintenance and services** to move people and freight more efficiently **Result:** some investment
- Protect **Economic Development Strategic Reserve Fund** **Result:** \$2.2M
- **Protect targeted incentives to foster innovation clusters** and private investment **Result:** sector leads cut, some incentives reversed, some protected

INCREASE ECONOMIC VITALITY FOR ALL OF WA

WEDA supports policies and investments that ensure that all parts of the state, and all people, benefit in economic growth through inclusive economic development. The economic vitality of rural and underserved urban areas is critical to the long-term health of the entire state.

2026 LEGISLATIVE REQUESTS:

■ **Protect the .09 percent Sales & Use Tax for Public Facilities and economic development activities in Rural Counties**

Rural counties in WA have benefitted from up to a .09% “rebate” of locally-generated state sales & use tax for over 20 years. Tool has helped to build critical infrastructure, attract new industry and diversify economies, and create/retain jobs.

Result: Protected. **HB 1267 (2023) -- .09 extended to 2054**

■ **Protect Diversity, Equity & Inclusion investments (Small Resiliency Network, Small Business Online Tools, Equity Development staffing) Result: Funding reduced**



ADDITIONAL WEDA PRIORITIES

2026 LEGISLATIVE REQUESTS:

- **Workforce Development Results: Economic Security for All (\$12.3M) and Community Reinvestment (\$60M) programs funded (*some funding reduced*)**
 - Human capital essential for business innovation, growth and competitiveness
 - Support Washington's 12 Local Workforce Development Boards which leverage public and private resources to meet talent pipeline needs with innovative, data-driven solutions
 - Other important workforce programs include Job Skills Program, Customized Training, Apprenticeships, One-Stop WorkSource Centers, work-based learning & reskilling
 - Preservation & needed growth of state funding for post-secondary/higher education
 - Washington is falling terribly short at meeting employers' needs of **70%** post-secondary attainment by our students (*current level is just 55%*)
 - Strong K-12 system and early learning -- must address severe childcare capacity gaps
- **Housing Affordability & Supply:** WEDA will support legislation to improve housing affordability and expand opportunities for housing at all income levels, particularly workforce and attainable housing. Results: limited legislation and funding passed-Housing Trust Fund increased to \$605M; new laws to address permitting, Transit Oriented Development, parking flexibility, lot-line splitting + rent stabilization; **\$1B, HB 1110+ (2023), some permit-streamlining (2025)**
- **Clean/Green Economy:** WEDA supports programs, funding and incentives to create jobs in the Clean Economy, while also maintaining a balanced approach. Results: most programs intact

ONGOING WEDA LEGISLATIVE PRIORITIES

- ***Positioning & Prioritizing Economic Development through Complexity*** – 2026 is a “do no harm” session, and also a critical moment to prioritize job growth strategies, capitalize on innovative opportunities & protect business competitiveness
- Similar WEDA foundational “Pillars”: **Ecosystem, Toolbox (+ Competitiveness) & Equity**
- **Ecosystem: Protection and demonstrating ROI** of ADO Funding & fundamental programs
- Protection of TIF for Jobs
- Site Certification & Readiness
- *Long-term*: reestablishing state support - Small Business Assistance & Access to Capital
- International Economic Development – Bold Trade & Investment Strategy, Alignment
- Creating Clean Energy Jobs & Addressing Energy Capacity Issues
- Prioritizing Workforce Development – Cradle to College & Career

LET'S CONNECT

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