

PSRC EDDB

Puget Sound Economic Development Plan

JUNE 2026



What a successful meeting looks like today

Agenda item

Key items and decision points for the group

1 Engagement process

Overview of the engagement process to-date and next steps

2 Strengths & challenges

What are the strengths and challenges of our region?

3 Key industries

Which industries should be the focus of the regional strategy?

4 Solutions

What actions can we take as a region to address the challenges we face?



Agenda

> Process

Strengths & challenges

Focus industries

Solutions

We continue to engage stakeholders across the region and beyond to develop the economic development plan



March: Engagement with this group kicked off

Input gathered: Continued engagement with regional industry & elected leaders, economic development experts, and other key stakeholders

May PSRC GA: Presentation of regional strengths and challenges

Today: Review & brainstorm of regional economic development plan components

Interim engagement: Continued ad-hoc input from leaders in the state and beyond; shaping of implementation plan

September: Report release

Beyond: Implementation of the plan



Agenda

Process

➤ Strengths & challenges

Focus industries

Solutions

The Puget Sound economy is supported by unique structural strengths



Highly educated workforce & strong talent pipelines

#2 region for tech talent, #3 for AI talent, #8 for educational attainment, #2 public university, top 5 community college system



Dense innovation cluster

2 of 5 largest tech company HQs, largest US aerospace company, #2 AI job hotspot, #4 state for innovation, #6 in unicorns per capita



Cheap and clean energy

Top quintile of states in cheapest electric rates, #3 state for low-carbon generation



Global connection & trade

6th largest container gateway in US, deepwater ports, #4 state for per capita exports, 11th busiest airport in US



Deep federal R&D investment

Top 5 DoE lab in PNNL, #1 NIH funded independent research institution in Fred Hutch, #1 university for public research funding in UW



Wide federal defense footprint

#4 largest military base in JBLM, #5 naval installation in Kitsap



Natural environment drawing talent to the region

Unparalleled natural environment with 15 National Park units in WA, >40% of state as public land, and #1 outdoor-friendly city in the U.S.

Four key dimensions of competitiveness have shifted over the last decade

Predictability
decreased



Policy-driven compliance requirements and taxes have accelerated, **limiting ability for businesses to plan for future**

Cost of doing
business increased



Businesses are being squeezed by increasing regulations, taxes, and operating costs **reducing the financial competitiveness of local businesses**

Talent attraction &
retention decreased



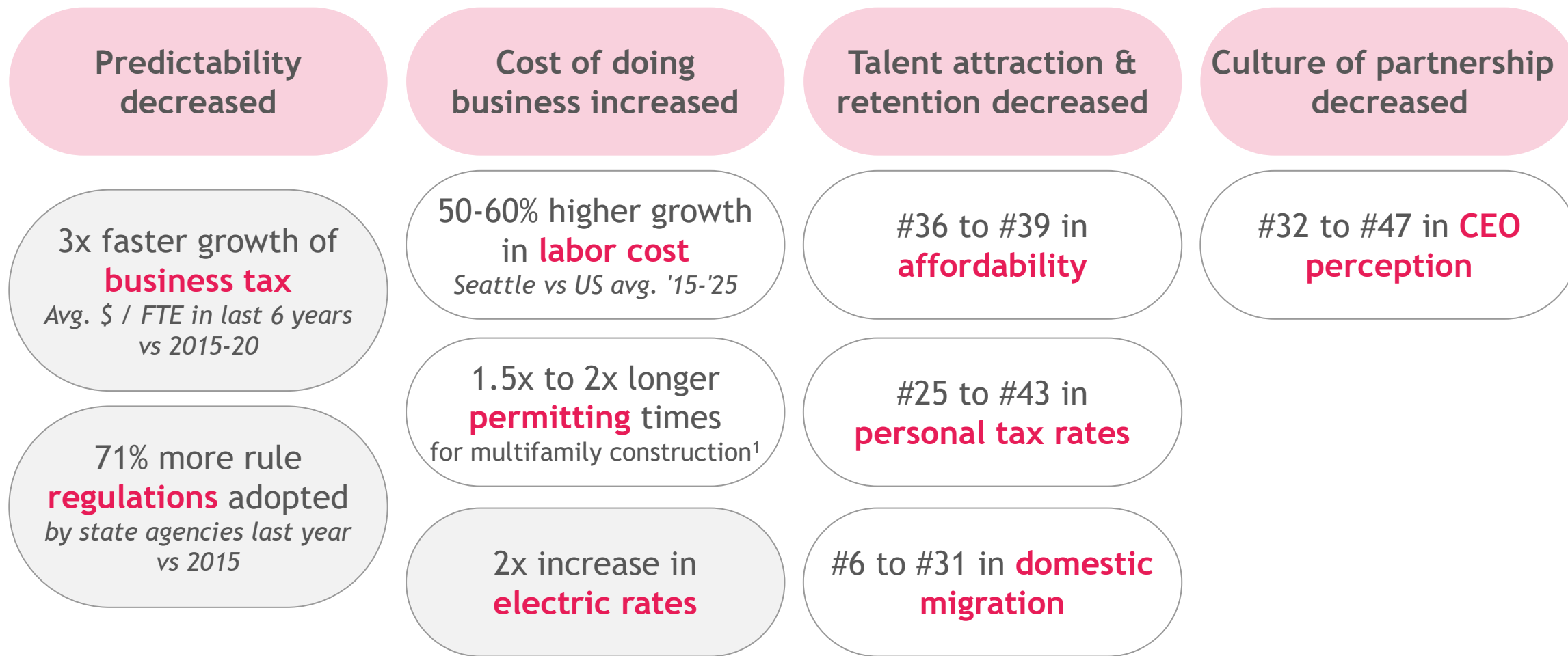
Affordability has declined **reducing access to critical talent** for businesses in our region

Culture of partnership
decreased



The **welcome mat to business is not out** and we are not nationally known as being business friendly

Warning signs are flashing for the Puget Sound's relative competitiveness



1. US median 3.5-month timeline. WA average of 5-8 months as of 2024 for multifamily construction permits. State rank of #35 for overall permitting timeline. Note: Page represents selected changes in the Puget Sound's business climate in the last decade (2015 to today); #x represents state rankings

Legend

- Compared to historical
- Compared to national avg.



Agenda

Process

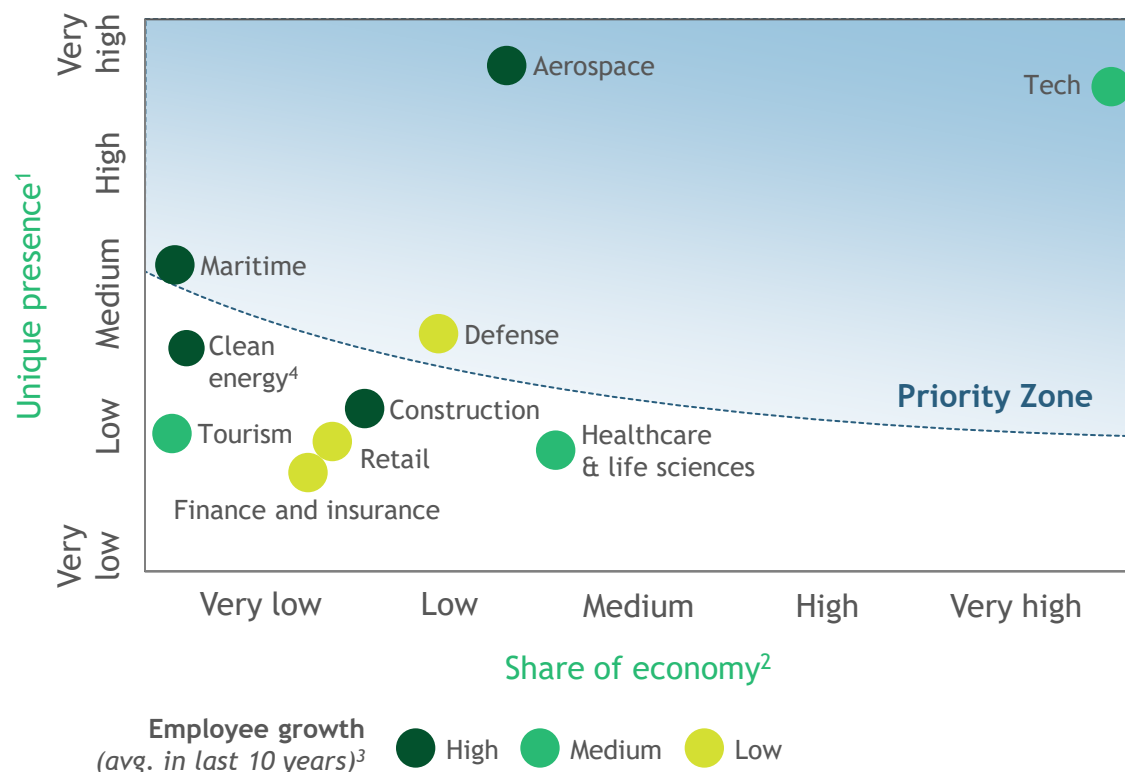
Strengths & challenges

➤ Focus industries

Solutions

Technology, Aerospace, Defense, and Maritime industries prioritized given unique regional presence

Puget Sound industries plotted by share of economy, unique presence, and historical growth



	Technology: Largest regional industry with 3x national presence	Microsoft amazon Zillow Expedia f5 AI2 <small>Allen Institute for AI</small>
	Aerospace: Deep regional specialization with 3.3x national presence	BOEING Alaska AIRLINES ATS BLUE ORIGIN
	Defense ecosystem: Strong base supply chains and commercial defense industry	NAVAL BASE KITSAP PORT OF EVERETT PORT OF EVERETT LEWIS-MCCLELLAN L3HARRIS
	Maritime: Distinctive regional asset with 2.0x national presence and steady growth	THE NORTHWEST SEAPORT ALLIANCE Trident SEAFOODS SALTCHUK

1. Relative share of jobs vs US average (share of Puget Sound jobs/share of US jobs); Very high = ~3x national share, very low = 0.6 2. Share of regional payroll (industry payroll/total regional payroll); Very high = 20% of PS payroll, Very low = 1% 3. Low = negative growth; High = 3% growth 4. Clean energy is not split out by NAICS categorization - qualitatively assessed based on number of companies present in the region; Note: does not consider other manufacturing, hospitality, real estate, arts/entertainment, or ag/forestry due to smaller payroll bases; Does not include roles within each industry tagged to professional services or management in NAICS (>20% of total payroll in Puget Sound)



Agenda

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➤ Solutions

**Vision: A sustainable & competitive economy where
businesses grow, jobs create opportunity, and
communities thrive**



Economic development must be rooted in our guiding principles



Economic competitiveness: Support policies and investments that strengthen the region's ability to attract and keep employers, jobs, talent, capital and innovation



Partnership: Advance partnerships with the state, counties, cities, tribes, educational institutions, labor organizations and the private sector



Affordability: Support policies that expand access to affordable housing, transportation, and energy along with workforce opportunities and business growth



Workforce opportunity: Provide pathways to quality jobs and workforce training to meet current and future workforce needs



Efficient and responsive governance: Ensure transparency, predictability and streamlined public service processes to support economic growth and timely service delivery



Environmental stewardship: Protect our natural assets that underpin the region's quality of life and economy through good stewardship, resource management and climate resilience

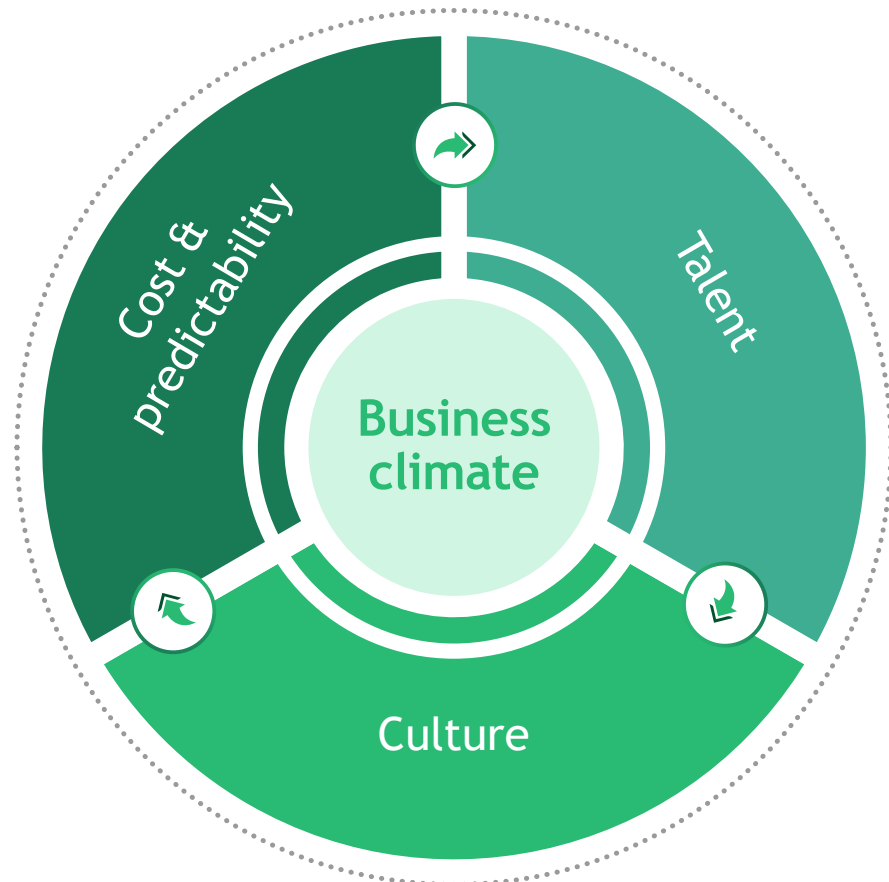


Equity and opportunity: Provide access to jobs, education and economic mobility so individuals and communities in the Puget Sound Region can participate and contribute to shared success








Labor: Promote workplace safety, workforce well-being and employment practices that support long-term economic stability

Six goals to improve the Puget Sound's business climate



 **Preserve regional guiding principles**

-  Ensure **new and existing policies & regulations** are having intended impact in the most cost-effective way possible
-  Create **tax structures** that are **simple, fair and competitive**
-  **Streamline permitting** timelines and complexity
-  **Connect our talent pipelines** to regional employers and our hubs of commerce
-  **Public-private partnership** to navigate our policy, regulatory, and tax landscape and **encourage employers to grow here**
-  Ensure our **regional industries** are set up to **thrive**



Thank you!