

Amazing Place



Growing Jobs
and Opportunity in the Central Puget Sound Region

SEPTEMBER 2017

Amazing! Palace

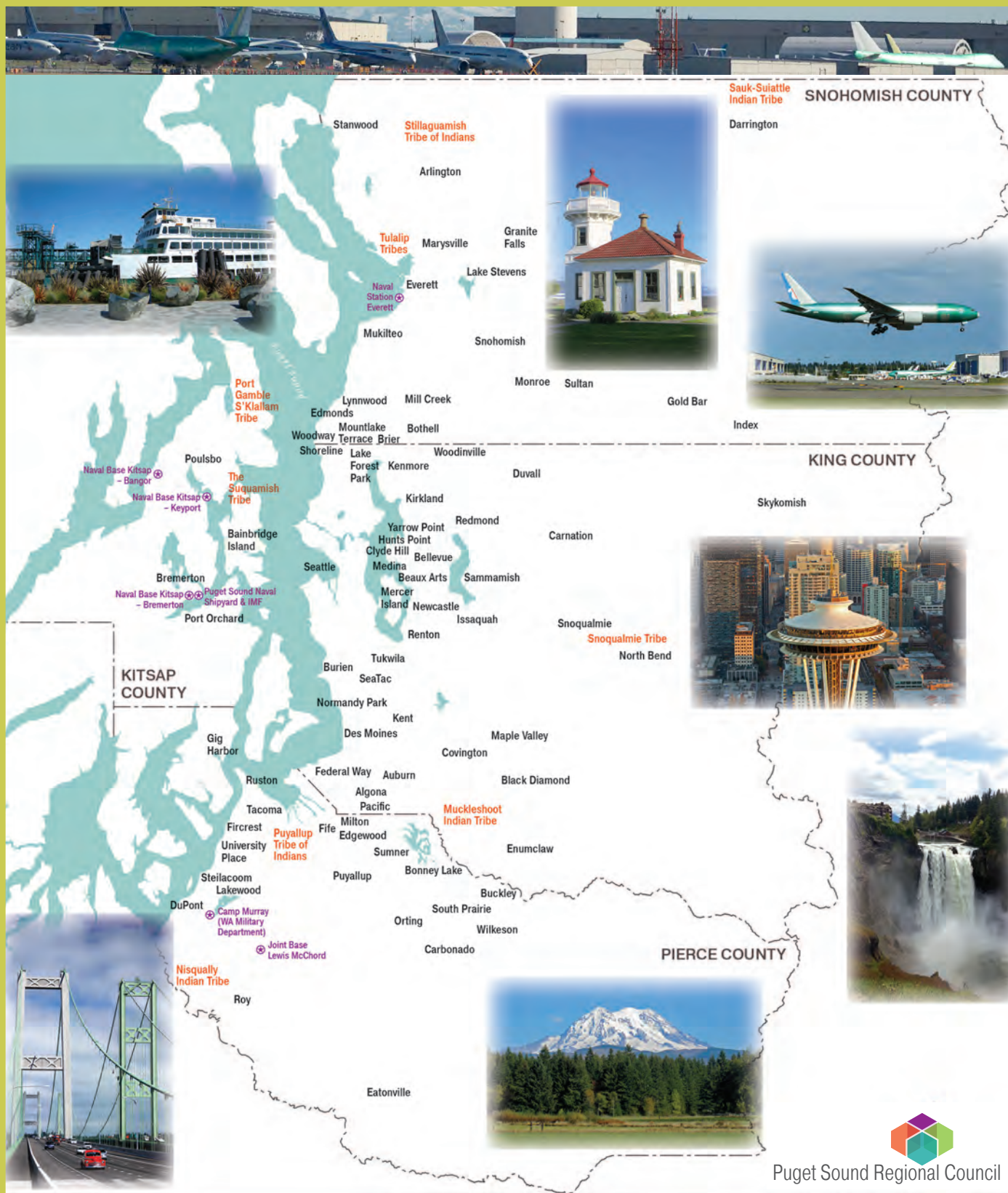
Growing Jobs and Opportunity in the Central Puget Sound Region



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Central Puget Sound Region



Puget Sound Regional Council

I. Introduction

From the Northwest's forests and mountains and waterways, the central Puget Sound region of Washington state has emerged as an amazing place – perched on the rim of the Asia-Pacific, ready for business.

Perhaps no other urbanizing region can lay claim to its dynamic combination of economic assets and potential for future success.

This regional economic strategy, Amazing Place, recognizes and promotes the region's substantial attributes and is designed to build on strengths. It also intends to shore up weaknesses.

It is the way the region organizes for success in economic development – for the entire region – to shape a sustainably resilient place.

For over a decade, through good times and hard times, the region has used a shared comprehensive economic strategy to understand the foundations of the regional economy and identify the actions required to best open economic opportunities to everyone, compete globally, and sustain a high quality of life.

This new strategy builds on the region's experience.

It was developed during a period of remarkable economic growth – and as Washington was recognized as the best state for business in the United States.

Recent economic success has added emphasis on ways to better ensure more equitable access to opportunity – throughout the region – for everyone who resides in the region.

It has also motivated the region to tackle transportation challenges, reduce income inequality, expand access to higher education, make housing more affordable, and spread technology fueled job growth closer to housing.

Washington was recognized as the best state for business in the United States.



The region's outstanding quality of life, talented workforce, growing global connectedness, cultural diversity, and successful companies are competitive assets that require attention and nourishment to sustain the region's prosperity.

A central idea that binds this strategy together is: *“everyone in the region is in this together.”*

A key factor in the region's future success will be the ability of leaders to mobilize together – and take actions on what's inside this strategy – to best prepare the region's economy for the future.

II. Executive Summary

The Electronic & Catalog Shopping industry cluster, which includes Amazon, has grown jobs at an average of 24% per year, far surpassing other clusters within the Information & Communications Technology sector.

Amazing Place is a data driven regional economic strategy. It identifies the key sectors of the regional economy that are driving the region's job growth through a thorough review of available data.

The strategy also relies on the input of major employers, civic groups, government

leaders, educators, chambers of commerce, and a broad array of economic development interests throughout King, Kitsap, Pierce, and Snohomish counties.

From all of this input, and lessons learned from prior strategies, goals were established, strategies were developed, and supporting initiatives were identified to sustain growth in key sectors and the overall economy.

Implementation of the strategy will be guided by the region's Economic Development District Board, with a new game plan to continuously develop a current and targeted set of actions and measures to achieve the region's goals, strategically.

Data informs the development of goals, strategies, supporting initiatives, and new implementation actions.

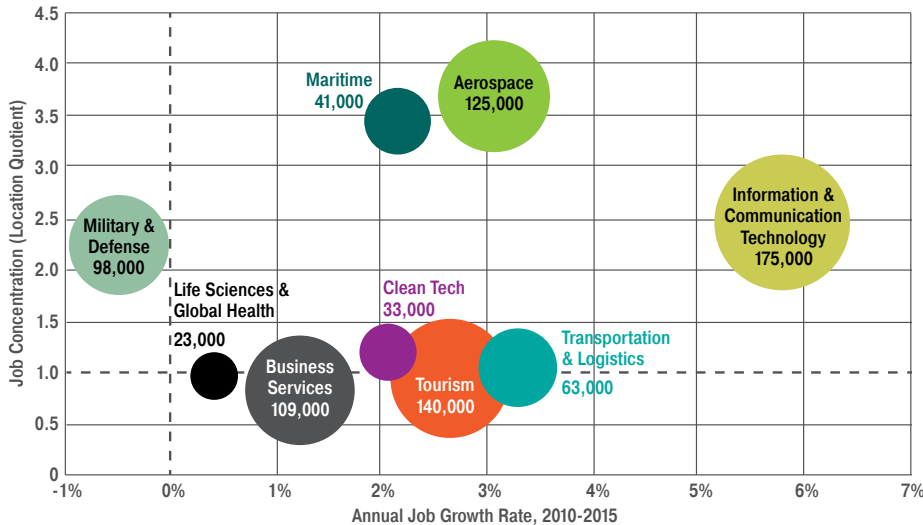


The Data

Leading industries drive job growth. Technology related companies – including Aerospace – are driving job growth in the region.

The region is home to key export focused industries that make it unique. These industries include Aerospace, Information & Communication Technology, Maritime, Military & Defense, Life Sciences & Global Health, Clean Technology, Tourism, Transportation & Logistics, and Business Services. The data analysis in Amazing Place also looks beyond these large key industries, identifying the industry clusters that highlight strengths in each of the region's four counties.

Key Regional Export Industry Job Growth, 2010-2015



Source: EMSI, PSRC, DOD

A region's competitiveness in an industry is frequently measured through a Location Quotient, an indicator of a region's concentration of jobs compared to national averages. An LQ above 1 indicates that the region has a higher than average number of jobs than the United States as a whole.

Industries are diverse and are made up of one or more specialized industry clusters, many of which are tied to the international economy.

Like the economy itself, industries evolve over time and having a diverse set of industry clusters can help sustain a

resilient economy as some clusters shrink in employment while others grow. For instance, the Electronic & Catalog Shopping industry cluster, which includes Amazon, has grown jobs at an average of 24% per year, far surpassing other clusters within the Information & Communication Technology sector.

The portfolio of the region's diverse economy goes beyond these key export industries.

The region is home to more specialized industries that build on the region's economic history and character, including Wood Products, Recreational Gear, Food & Beverage, and Architecture & Engineering. The region's Materials Manufacturing companies help keep the region on the cutting edge of Aerospace, Life Sciences & Global Health, Military & Defense, and other export industries.

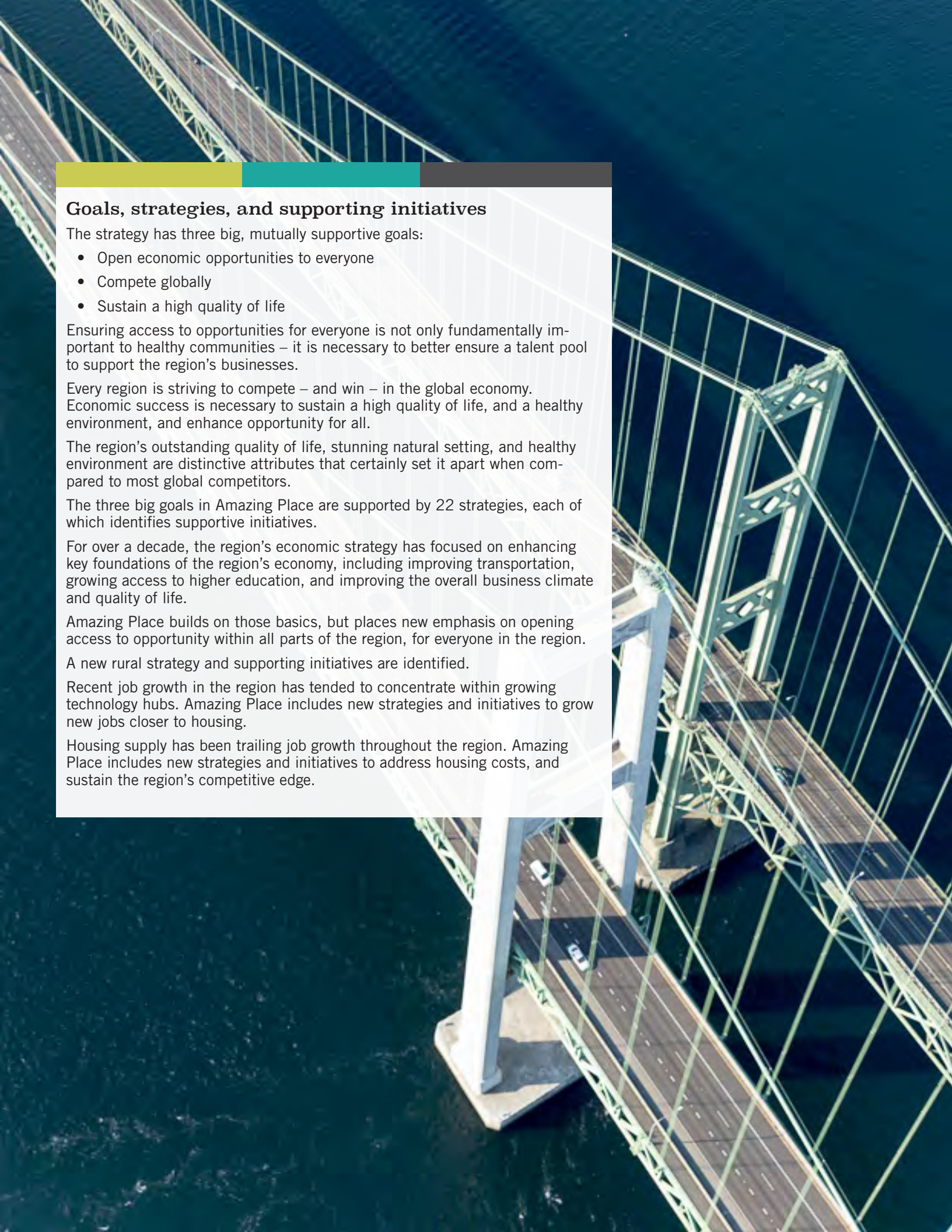
The new economic strategy is designed to support these key strategic clusters, grow jobs and opportunity, and look for ways to continue to diversify the regional economy.

A complete review of the data used to develop the strategy is included in the companion document Economic Analysis of the central Puget Sound region.

KEY EXPORT INDUSTRY	JOBS 2015	CAGR 2010-15	LQ	LQ TREND
Aerospace	124,600	3.1%	3.69	↑
Information & Communication Technology	175,200	5.8%	2.47	↑
Maritime	41,200	2.1%	3.45	↓
Military & Defense	98,400	-0.8%	2.24	—
Life Sciences & Global Health	22,600	0.4%	0.96	↓
Clean Technology	32,600	2.1%	1.19	↓
Tourism	140,300	2.6%	0.95	↓
Transportation & Logistics	62,500	3.3%	1.03	↓
Business Services	108,800	1.2%	0.83	↓

SOURCE: PSRC, EMSI, U.S. BUREAU OF LABOR STATISTICS

CAGR: COMPOUNDED ANNUAL GROWTH RATE - REFLECTS A GROWTH RATE IF MADE CONSISTENT OVER PERIOD

An aerial photograph of a large suspension bridge with a green steel framework, spanning a body of water. The bridge has multiple lanes and is supported by tall towers and numerous cables. The water is a deep blue. A semi-transparent white box with a yellow, teal, and grey header is overlaid on the left side of the image, containing text.

Goals, strategies, and supporting initiatives

The strategy has three big, mutually supportive goals:

- Open economic opportunities to everyone
- Compete globally
- Sustain a high quality of life

Ensuring access to opportunities for everyone is not only fundamentally important to healthy communities – it is necessary to better ensure a talent pool to support the region's businesses.

Every region is striving to compete – and win – in the global economy. Economic success is necessary to sustain a high quality of life, and a healthy environment, and enhance opportunity for all.

The region's outstanding quality of life, stunning natural setting, and healthy environment are distinctive attributes that certainly set it apart when compared to most global competitors.

The three big goals in Amazing Place are supported by 22 strategies, each of which identifies supportive initiatives.

For over a decade, the region's economic strategy has focused on enhancing key foundations of the region's economy, including improving transportation, growing access to higher education, and improving the overall business climate and quality of life.

Amazing Place builds on those basics, but places new emphasis on opening access to opportunity within all parts of the region, for everyone in the region.

A new rural strategy and supporting initiatives are identified.

Recent job growth in the region has tended to concentrate within growing technology hubs. Amazing Place includes new strategies and initiatives to grow new jobs closer to housing.

Housing supply has been trailing job growth throughout the region. Amazing Place includes new strategies and initiatives to address housing costs, and sustain the region's competitive edge.

GOAL: OPEN ECONOMIC OPPORTUNITIES TO EVERYONE

- Provide adequate support for basic education for all
- Coordinate programs in education and training to address workforce gaps and advance economic opportunity
- Encourage economic growth across all parts of the region
- Advance economic development within rural communities
- Support women and minority-owned, disadvantaged businesses

GOAL: COMPETE GLOBALLY

- Increase higher education capacity to expand high demand programs and foster world class research
- Sustain and grow commercial air travel connections domestically and globally
- Preserve, protect, and support industrial centers, military facilities, and maritime sites
- Build up and sustain ports and other infrastructure to support trade and logistics
- Support and promote international trade
- Strengthen, coordinate, and grow retention, expansion, and recruitment efforts
- Continuously improve the business climate
- Maintain and grow incentives for industry competitiveness
- Sustain and evolve the conditions necessary for innovation

GOAL: SUSTAIN A HIGH QUALITY OF LIFE

- Improve the region's transportation system
- Ensure a diversity of housing stock that is affordable and connected to jobs
- Focus new growth in urban areas, regional centers, and cities
- Invest in pre-K through 12 education systems that produce, attract, and inspire world class talent
- Embrace, celebrate, and promote the diversity of the region's people
- Ensure an outstanding and healthy natural environment
- Preserve, enhance, and improve access to open space
- Grow access to arts, culture, entertainment, and sports



GOAL: Open economic opportunities to everyone

SUMMARY OF STRATEGIES:

- Provide adequate support for basic education for all —
Regional youth are preparing for the jobs of the future, supported by a strong foundation in basic education.
- Coordinate programs in education and training to address workforce gaps and advance economic opportunity —
Industry aligned education and training pipelines are drawing residents with diverse backgrounds and skill levels into the 21st century workforce to meet the needs of regional employers.
- Encourage economic growth across all parts of the region —
Sub-regional areas contribute unique strengths and characteristics to the region's collective economy, supported by efforts to grow jobs throughout all areas.
- Advance economic development within small cities and rural communities —
Small cities and rural communities are hubs for small business growth and emerging industry development and are scenic gateways to the region's abundant recreational activities.
- Support women and minority-owned, disadvantaged businesses —
Women and minority entrepreneurs are supported by business practices that seek out and invest in their diverse perspectives, creating new businesses and strengthening the economy.

GOAL: Compete globally

SUMMARY OF STRATEGIES:

- Increase higher education capacity to expand high demand programs and foster world class research —
Local institutions of higher education produce world renowned research and well trained, high quality talent for employers across the region's industries.
- Sustain and grow commercial air travel connections domestically and globally —
Aviation powerhouse Seattle-Tacoma International Airport and emerging airfields around the region bring global destinations closer to home.
- Build up and sustain ports and other infrastructure to support trade, logistics, and freight mobility —
Internationally significant port facilities, robust distribution infrastructure, and proximity to Pacific Rim countries makes the region one of the world's great transshipment and export locations.
- Support and promote international trade —
Strong trade relationships put local products in global markets and make the region a top choice for international collaboration and investment.
- Preserve, protect, and support industrial lands, military installations, and maritime sites —
Industrial lands and maritime sites are diverse, specialized, and closely aligned with the needs of regional industry employers, with room to grow. Military installations are at the forefront of national defense, with missions and expertise leveraged by private sector partners.
- Strengthen, coordinate, and grow retention, expansion, and recruitment efforts —
New residents, workers, and businesses seek out the types of amenities and attributes so abundant throughout the region when making location decisions.
- Continuously improve the business climate —
Successful businesses and world-leading companies benefit from public investments and streamlined regulation, fueling the region's strong, growing economy.
- Maintain and grow incentives for industry competitiveness —
Robust, export based industry clusters are supported by favorable business and income tax policies, yielding a diversified and resilient regional economy.
- Sustain and evolve the conditions necessary for innovation —
Public and private sector partners are revolutionizing industries and disrupting markets through technological advancements, contributing to a thriving innovation economy.

GOAL: Sustain a high quality of life

SUMMARY OF STRATEGIES:

- Improve the region's transportation system —
Residents and freight move freely through the region on a network of roads, rail, air, and marine highways, supported by investments to improve efficiency and reliability of all modes.
- Ensure a diversity of housing stock that is affordable and connected to jobs —
A diverse choice of housing in proximity to the region's job opportunities, community assets, and natural landscapes is drawing new residents from comparatively less affordable areas.
- Focus new growth in urban areas, regional centers, and cities —
Designated growth centers, industrial lands, and sub-regional centers provide concentrated housing and amenities in proximity to job opportunities, supported by infrastructure and investment.
- Invest in pre-K through 12 education systems that produce, attract, and inspire world class talent —
Regional schools are nationally ranked and high performing, supported by public investment to prepare all students for graduation and economic success.
- Embrace, celebrate, and promote the diversity of the region's people —
Individuals of all backgrounds are welcomed and respected in the region and are supported by political and business leadership that value diversity.
- Ensure an outstanding and healthy natural environment —
The region's natural environment – its forests, mountains, clean air, and clean water – is prioritized in economic policy decisions, sustaining a healthy populace.
- Preserve, enhance, and improve access to open space —
The region's natural beauty, clean air, and access to nature make it a desirable place to live, work, and visit.
- Grow access to arts, culture, entertainment, and sports —
Arts, culture, entertainment, and sports assets are prevalent in each community in the region and support educational opportunities and a creative economy.



A new implementation game plan

Amazing Place includes a new implementation game plan designed to continuously keep the region nimble and alert for new opportunities, and ready to act strategically.

The region's Economic Development District board, housed at the Puget Sound Regional Council, will continuously develop and assess progress on a continuously current set of Action Items.

These Action Items are intended to ensure that the region is focused on the right things, at the right times, to maximize the return on limited resources and better ensure the region is always ready to seize new opportunities.

The game plan is built off the recognition that past practices could be improved with more focused attention to priority initiatives.

Action Items will include timely priority initiatives and new efforts to catalyze progress on key strategic sectors.



III. Implementation & Evaluation

Amazing Place is the result of a locally based, regionally driven economic development planning process overseen by the Central Puget Sound Economic Development District Board. The EDD Board is charged with the development of the strategy, leveraging existing regional plans and efforts. Together, the goals and strategies in Amazing Place are a strategic blueprint for sustaining the region's economic development.

Implementing the strategy

Because Amazing Place builds upon other regional planning efforts, many partners have programs and workplans already in place that help implement the strategies identified. The broad makeup of the EDD Board puts it in a position to provide a unique voice in regional economic development. In addition to its responsibility in developing and maintaining this strategy, the EDD Board also plays an important role in implementation. New opportunities arise and new tactics will be needed to accomplish the goals identified in Amazing Place. The EDD Board will continuously identify strategic opportunities for action.

The EDD Board will engage in implementation through a set of evolving Action Items. These Action Items will align with one or more strategies identified in Amazing Place. The EDD Board will have the opportunity to discuss and update a set of current Action Items at each board meeting.

Implementation

GOALS

STRATEGIES

ACTION ITEMS

Evaluation

- Measuring progress on goals, strategies, action items
- Analyzing economic trends
- Regional benchmarking

INFORM NEW ACTION ITEMS

Action Items will:

- Support the implementation of one or more specific strategies
- Have a lead identified
- Be accomplished in approximately twelve months

Evaluation

Evaluation is essential to successful implementation of Amazing Place. Ongoing evaluation will take place to measure progress on the goals and strategies, analyze economic trends, and benchmark against other regions to identify opportunities for future Action Items.

This ongoing evaluation will be integrated with other data analysis efforts at PSRC to ensure alignment and avoid duplication of efforts. Work by partner agencies to evaluate elements of the regional economy will be integrated into evaluation efforts when appropriate.

52%
of the region's kindergarten students showed readiness in 2016



IV. Goals & Strategies

GOAL: Open economic opportunities to everyone

No region can achieve sustainable economic development without investing in human capital. Education improves quality of life, raises productivity and creativity, and encourages entrepreneurship. It is also an essential pathway to a more just and equitable region. Advancing equity in job and business opportunities requires recognizing the historic marginalization of certain populations and establishing pathways of opportunity for everyone to prosper.

The central Puget Sound region is sustaining and growing systems to provide a competitive and diverse workforce, a climate good for businesses of all sizes, and one that provides everyone access to the opportunities of the future.

Strategies identified to address regional strengths, weaknesses, opportunities, and threats:

- Provide adequate support for basic education for all
- Coordinate programs in education and training to address workforce gaps and advance economic opportunity
- Encourage economic growth across all parts of the region
- Advance economic development within small cities and rural communities
- Support women and minority owned, disadvantaged businesses

STRATEGY:

Provide adequate support for basic education for all

Washington youth must increasingly compete for jobs in their own backyard. A strong foundation in basic education is essential to preparing youth to engage in the workforce. Not all students, however, are receiving the support they need to succeed. Too often, a child's educational attainment and economic achievement are determined by their ZIP code. Disadvantaged communities require a network of services to help children overcome social and institutional barriers to success.

According to Washington STEM, the state ranks second in the nation in concentration of STEM jobs, but 45,000 of these jobs in the next four years will go unfilled due to lack of qualified candidates."

Falling behind on basic education

Though Washington ranks in the top 10 states for student achievement in math, only 39% of Washington's 8th graders have scored at or above proficient on the nation's math exam. Similarly, only 36% of Washington 8th graders scored at or above proficient on the nation's science exam. While graduation rates have been improving – up from 77.8% for the region's class of 2011 to 80.6% for the region's class of 2016 – both state and regional rates fall behind the national average.

Washington has designated 255 out of 2,300 schools as low performing – nearly half of which are within the region. Not all low performing students, however, attend low performing schools. The Washington Roundtable points out that only half of the approximately 200,000 3rd through 8th graders who scored below proficiency on Smarter Balance assessments attended a low performing school.

There is an obvious need to improve investment in the region's schools and in a manner that betters outcomes for all students. The Washington Roundtable's report: Pathways to Great Jobs in Washington State has identified four areas of action for the state:

- Improve school-readiness, with an emphasis on low-income children and traditionally underserved populations
- Improve the performance of the K-12 system to ensure more high school students graduate career – and college – ready, with an emphasis on raising achievement among at-risk students and low performing schools and students
- Increase participation of Washington students in postsecondary education, with a focus on delivering degrees, certificates, and other credentials in fields that will be in high demand
- Help students, beginning in elementary school, develop better awareness of the careers that will be available, inspiring them to think about their futures, the skills necessary for the jobs that interest them, and the pathways to attaining those skills

The Washington State Department of Early Learning has set a goal to prepare 90% of five-year-olds for kindergarten by 2020.

Strengthening early childhood education

Increasingly, kindergarten readiness is a predictor of high school graduation. Recognizing the effectiveness and importance of the first five years of life, there have been recent efforts to strengthen early childhood programs in Washington state and the region. The Washington State Department of Early Learning has set a goal to prepare 90% of five-year-olds for kindergarten by 2020.



High School Graduation Rates in the central Puget Sound region

	2010–2011	2015–2016	2015 MEDIAN INCOME
King	79.8%	80.4%	\$81,916
Kitsap	81%	81.6%	\$66,090
Snohomish	76.4%	79.6%	\$76,251
Pierce	74%	81.5%	\$60,167
Washington	76.6%	79.1%	\$64,129
U.S.	79%	83.2%	\$55,775

SOURCE: 2015 AMERICAN COMMUNITY SURVEY 1-YEAR ESTIMATES, TABLE B19013

and communities in King County. In 2014, Seattle voters approved funding for the Seattle Preschool Program, supporting the city's goal of making voluntary, high-quality preschool accessible and affordable to all 3- and 4-year olds.

Improving STEM literacy

The region's economic strength is rooted in industries reliant on science, technology, engineering, and math related skills and occupations. There are a variety of initiatives around STEM in the region, often arising out of the Washington STEM, a partnership of educators, businesses, community, and government leaders working to ensure that all youth have the skills they need to thrive in the STEM economy. Both Snohomish STEM Network and West Sound STEM Network are working to enhance student learning in the key academic areas of science, technology, engineering and mathematics. They are working to build educator capacity, provide helpful data and research, and offer best practices for STEM education in K-12.

The Washington Alliance for Better Schools is a collaboration of 11 school districts whose goals are to increase indicators of academic achievement (especially in STEM), build teachers' capacity, close achievement and opportunity gaps, and strengthen student and family engagement in education.

Preparing all youth for the jobs of the future

The region's educational system is not adequately serving the racial and ethnic minority students who experience lower kindergarten readiness and high school graduation rates than their peers. In 2016, 52% of the region's kindergarten students showed readiness across six levels measured. Readiness was significantly lower among youth of color, correlating to graduation rates up to 20% behind their peers.

The Road Map Project is a community-wide effort in south Seattle and south King County to drive dramatic improvement in student achievement from cradle to college and career. Youth served by the Road Map Project are 73% of King County's low-income students, 69% of King County's English language learner students, and 58% of King County's students of color. These students face greater institutional and social barriers to educational attainment and opportunity than their peers across the county, though they must compete for jobs in the same global marketplace. The Project sets specific goals to level the playing field:

- By 2020, increase equitable policies and practices in the educational systems and dramatically improve outcomes for children and youth, from cradle to career
- By 2030, eliminate the opportunity and achievement gaps impacting children of color and low-income children in the area, and ensure that 70% of youth earn a college degree or career credential

90% of unfilled jobs in the state will be in high-skilled STEM and health care positions

Created in 2010, the Road Map Project has made progress. More students are taking one or more college-level courses before graduating high school, more students are graduating from high school on time, and more students are enrolling in College Bound Scholarships. Major challenges still exist, however, and greater effort can be made within the region to advance the Project's goals.

Initiatives supported by the regional economic strategy will:

- Ensure the Washington Roundtable's Pathways to Great Jobs in Washington State key cradle to career steps are implemented
- Continue to support the Road Map Project and draw best practices from that program to support other parts of the region, connecting a full range of social services to help kids succeed

STRATEGY:

Coordinate programs in education and training to address workforce gaps and advance economic opportunity

Regional education and training providers produce high-quality workers for industry employers. Workforce gaps, however, persist in a variety of sectors. Students and job seekers need to see – and complete – pathways through education and training that prepare them to succeed in meaningful occupations. Education and training programs need clear alignment with employer needs to meet demand for workers. Investment and better data are needed to respond to training needs and address the growing skills gaps.

Meeting the needs of the region's workers



The Washington Roundtable predicts that addressing the jobs skills gap could create 110,000 jobs and \$720 million in annual state tax revenue statewide.

The state's job growth over the next five years is expected to be nearly triple the national average. Students in Washington classrooms today will enter a job market bursting with opportunities and require tailored skills to meet those opportunities. Too many students do not understand how the skills they are learning are applied in the work world.

Programs exist to assist workers at all stages of career development: those new to the workforce, mid-career workers who want to shift focus, under-employed workers, or those trying to re-enter the

workforce. Strong collaboration is needed among government, local employers, training providers and educational institutions, service and advocacy groups, and other local organizations to make sure the workforce system succeeds in strengthening the talent pool and expanding economic opportunities.

Strong economy with workforce gaps

Despite very low unemployment in many parts of the region, the regional economy has gaps in middle income jobs, a graying workforce in key manufacturing industries, and employers in need of more workers. The Washington Roundtable predicts that there are tens of thousands of unfilled jobs in Washington as a result of an "acute" skills gap – when a company offering a prevailing wage is unable to fill positions that have remained open for three months or more due to a lack of qualified candidates. Ninety percent of these unfilled jobs are in high-skilled STEM and health care positions.

Data from state and local agencies must accurately inform training and educational investments. Comprehensive data on graduates, placement rates, and hiring can shape curriculum, programs, and policies that affect training institutions. An understanding of hiring needs and training program alignment can help educators and training providers identify opportunities for the region's youth and upwardly mobile workforce.

31% of students who attend a Washington high school will earn a postsecondary credential by age 26



Solving for industry sectors

According to the Washington Council of Presidents, an organization led by the presidents of the state's six public universities, the largest workforce gaps at the baccalaureate and graduate levels in Washington are in computer science, engineering, education, maritime, and health occupations.

Not all occupations facing workforce gaps, however, require a four-year degree. Community and technical colleges and apprenticeship programs provide the necessary training in many instances and the prospective worker may more readily achieve employment goals by pursuing these pathways. In addition, many mid-career workers, with or without baccalaureate degrees, need lifelong learning, in the form of short courses, certifications, and other formal learning short of a full degree program. Lifelong learning raises productivity in workers' existing jobs and improves market mobility for workers who move for personal growth or in response to labor market needs.

Each industry faces different challenges in meeting demand for workers. As a result, workforce, education, and industry groups are partnering to evaluate existing degree and credential programs and align course offerings to provide students and employers with the skills they need to fill open positions.

Everett Community College's Advanced Manufacturing Training and Education Center exposes K-12 students to STEM field opportunities in advanced manufacturing. Green River College has partnered with local industry and business leaders to develop a fast-track, two-quarter certification program for aerospace parts machining, helping students move into the workforce.

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Building career literacy and pathways

Workforce Development Councils in the region provide employer outreach and oversee the state's WorkSource employment centers. They conduct the critical work of administering the U.S. Department of Labor's Workforce Innovation and Opportunity Act within the region. Each council develops a local strategic plan assessing local employment and coordinating workforce activities throughout their

area. This enables activities such as innovative career pathway programs that prepare workers for employment and support their advancement within high-demand occupations by aligning education, training, and workforce development programs.

There are a variety of apprenticeship programs to address workforce gaps, including union-sponsored and industry association programs. Workers finishing apprenticeship programs earn on average \$73,000 within a year of graduation.

Many other government agencies and non-profit organizations provide workforce development services as well. Local government offices and non-profits tied to philanthropy, and even for-profit companies, all partner to create a robust network of practitioners in the region. This type of collaboration led Starbucks Coffee and the City of Seattle to partner to achieve youth hiring goals for the company.

Companies are also connecting to K-12 education through career development activities. Through programs such as DiscoverU, the region's leading executives, including Satya Nadella from Microsoft and Sue Desmond-Hellman from the Bill and Melinda Gates Foundation, are connecting with students to share their own personal pathways and help middle and high school students see how the skills they are learning connect to their dreams and the world.

The Washington State Opportunity Scholarship program addresses unfilled seats in the high-demand sectors that drive the region's economy. This first-of-its-kind program supports Washington students from low- and middle-income households to attain bachelor's degrees in high-demand fields including science, technology, engineering, math, and health care through scholarships of up to \$22,500. The program also provides professional development, skills-building workshops, and genuine industry exposure to help increase the rate at which students enter the state's workforce. In addition, the State Need Grant program provides need-based financial aid to income-eligible students pursuing postsecondary education. Eligible students have a household income that is less than 70% of the state's median family income.

Initiatives supported by the regional economic strategy will:

- Help students, beginning in elementary school, develop better awareness of the careers that will be available, inspiring them to think about their futures, the skills necessary for the jobs that interest them, and the pathways to attaining those skills
- Invest in data systems that show gaps in workforce systems and hiring needs
- Expand investment in current programs to help bridge expected workforce gaps filling job openings in the state and providing meaningful careers to the state's citizens, including underserved communities

STRATEGY:

Encourage economic growth across all parts of the region

The region has seen strong economic growth but it is not equally distributed throughout the region. Sub-regions have distinct opportunities and challenges requiring different investments and economic development efforts.

Spreading prosperity throughout the region

The region's job growth has been outperforming the nation – in recent years, employment is up within every county. The technology driven boom of the past few years, however, has tended to concentrate job growth within the most urbanized parts of King County.

Unemployment levels are higher in other parts of the region. This, among other things, creates a challenge for growing jobs in proximity to housing. Access to opportunity is important for all parts of the region, for all the people of the region.

Investing in communities for job growth

Various hubs of economic activity provide different opportunities for parts of the region. Joint Base Lewis-McCord, for example, is a major hub of economic activity and its missions can be leveraged to develop congruent business sectors, such as cybersecurity. Addressing the economic development and infrastructure needs of unique, sub-regional assets, like JBLM, enables each to reach its full potential.

Improved and expanded community infrastructure is needed to encourage more economic development in underserved areas of the region, including those with limited access to higher education and training pipelines, parks, and other services. There are opportunities to encourage commercial development – tailored to the needs, goals, and opportunities in sub-regions – that will lead to greater economic development in these sub-regions.

In particular, access to broadband infrastructure is needed throughout the region. Speeds and access that encourage economic development are needed in both underserved areas but also even in very developed parts of the region. Infrastructure must be expanded to reach areas with limited broadband access and capacity improved in rapidly developing metropolitan areas.



Regional Centers and Manufacturing Industrial Centers are sites for the highest population and job growth. The region's resources are targeted to help these areas reach their full potential.

Economic development efforts

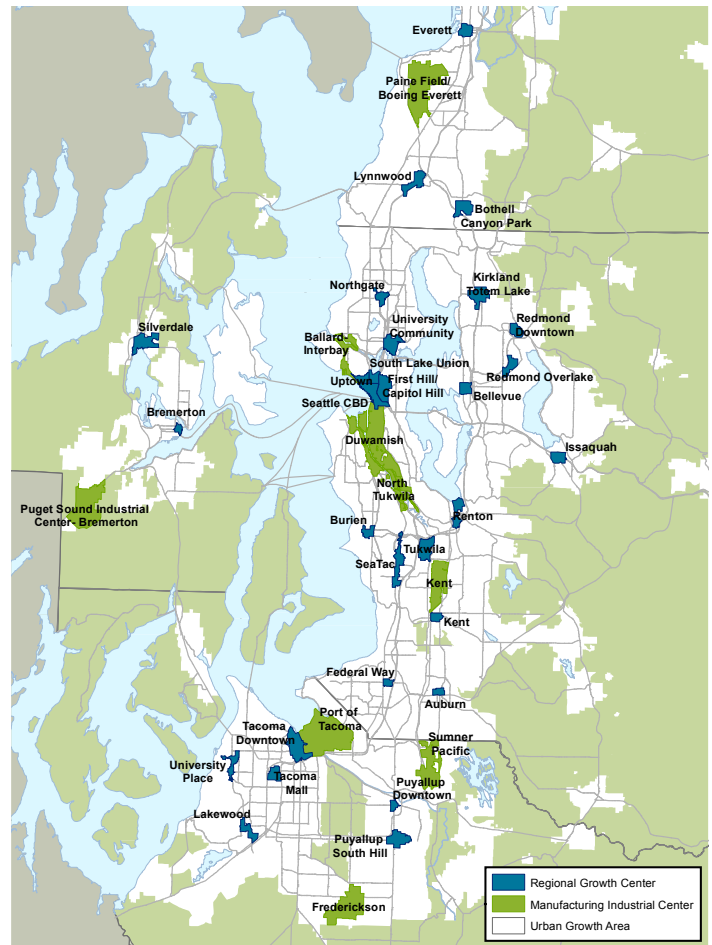
Each county has different industry strengths and plans for future economic development. In the South Sound, a strong Transportation & Logistics sector exists along with Aerospace, cybersecurity, and health services. In the north, Aerospace, Information & Communication Technology, Agricultural Inputs & Services, and Medical Apparatus Manufacturing are key sectors. In Kitsap County, Military & Defense, Maritime, and Aerospace are vital industries. In the central part of the region, Information & Communication Technology, Life Sciences & Global Health, and other industries play a crucial role in the economy.

Building on these strengths and supporting these industries and businesses is a key component to any effort to develop the sub-economies of the region. Finding synergies between the industries and sub-regions will strengthen both the parts and the whole. Attracting investment and talent into these industries and various areas of the region is crucial to continued economic development.

Regional and sub-regional economic development efforts, however, should not be solely focused on what currently exists. Efforts should prospectively seek to expand the range of economic opportunities through new industry clusters and emerging business sectors as part of long term investment and recruitment strategies.

Initiatives supported by the regional economic strategy will:

- Expand access to broadband Internet access throughout the region
- Develop industry cluster analysis of sub-regions to provide data to do more targeted economic development
- Support investment in areas of the region that are operating under their potential and that have strong opportunities for growth
- Support efforts to grow jobs in proximity to housing
- Target economic development efforts that support additional industries that will benefit targeted communities



STRATEGY:

Advance economic development within small cities and rural communities

The region's small cities and rural communities offer a link to area's past growth and future promise. These areas offer proximity to recreation, natural resources, and workforce vital to surrounding urban centers. These communities continue to diversify and strengthen their local economies in ways that celebrate each community's unique assets and character. Supporting living wage jobs in these vibrant economies is critical to the region's economic success and quality of life.

Small cities, rural communities are hubs of economic activity

Rural lands make up 84% of the region, and 13% of the population lives and works in rural areas. There are more than 5,400 farms generating products valued at an estimated \$356 million annually. Working forests continue to sustain rural jobs.

Regional policies that focus growth within urban areas help maintain rural character. VISION 2040 calls for continued use of rural lands for farming, forestry, recreation, cottage industries, and low density housing maintained by rural services.

At the same time, small cities outside the contiguous urban growth area are hubs for higher density housing, job and service centers for surrounding rural areas, and bases for outdoor recreation and tourism. Small cities offer a high quality of life, vibrant communities, and connections to the regional economy while being sparks for the region's creative economy. Funding mechanisms such as the region's Rural Town Centers and Corridors Program and the state's Main Street program help support development in small cities to support these activities.

Residents from small cities and rural communities often commute into urban centers or work within regional markets while living rural or small-town lifestyles away from the region's larger cities. Residents from the core urban areas and tourists visiting the region travel to small cities and rural communities for recreational opportunities. Transportation investments in line with growth expectations are important to keeping these communities connected to the regional economy.

The region's Tribes are economic engines, with particular strengths in the Maritime and Tourism industries. The region ranks first in the nation in non-tribal employment in gambling establishments.



33% of jobs in freestanding cities and rural areas are in the service sector



Enriching local economies

Rural lands are a unique resource that should be protected. Farmlands, forests, and open spaces continue to face pressure to convert to other uses. There are ongoing efforts to better identify prime farmland to protect it from development while sustaining local economies. In recent years, jobs in crop and animal production have declined in the region. However, high quality soils within the region's major river valleys, diversified crops and products, new sustainable farming practices, "buy local" food trends, and a growing affluent local market are among the factors that can help boost the region's farm economy.

The industry makeup of jobs in the small cities and rural communities is different than that of the core urban areas, but opportunities continue to emerge to strengthen those industries. New technology and innovations can help sustain jobs in rural communities, while maintaining their character. Former timber based communities may see new opportunities in Cross Laminated Timber.

Recent collaboration in the Stillaguamish River Valley and along the Great Northern Corridor are examples of economic development initiatives that focus on recreation and tourism, in addition to preserving resource driven businesses. This collaboration is an effort to connect residents to social and economic opportunities.

Broadband speeds and access are still a challenge in small cities and rural communities. Strengthening broadband access in these communities can help support home based businesses, create maker spaces, incubators, and tech hubs that are scaled to these areas. Local talent will find its way to support local economies, if the right tools are provided.

The region has a strong culture of outdoor recreation, and the small cities and rural areas are often the base of activity for camping, hiking, skiing, activities on rivers and lakes, or visiting wineries. The region is home to a major trail system that is being expanded and better connected. Recreational businesses, as well as recreational activity tied to retail, restaurant, and hospitality establishments, help sustain these communities.

The region's nine Native American tribal governments are increasingly important factors in the regional economy, especially in rural areas. Since the advent of large-scale gaming in the late 1990s, tribal governments have become major tribal and non-tribal employers and significant purchasers of goods and services in the region. Tribal governments are using gaming revenues to invest in diversified economic ventures including hotels, restaurants, retail outlets, seafood, entertainment venues, golf courses, and business enterprises. They are also funding infrastructure projects, education, public safety, health care, housing, and environmental initiatives on reservations.

Initiatives supported by the regional economic strategy will:

- Support funding mechanisms for redevelopment in small cities that is to scale with regional growth expectations
- Restore and complete major trail systems identified within regional plans
- Encourage recreational use in rural areas that is compatible with environmental interests and local culture
- Support economic development strategies that recognize agriculture and other industries that drive the economies in small cities and rural communities
- Support transportation improvements in small cities and rural areas that connect regional residents safely to recreational and economic opportunities and are designed and operated in a way that fits local context
- Expand broadband internet access to rural communities and small cities
- Support development of Cross Laminated Timber production and emerging market opportunities uniquely situated for rural communities

STRATEGY:

Support women and minority-owned, disadvantaged businesses

Women and minority-owned businesses face unique barriers to realizing their full potential and economic contribution. This is particularly true for the many women and minority-owned businesses that are also small businesses. Small businesses in general must overcome challenges in dealing with regulations, financing, and access to markets with fewer resources than larger businesses.

The same small business challenges become compounded for women and minority-owned businesses that face barriers from historical structural biases, less access to information and key decision-makers, and inability to access traditional sources of startup capital.

Important, unique perspectives benefit business

Women and minorities play an important role in the regional economy, especially as entrepreneurs and small business owners. Women and minorities together make up 65% of the labor force in the region. Approximately 20% of businesses in the region are minority-owned companies, above the national average of 17.6%.

Their ability to thrive requires employers that can open doors and level the playing field. Companies owned by women and minorities are much more apt to understand and be responsive to the needs and consideration of women and minorities in the workforce. They can better connect with customer markets defined by women and minorities. Creating a level playing field for women and minority-owned, disadvantaged businesses creates more jobs and adds to the diversity of the economy and region.

Opportunities to grow these businesses

A variety of programs exist to help these businesses at the federal, regional, and local levels. The Small Business Administration provides advice and technical expertise on both starting and managing a business, as well as a variety of loan and grant programs to help business startup or expansion. SBA has located a Minority Business Development Administration Business Center in Tacoma, Washington to generate increased financing and contract opportunities for minority business in the region. Similarly, SBA supports three Women's Business Centers around the state, with one in Seattle.

More businesses in the region are owned by minorities than the nation. Organizations like Ventures investing in low-income women and minority entrepreneurs, growing innovation into business ownership.



20% of the region's businesses are minority-owned

Cities and counties also have programs designed to serve disadvantaged businesses, including information outreach programs and accelerator and incubator programs. One example is the Economic Alliance of Snohomish County's Northwest Small Business Transportation Resource Center which works to increase the number of small and disadvantaged businesses that are prepared to compete for, and enter into, transportation-related prime and subcontracts. As the region struggles to meet demand for commercial and retail space, local communities can support equitable access to space for women and minority-owned businesses, especially for legacy businesses that root communities in a developing neighborhood.

Governments at all levels have contracting programs to provide more access to these companies in the government procurement process. With the continued growing diversity of the region, there is an opportunity to reach more of these populations to create and grow small businesses that will add to the vitality of the region's economy.

Access to capital can be a challenge for women, minority and disadvantaged businesses. The Washington State Department of Commerce's Small Business Credit Initiative has a variety of programs, from bridge loans to a venture capital fund, to help such women and minority-owned companies gain greater access to capital.

Initiatives supported by the regional economic strategy will:

- Regional economic development efforts should address challenges that women and minority-owned businesses face, and integrate opportunities for disadvantaged businesses into all programs
- Government agencies need to maintain procurement practices that open opportunity to disadvantaged businesses
- Private sector leaders must support diverse subcontracting opportunities



GOAL: Compete globally

Global economic opportunity aligns with the region's economic strengths and advantages. The central Puget Sound region is one of the most internationally trade-tied regions in the United States. It is a global gateway for goods and people. At the same time, metropolitan regions throughout the world are continuously competing for jobs and opportunity.

The region is not only taking strong steps to improve infrastructure for the movement of people and freight, it is also working to grow and retain talent and provide foundational support for diverse businesses to thrive. The region's competitive edge must be nurtured and honed through continual business support, development of a nimble and talented workforce, and expansion of our assets for ongoing innovation and global connections.

Strategies identified to address regional strengths, weaknesses, opportunities, and threats:

- Increase higher education capacity to expand high demand programs and foster world class research
- Sustain and grow commercial air travel connections domestically and globally
- Preserve, protect, and support industrial centers, military installations, and maritime sites
- Build up and sustain ports and other infrastructure to support trade and logistics
- Support and promote international trade
- Strengthen, coordinate, and grow retention, expansion, and recruitment efforts
- Continuously improve the business climate
- Maintain and grow incentives for industry competitiveness
- Sustain and evolve the conditions necessary for innovation

STRATEGY:

Increase higher education capacity to expand high demand programs and foster world class research

The region's universities are hubs of producing world class talent and research. They inspire entrepreneurs and emerging leaders in innovation, coordinate public private partnerships, and much more. They are key factors to the region's ability to compete globally.

Many students, however, face barriers to accessing high quality programs at the region's four-year and community and technical colleges. Too many Washingtonians are unable to attain the degrees and credentials they need to gain living wage employment and too many companies are facing challenges in filling talent needs.

World class institutions are local

The region is home to first-class institutions of higher learning that provide talent for the region's businesses and institutions. The University of Washington is one of the premier research universities in the world and is the second-largest recipient of federal research funds of any public institution in the country. Serving over 45,000 students at its Seattle Campus, it is ranked 15th on the Shanghai Academic Ranking of World Universities. Urban campuses in Bothell and Tacoma, serving 5,700 and 4,900 students, respectively, expand the reach of the university within the region as do its professional and continuing education programs.

Washington State University is deeply rooted in the region, serving directly from its Pullman main campus and its urban campuses throughout the state.

Residents are highly skilled and educated — 50% hold an associates degree or higher. The state has set a goal for 70% of adults to hold a postsecondary credential by 2023.



The university's newest campus in Everett has established – and continues to grow – industry-aligned undergraduate programs primarily focused around STEM degrees.

There are numerous other top universities, both public and private, located in the region. The region is home to 18 community and technical colleges that serve 142,700 students. These colleges produce more than half of all undergraduate credentials awarded in Washington and increasingly these schools are also offering four-year programs in high demand

disciplines. All six of Washington's public baccalaureates maintain a presence in the region through their partnerships with community and technical colleges. From a co-located campus in Poulsbo, Western Washington University offers a computer and information systems degree program coordinated with Olympic College's associates program, allowing students to seamlessly transfer for additional training without leaving the Kitsap Peninsula.

Educational demand exceeding institutional capacity

Educational capacity – particularly at public institutions – has not kept up with regional demand. At the University of Washington's College of Engineering, of the roughly 2,000 University of Washington freshman who qualify to study engineering, fewer than half will get in.

This throughput problem holds back opportunities for businesses, families, and communities. Only 31% of students who attend a Washington public high school will earn a postsecondary credential by age 26. Washingtonians ages 25 to 34 are projected to be the first generation in history with lower educational attainment levels than their parents. If left unchecked, educational inequality will further exacerbate income inequality and undermine regional prosperity.

Breaking down barriers to world class education

The Washington State Board for Community and Technical Colleges has set a goal to increase access to postsecondary education. The Board's plan seeks to enroll more underrepresented, first-generation, and adult students as well as active military, veterans, and their dependents. The plan will also develop means to attract former students needing credits to complete degrees, certificates, or credentials. Further, the Board aims to expand educational opportunities such as eLearning, open educational resources, and competency-based degrees and certificates to enhance and accelerate educational attainment.

The Washington Student Achievement Council has set a roadmap for improving the educational attainment of Washington residents by 2023. It sets a goal that 70% of adults in the state ages 25-44 will have a postsecondary credential. This would require the entire system to produce an additional 380,000 credentials by this time. Growth in regional four-year institutions, their urban campuses, and community and technical colleges are key to bridging these gaps. The Washington State Council of Presidents, Washington State Board for Community and Technical Colleges, and the Independent Colleges of Washington have collectively supported Washington Competes: A Sector-Wide Agenda for Higher Education Growth and Completion, a plan to serve more students and strengthen the state's competitive advantage.

Expansion is happening

Higher educational institutions in the region are well aware of capacity challenges and are actively attempting to meet them. For example, the University of Washington Seattle Campus Master Plan calls for increasing full time equivalent student enrollment before 2028 to 52,400 students. Branch campuses in Tacoma and Bothell are also preparing for increases. In addition, the University of Washington has created Husky Promise, which guarantees full tuition and standard fees will be covered by grant or scholarship support for eligible Washington state students.

In STEM fields, Washington State University has introduced new degree programs in line with regional industry needs. The new Everett campus offers mechanical, electrical and software engineering, and data analytics degree programs. A partnership with Olympic College in Bremerton offers mechanical and electrical engineering degree programs. The university's Global Campus offers an online master's degree in software engineering.

Initiatives supported by the regional economic strategy will:

- Expand capacity in the postsecondary system, making a college education and technical training accessible to all
- Reduce bottlenecks in high-demand and priority workforce programs and courses
- Ensure that students have the resources to graduate
- Strengthen education pathways for historically underserved populations

STRATEGY:

Sustain and grow commercial air travel connections domestically and globally

Commercial aviation is a cornerstone of the region's economy and Seattle-Tacoma International Airport is its aviation powerhouse. Passenger traffic and cargo volumes are at record levels and are on a high-growth trajectory. In response, the Port of Seattle is investing hundreds of millions of dollars to modernize and increase the airport's capacity. A long-term strategy is needed to ensure the region's aviation capacity continues to match the needs of an expanding population and economy.

Traditional harvest is now a global brand as Suquamish Seafood Enterprises ships geoduck worldwide, with high demand in Chinese markets.



Sea-Tac Airport connects the region to the world

Sea-Tac is among the fastest growing major airports in the United States and ranks as one of the top 10 busiest airports in North America. The airport is a major regional employment center with more than 18,000 workers and indirectly supports 172,000 jobs throughout the state.

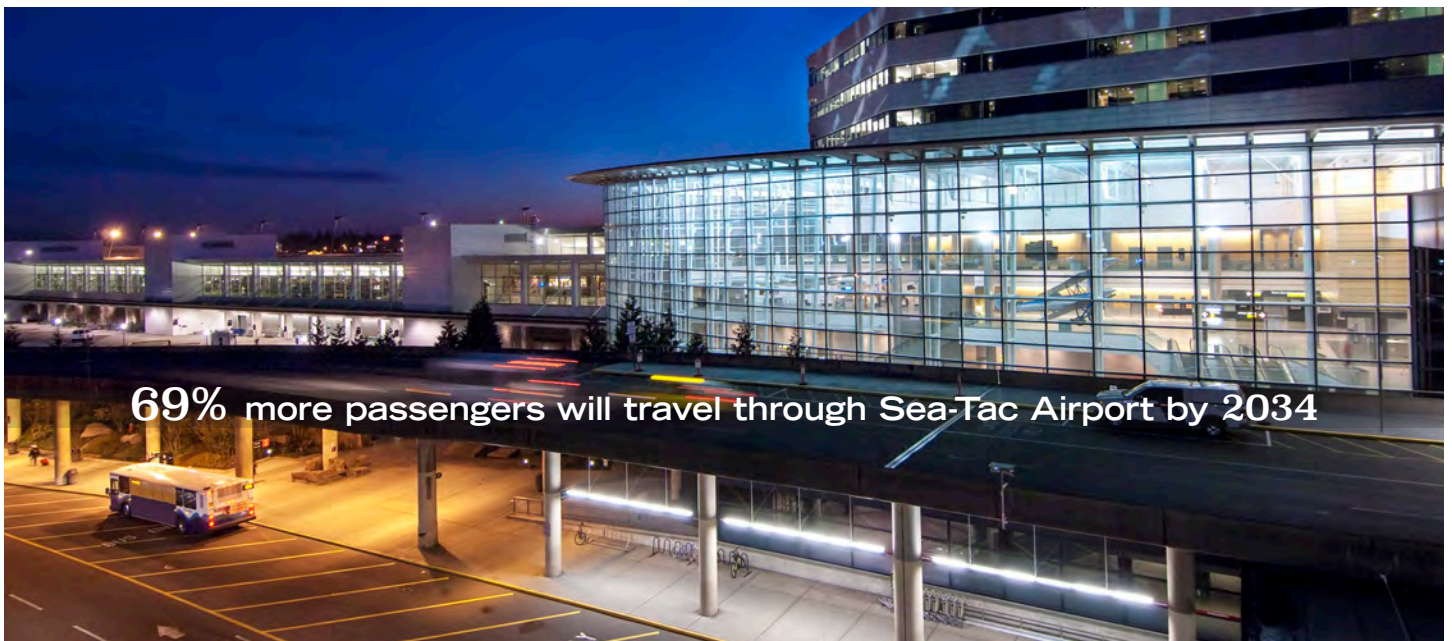
The 24 airlines serving Sea-Tac offer flights to 77 non-stop domestic and 22 international cities. Locally headquartered Alaska Air Group is the nation's fourth-largest airline and serves 116 destinations throughout the U.S., as well as cities in Canada, Mexico, Costa Rica, and Cuba. Global giant Delta Air Lines operates a major international hub at Sea-Tac and provides non-stop service to destinations in Asia, Europe, Canada, and Mexico, as well as domestic locations. It is estimated that each international route generates \$75 million in economic activity each year.

Air cargo is another important element of the airport. Major imports include high value aerospace components and industrial machinery that are destined for Boeing and other aerospace companies. Fresh cherries grown in central and eastern Washington make up 20% of the cargo by tonnage exported via Sea-Tac. Seafood, including live geoduck, are 15% of the air cargo export tonnage.

Tourism and leisure travel is also a huge driver of aviation demand – both inbound and outbound. Approximately 55% of the state's population was born outside of Washington, including 17% who were born outside of the U.S. Those demographics drive travel demand as residents fly to visit family and friends or as they host visitors. Conventions, professional sporting events, and cruise ships also drive inbound travel.

Sea-Tac is planning for the future

Current projections are for passenger traffic through Sea-Tac to reach 66 million by 2034. Recent passenger traffic, however, has exceeded projections. Growing demand for air passenger and cargo service reflects the airport's increased ties to the global economy. Booming regional industries need to connect their employees with counterparts, customers, and collaborators around the country and the world. Microsoft alone accounts for about 3,000 outbound air travelers each week. Sustaining the region as a center of innovation and excellence depends upon maintaining connections to the world.



69% more passengers will travel through Sea-Tac Airport by 2034

The Port of Seattle is developing a Sustainable Airport Master Plan for Sea-Tac. Sea-Tac is breaking ground on a new multi-level, 450,000 square-foot International Arrivals Facility to accommodate growing demand for international service.

The extension of light rail will allow for more access to Sea-Tac Airport, both for employees and travelers. Airport officials are continuing to take steps to make the airport more environmentally sustainable and reduce its impact on the community.

Regional capacity must keep up with growing demand

King County International Airport (Boeing Field) in Seattle averages around 200,000 takeoffs and landings each year. This airport serves smaller commercial passenger airlines and private aircraft owners, Boeing, as well as cargo carriers and the military. In Snohomish County, there are plans at Paine Field to accommodate passenger air travel at two new gates. Both Alaska Airlines and United Airlines have announced service out of Paine Field starting in 2018. The airport currently handles around 100,000 annual flights for Boeing operations and other private aircraft, and this expansion would add approximately 10-20 new flights per day. The Bremerton National Airport is the largest airport on the Kitsap Peninsula and continues to support general and corporate service.

As the region grows, so will the demand for commercial air service. The highest quality of passenger experience includes timeliness and frequency of flights, efficient access in and out of the terminals, ready connectivity to the region, and a superior airport experience.

Initiatives supported by the regional economic strategy will:

- Provide input and support for the Sustainable Airport Master Plan, as well as prepare for the possibility of commercial flights at other locations in the region
- Support efforts by the Port of Seattle to reduce greenhouse gas emissions at Sea-Tac Airport by 50% from 2005 levels by 2030
- Support airlines that service Sea-Tac Airport for continued success as a connected region
- Support tourism efforts which drive a substantial amount of passenger traffic through Sea-Tac Airport





Vessels manufactured in Bremerton by SAFE Boats International are on the front line of defense and security around the world.

STRATEGY:

Preserve, protect, and support industrial lands, military installations, and maritime sites

The region's industrial lands, military installations, and maritime sites are assets that make significant contributions to the overall economy. Proximity to Pacific Rim countries, deep water ports, major transportation corridors, and low-cost energy are among unique regional assets supporting these lands. With growth, the region will be challenged to preserve and protect the long-term viability of these lands and facilities from incompatible use and encroachment.

One-third of regional employment tied to industrial lands

According to the Puget Sound Regional Council's Industrial Lands Analysis, industrial-zoned and designated land supports 473,700 jobs – nearly one-third of the region's total employment. Annual wages for industrial jobs on these lands average \$80,000 – a third higher than the average annual wage in the region. Industrial lands are expected to support over 560,000 jobs by 2040.

PSRC's analysis recognized that concentrations of industrial activity across the region have different characteristics and functions, but each plays a vital role in the community where they are situated. Thirteen industrial subareas were identified and analyzed: 405 Corridor, Arlington-Marysville, Auburn-Sumner, Dupont-Gray Field, Duwamish-North Tukwila, Frederickson-Lakewood, Interbay-Ship Canal, Kent-Renton, North-Central Everett, PSIC-Bremerton-Sinclair Inlet, SeaTac-Des Moines, Southwest Everett, and Tacoma-Puyallup. Each should be valued for the unique role it plays in its host community, recognized for its contribution to the regional economy and its future potential, and should be treated similarly at the regional level as important components of thriving communities. Regional planning efforts should not attempt to tier or segregate industrial centers in such a way that favors some over others when competing for regional resources.

Each of the region's designated manufacturing industrial centers is a significant contributor to prosperity and growth, and offer space and assets for further development. Non-designated industrial lands continue to be sites of new economic opportunity for manufacturing and advanced technology uses. Both designated and other industrial lands play an essential role in supporting major employers in the region's key export industries, including Aerospace, Maritime, Military & Defense, Transportation & Logistics, and Life Sciences & Global Health.

Military installations are economic engines

The region is at the forefront of national defense and readiness through several major military installations, including Joint Base Lewis-McChord, Naval Base Kitsap, and Naval Station Everett. The U.S. Coast Guard, Camp Murray, Navy Applied Physics Lab University of Washington, and defense contractors round out the military's presence in the region.

These installations employ an estimated 98,400 direct active duty military personnel and civilians, generating \$3.1 billion in payroll. Approximately 90% of these jobs are at Joint Base Lewis-McChord and Naval Base Kitsap alone, making the military the largest employer in Pierce and Kitsap counties. Transitioning service members are a pipeline of highly skilled talent for regional industries.



Altogether, regional military installations have a \$13 billion economic impact in the region. Department of Defense contracts generate an additional \$10.5 billion in direct and secondary revenue in the region – nearly half of all DoD contract revenue statewide. Military communities within the region generate significant economic benefits in retail and services – with local sales associated with military employment estimated at nearly \$24 billion.

Maritime sites connect the region to the world

The region has a large and diverse maritime sector. Typical maritime uses include commercial fishing, seafood processing, passenger transportation, boat repair and ship building, marine equipment manufacturing, container terminals, marine support industries, and deep and shallow draft water transportation. The Washington State Maritime Cluster Economic Impact Study identified these regional assets as major factors in the strength of the state's \$37.8 billion maritime economy.

Protecting against incompatible land use and encroachment

Despite preservation and planning efforts, some industrial lands and maritime sites are facing competition and encroachment. Protecting these lands and their industrial land uses safeguards existing and future living wage jobs for residents of the region. Limited developable space may pressure some industrial lands to accommodate incompatible land uses. Mitigation and remediation of brownfield sites will restore environmentally hazardous industrial lands as renewed space for development.

Military installations and training ranges in the region also face encroachment with the potential to impact military training and readiness. Competition for air space and radio frequency, noise pollution, protected marine resources, and urban growth around military installations are a few of the issues faced by the region's military. Local, regional, state, federal, and Pentagon partners are coordinating to protect land surrounding Joint Base Lewis-McChord from further encroachment, protecting this important asset for the future.

Initiatives supported by the regional economic strategy will:

- Support state, regional, and local policies that protect and buffer industrial, maritime, and military lands from encroachment and incompatible land uses
- Collaborate within the region to support export based and locally producing businesses operating on the region's industrially zoned land
- Support policies within regional planning that strongly and specifically affirm the importance of military installations, training ranges, and supportive infrastructure
- Invest in infrastructure that supports industrial areas, military facilities and maritime sites, and better connects them with their markets and workers
- Support the efforts of the Washington Military Alliance and community military organizations to promote the importance of military and defense industries, retain and enhance military assets, and maximize opportunities presented by the military and defense sector
- Support the adoption of zoning and land use regulations in local jurisdictions that support the overarching policy goals associated with container port elements contained in the region's comprehensive plans
- Support the remediation and redevelopment of brownfield properties to diminish the need for greenfield development





STRATEGY:

Build up and sustain ports and other infrastructure to support trade, logistics, and freight mobility

The region's strategic location, robust distribution infrastructure, and outward looking vision help make it one of the great transshipment and export centers of the country. The region has repeatedly taken proactive steps to maintain and expand its manufacturing, distribution, and exporting status. Continued strategic investments in freight mobility are crucial to the region's future success.

The region is a major transshipment point

The region is home to the fourth-largest port container complex in the country through the Northwest Seaport Alliance, a joint venture by the ports of Seattle and Tacoma. Air cargo

through Sea-Tac Airport is integral to the region's role as a major transshipment point. The Port of Everett is the third largest container port in the state and is the second fastest growing port on the west coast. It is an important high-value facility that supports the aerospace, manufacturing, construction, energy, and forest product industries.

The natural deep water ports of the region, complemented by short rail transit times to population centers in the Midwest and on the East Coast, continue to provide a competitive advantage for both imports and exports. The region has a balance of both imports and exports, a positive signal to global shipping carriers. In addition to manufactured products, the region has strong export streams for agricultural and seafood products.

The Northwest Seaport Alliance supports almost 50,000 jobs via its marine cargo operations, generating \$4.3 billion in statewide business revenue. The Port of Everett supports Washington's largest export value customs district with more than \$29 billion in goods exported in 2015 alone. Ports are an economic engine for the region and provide a competitive advantage for exporters in the region to easily, effectively, and cost-efficiently get their products to market.

Investing for future success

Guided by its 10-year Strategic Business Plan, the Northwest Seaport Alliance is making tactical infrastructure investments to ensure that its ports continue to be competitive in the future. These include modernization plans to prepare for larger container ships, harbor deepening, road and rail improvements, and improving communications among the different elements of the port supply chain. These improvements are critical to keeping all regional ports competitive.

122% more truck traffic is expected to travel through the region by 2040



Major ports are the cornerstone of the region's trade competitiveness, moving 81% — or \$85.9 billion — of all Washington state port vessel trade.

The Port of Everett is also making infrastructure upgrades including extending its rail connections, widening intersections, and other improvements to accommodate larger ships. Its unique role in the Aerospace and the Clean Technology industries supply chain necessitates rail and transportation infrastructure that can accommodate movement of oversized, prefabricated components.

The Port of Bremerton continues to upgrade its infrastructure, which includes rail access to deep water cargo facilities, the Bremerton

National airport, major highways, and over 3,000 acres of developable land. The Bremerton area is a hub for the military and defense sector and supports the Maritime and Aerospace industries. Bremerton is home to the Puget Sound Naval Shipyard & Intermediate Maintenance Facility, the largest command at Naval Base Kitsap, as well as two homeported aircraft carriers and other commands, ships, and submarines.

The region has an established track record of delivering strategic local infrastructure projects that have regional benefits through the work of the FAST Corridor Partnership and continues to identify investments that benefit freight mobility. The Urban Freight Lab at the University of Washington develops innovative ways to improve goods movement in the region.

Easing freight mobility

The efficient movement of freight continues to be a priority for the region. Truck traffic is projected to increase 122% by 2040. Currently, trucks move 64.3% of freight in Washington. At the same time, railroads transported 121.8 million tons of freight in Washington in 2014.

PSRC has developed a comprehensive, multimodal Freight Strategy. The Freight Strategy examines all of the main freight modes, including rail, truck, air, and marine cargo, and examines the current and future issues as the region looks to planning for a sustainable transportation system out to 2040.

Initiatives supported by the regional economic strategy will:

- Implement the Northwest Seaport Alliance's 10-year Strategic Business Plan
- Support the Port of Everett, Port of Bremerton, and other port modernization infrastructure improvements
- Support and implement the recommendations of the region's Multimodal Freight Strategy, including prioritizing industry clusters and promote the growth of new clusters
- Protect and grow the strategic investments that enhance freight and goods mobility
- Support regional ports' efforts to stay competitive in the face of major changes in the industry in the region's transportation plans
- Support demand management tools such as tolling to prioritize freight movements
- Support the movement of high value air cargo
- Support the ports' roles as major distribution hubs for rural agricultural and natural resource products, and promote the retention and expansion of the necessary infrastructure to bring those products to national and international markets

STRATEGY:

Support and promote international trade

Exports of Metropolitan Regions (Billions)



International trade is critical to the region's economy. To ensure continued prosperity, the region needs to support robust connecting, marketing, and branding initiatives as well as trade policies that benefit the region.

The most internationally trade-tied region No other U.S. region is more tied to the international economy. Over 40% of jobs in the region are tied to international trade. The region is one of the largest exporting regions in the country and, per capita, Washington is the second-largest exporting state. The region's markets are located all over the world, with special strengths in Asia and Europe, and has world class air and water transportation connections to match.

The region's private and philanthropic sectors provide relationships that span the globe. Boeing, Fortive, Microsoft, Infoblox, Amazon, SAFE Boats International, Starbucks, the Bill and Melinda Gates Foundation, PATH, and others have facilities, contracts, and partnerships around the world.

The region and Washington state are home to higher education institutions with international relationships, expertise, students, and partnerships. Washington is 11th in the nation for the number of international students studying at its universities and colleges.

Tourism is an export of the region that has seen large growth in recent years. It has also seen a diversity of markets, including in recent years a large increase of tourists from China. There are tourism attractions throughout the region that would benefit from greater marketing and exposure to key markets.

Helping companies trade internationally

The Trade Development Alliance, Washington State Department of Commerce, and others work to connect small and medium size companies with international opportunities. Amplifying those activities is especially important in an uncertain federal

environment and as more regions around the country actively seek their own international opportunities.

While the organizations doing this work do meet and coordinate, it is important to strengthen this collaboration even further.

The state Department of Commerce takes a sectoral approach to its international trade efforts with specialists in a variety of the state's top industries. These

While U.S. exports declined in 2016, exports in the region grew 2.4%, led by its strength in aerospace parts manufacturing. The industry supports 93,000 jobs – 11 times the national average.

staff provide a range of technical and consulting services to help small and medium size companies export. Research conducted by Commerce has found that many companies neither knew of the help that is available to them to export, nor that much of that assistance is free of charge. The region should find ways and methods to better inform businesses that trade assistance is available.

Organizations connect, market, and brand the region

The TDA, Associate Development Organizations, the state Department of Commerce, U.S. Export Assistance Center, and others build relationships around the world. Other parts of the U.S. are emulating what the Puget Sound region has created. At the same time, other regions' efforts at international economic development are larger and engage in deeper analytics to target markets for specific opportunities.



The TDA promotes and connects the Puget Sound region internationally for trade and business. There are also a variety of other international organizations located in the region, including country-specific organizations, that conduct similar outreach. The Puget Sound region is home to a large and active consular corps. Industry specific organizations coordinate some international activities and partner with and participate in other international organizations' activities and initiatives.

Businesses like Funko are investing in the region for their flagship operations. Corporate Headquarters employ 32,200 people in the region and grew 5.4% between 2010-2015.



Washington State University is developing an Asia Pacific Center to further advance, extend, and apply knowledge with and about the Asia Pacific region. The University of Washington continues to develop the Global Innovation Exchange with Tsinghua University. The first group of students is slated to begin studying and conducting research at the partnership's new Bellevue campus in 2018.

Branding challenges remain

Many world-famous companies are headquartered here. Many people, however, do not associate them with the region. Other states offer support for marketing efforts that help promote the region to tourist and businesses around the world. Washington state currently provides only minimal support for these efforts, being significantly outspent by other states.

The Washington Tourism Alliance works to strengthen both public and private support for statewide branding and marketing efforts. Investors, buyers, and visitors, however, also associate the region with nearby peer communities that share similar natural, social, and business environments. There may be opportunities to coordinate broader marketing efforts with Portland, Oregon, and Vancouver, B.C.

The region supports free and fair trade

At the federal level, international trade policy continues to be uncertain. While the region does not set federal trade policy, because of the region's reliance on international trade, it must remain competitive within whatever framework is established by the federal government. Although the region is home to perhaps the most internationally trade literate population in the U.S., it is important to reiterate international trade's importance to the region: The region supports free and fair trade.

It is also important to mitigate trade-offs from international trade in both the national and regional economy. Other strategies address these issues specifically, including worker training programs and education access.

The International Trade Administration, an agency in the U.S. Department of Commerce, helps to promote U.S. exports of nonagricultural goods and services. The Washington Council on International Trade plays a leadership role on key international trade policy issues. WCIT is focused on support for the Export-Import Bank, increasing port competitiveness, and support for freight mobility among other issues.

The Ex-Im Bank, which finances and insures the foreign purchases of U.S. goods and services, saw its authorization severely reduced from \$20 billion to \$5 billion. This limited the Bank's ability to help exporters. In the year prior to that, the Ex-Im Bank supported \$27.5 billion in exports from Washington state companies. In the last five years, 70% of the companies helped by the Ex-Im Bank were small businesses.

Initiatives supported by the regional economic strategy will:

- Support efforts by the Trade Development Alliance, state Department of Commerce, regional ports, and others to connect the region and its companies, to international markets
- Work to better educate regional businesses about resources to help them export and encourage regional businesses to export
- Support continued international partnerships such as Global Innovation Exchange and the creation of the Washington State University Asia Pacific Center
- Continue to market the region internationally and support coordinated regional branding efforts
- Support state tourism marketing efforts to raise the region's profile for trade relationships
- Promote understanding of international trade's importance to the region, while working to mitigate the trade-offs from international trade
- Encourage federal leadership on trade policies that benefit the region, including the extension of the authorization of the Export-Import Bank and filling vacancies on the Board of Directors

STRATEGY:

Strengthen, coordinate, and grow retention, expansion, and recruitment efforts

The region's economy has been strong, but job growth is not distributed throughout the region and to different populations. A strategy is needed to leverage strengths and grow opportunity. Increased investments in business retention and expansion efforts will help coordinate these efforts better and enhance critical links in the region's industry clusters.

Strong assets to attract investment and retain and grow business

The region has the assets and attributes to successfully recruit and retain companies from around the country and the world. The Brookings Institution and JPMorgan Chase Global Cities Initiative, which aims to help leaders in metropolitan areas achieve greater engagement in world markets, found that successful metropolitan regions that attract investment:

- Have strong industry sectors
- Are organized to attract such investment
- Are home to strong educational and research institutions
- Have world renowned companies that act as magnets for other companies in their industry sector

The region has these attributes, assets and more that make it a favorable target for investment.

Organizing to attract investment

As a powerhouse in the Aviation Industry, the region has developed a strength in composites leveraged by many industries. Toray Composites in Tacoma develops composites for the Aerospace as well as Sports & Recreation, Clean Technology, Transportation & Logistics, and Maritime industries.

Each county in the region is home to an Associate Development Organization that serves as the retention, expansion, and recruitment arm for the cities in their counties. Each ADO has a detailed strategy that outlines their county's priority sectors and strategies. In addition, the Washington State Department of Commerce has created a strong retention and recruitment program and has leads designated to support key industry sectors.

ADOs have a history of coordinating with each other and the Washington State Department of Commerce to leverage investment opportunities that contribute to the success of the whole region. The Washington State Department of Commerce maintains a database of investment opportunities that foreign investors can tap into. ADOs, cities, and counties can add opportunities from their geographic areas into the database.

Existing coordination efforts between each of these entities are not overly formalized, however, and gaps can

occur between economic development institutions at city, county, and state levels. More coordination is needed for the region to take full advantage of investment opportunities, especially as global competition increases.

Behind on investment in business retention and expansion

Compared to regions in other parts of the U.S. and the world, the region and state invest much less in business, recruitment, and expansion efforts. Over the years, funding has been flat and in some cases has decreased for state, regional, and local efforts. At the same time, opportunities have grown, especially for foreign direct investment with emerging markets increasingly interested in investing and locating companies overseas. As opportunities have grown, so too has competition. Other domestic regions are organizing and investing to become what the Puget Sound region already is. So too are international regions.

Capturing international opportunities

FDI is incorporated into outbound missions of the Trade Development Alliance of Greater Seattle and the Washington State Department of Commerce. The TDA works with the ADOs, Commerce, and cities on inbound efforts related to FDI.

Commerce organizes delegations to trade shows and investment conferences that attract FDI to the region and are often accompanied by ADO representatives that target investment for county specific industries.



Industry sector organizations such as Life Science Washington and the Clean Technology Alliance engage in some FDI efforts, including working with inbound investors and participating in international missions organized by other organizations.

Robust supply chains support industry clusters

The region's strong industry clusters often rely on supply chains that play a key role in their continued success. There are critical links in the region's clusters and distribution networks such as advanced manufacturing suppliers and venture capital that help drive continued success.

Celebrating its 100-year anniversary in 2016, the Boeing Company continues to drive the region's Aerospace strength. The region is well positioned to serve the future production needs of its regional aircraft manufacturers.

Nurturing new opportunities

New opportunities are emerging in the region, including space exploration and innovative retail. The region is a center for space startups with companies such as Blue Origin, Vulcan Aerospace, and Planetary Resources located here.

Though retail is certainly not a new industry in

the region, regionally headquartered companies including Starbucks, Nordstrom, REI, and Costco continue to set new standards for the industry. New opportunities also exist with the region's flagship companies, including competing for assembly of a new, middle of the market Boeing jet. Boeing is already making design decisions about the new airplane and will have to also make a decision about where to build the plane with other regions competing for this business. Boeing's decision to build a new airplane and where to build it are some of the most important business decisions for the future of the Puget Sound regional economy.

Initiatives supported by the regional economic strategy will:

- Support investment in economic development organizations that retain, expand, and recruit companies to the region, both from domestic and international sources
- Improve regional support for and coordination among economic development entities working to retain regional businesses and recruit new businesses to the region
- Strengthen critical supply, funding, and distribution links in the region's clusters
- Identify, examine, and support new industry growth opportunities across the region
- Support a broad based statewide leadership effort including business, labor, and government to secure final assembly of the middle of the market Boeing jet



STRATEGY:

Continuously improve the business climate

Business climate improvements have focused on streamlining regulations and recognizing their impact on small businesses while continuing to protect the environment, health, and safety. To support important social goals and adhere to environmental stewardship, businesses need a focus on predictability and efficiency. The next step is to scale up efforts with those foci in mind and understand how the state's fiscal environment interacts with business to serve the economy and quality of life.

Starting from a strong economic foundation

The region is operating from the foundation of a robust economy with strong and diversified industry clusters and successful, world-leading companies. Economic success, however, is not evenly distributed throughout the region and businesses are struggling to locate or retain space in a highly competitive market. There has been a renewed focus on streamlining business regulations at the state level, working with local government entities.

As the region competes for business, business competes for space

Demand for industrial and commercial space is at an all-time high in the region. A report published by JLL states that demand for industrial warehousing and facilities in the region is six times the demand for office space. Vacancy rates are low at 3% - 4% region wide, with high demand for industrial space in the Kent Valley and Pierce County. Though limited, industrial space is not being built at nearly the rate of office space throughout the region, especially for larger facilities between 100,000 and 250,000 square feet.

At the same time, market pressures on limited available commercial space for lease threatens longstanding, successful businesses. Higher rent prices and low vacancy rates and inventory in parts of the region further exacerbate existing barriers to success for small businesses, especially for women and minority-owned enterprises.

Efforts to streamline regulations

The Washington State Department of Commerce is partnering with local and state agencies to help improve the regulatory experience for businesses. The effort uses cross-jurisdictional partnerships to develop and promote regulatory streamlining best practices and tools that decrease the time, costs, and uncertainty for businesses complying with local and state requirements. In addition, Commerce has conducted pilot projects that test the streamlining of regulations while protecting health, environment, and other crucial factors.

Commerce partnered with the cities of Arlington, Bothell, Everett, Lynnwood, Marysville, and Mukilteo, Economic Alliance Snohomish County, Impact Washington, and five manufacturers with facilities in Snohomish County on the Snohomish County Manufacturing Streamlining Pilot Project. The resulting Regulatory Roadmap provides manufacturers with concise and city-specific regulatory guidance to inform decisions on siting or expanding facilities.

The state Regulatory Fairness Act requires agencies to consider how proposed rules would impact the state's businesses. If an agency's proposed rule would put more than minor compliance costs on a business, the agency is required to prepare a Small Business Economic Impact Statement.

Counties and cities must independently continue to do their part to foster a business climate that supports local economies. This is challenging in Washington due to significant fiscal constraints on local revenue sources. Continuous improvement in business processes and regulatory navigation are critical for businesses to invest in local municipalities.

State fiscal considerations

The state's fiscal structure has engendered debate regarding education funding gaps and, at the local level, cities and counties must be more creative to find revenues to cover ever-increasing costs of providing services. Businesses are challenged by Business & Occupation taxes and past ballot initiatives have greatly reduced cities' and counties' reliance on property taxes. Retail sales tax and creative new business taxes are among the very few tools cities have to raise revenue.

Initiatives supported by the regional economic strategy will:

- Support existing regulatory streamlining efforts and find ways to scale up those efforts
- Create a process for collecting data across local and county jurisdictions on regulatory metrics – including length of time to acquire permits and land use planning – and utilize to target areas for improvement
- Produce quality information that demonstrates sources of public revenues and identifies how funds are raised to cover needed public investments and services



STRATEGY:

Maintain and grow incentives for industry competitiveness

The region's public and private sector are leading the way in research and development, advancing technologies in every field. At the same time, businesses in Washington state and the region have fewer financial incentives and support than other states and regions. This makes credits to incentivize business to relocate to the region, stay, and grow all the more critical to compete with other places willing to give money to businesses to relocate.

A leader in research and development

Washington is an important center for private and public sector research and development. In 2014, the state ranked:

- 13th in higher education R&D expenditures (\$1.4 billion)
- 17th in Small Business Innovation Research awards (85)
- 5th in utility patents (6,448)

Businesses in the state are national leaders in R&D. In 2013, R&D performed among businesses in Washington totaled \$14.9 billion, ranking Washington 5th among all states. Businesses across the state received \$1.7 billion in federal science and engineering R&D spending in 2014, making Washington the eight largest recipient in the U.S.

Manufactured in Bothell, Phillips ships 80% of its ultrasound equipment to markets around the world, making the technology one of the state's top 10 exports.

R&D activities require a highly skilled workforce, often with advance training and degrees. These workers earn wages well above the state average and a large share of these earnings are spent throughout the economy, supporting additional jobs and economic activity.

Fewer incentives but more reasons for businesses to succeed

Compared with other states, Washington state has fewer incentives. The Washington State Constitution limits the ability to provide incentives to individual businesses. Other states are more aggressive in providing tax and other incentives for companies to locate jobs in their states. Washington levies a business and occupation tax on the gross receipts of business activity occurring in the state, with rates that vary by industry.

The state's R&D tax credit expired on January 1, 2015. The region's Information & Communication Technology and Life Sciences & Global Health industries particularly valued these credits and cluster leaders cite the lack of the credit as a short-coming for state competitiveness. The tax programs served businesses conducting qualified research and development and pilot programs in advanced computing, advanced materials, biotechnology, electronic device technology, and environmental technology.

Although it has fewer incentives, Washington state's tax structure appeals to industries with high earners. Washington state has no personal income tax, no unitary tax, no inventory tax, and no tax on interest, dividends, or capital gains.

Additional non-tax incentives and pilot programs

There are a variety of other incentives in the state, including the High Unemployment County/Community Empowerment Zone and the Rural County/Community Empowerment Zone. The Strategic Reserve Fund can also be used for economic development purposes.

The Life Sciences Discovery Fund was an important source of capital to support start-ups and innovation in the Life Sciences & Global Health sector, but is not currently offering grants due to funding limitations.

The cities of Arlington and Marysville have participated in a pilot program for an Industrial and Manufacturing Property Tax Exemption. They jointly funded a market study for the Arlington-Marysville Manufacturing Industrial Center, which is a hub of industrial activity. The pilot program exempts property taxes for the value of new construction of industrial/manufacturing facilities for 10 years.

There are a variety of business support organizations providing services to small businesses. Just three examples include the Washington Small Business Development Center – assisting companies in making better business decisions, SCORE – providing business mentoring, and the Procurement Technical Assistance Center – providing government contracting support.

Initiatives supported by the regional economic strategy will:

- Restore R&D tax credits to support broad-based economic development across many sectors of the economy, including Clean Technology, Aerospace, Life Sciences & Global Health, and Maritime
- Preserve industry tax incentives that maintain and expand the region's strong industry clusters and promote the growth of new clusters
- Protect and grow the Strategic Reserve Fund and deploy it in strategic ways to further economic development, including for workforce development

Sustain and evolve the conditions necessary for innovation

The region has a history of innovation in business, institutions, and government. The region is home to anchor companies which conduct ground breaking research. Boeing, Amazon, Microsoft, and others provide a foundation for basic and applied research in the commercial sector. These businesses help inspire and attract talent from the sciences, arts, and other disciplines that can be leveraged by other industry clusters.

Sustaining the conditions that made this possible, such as world class research institutions and strong industries, along with evolving to create more areas of cross-sector collaboration, is critical to continued innovation. Tax incentives are another important factor for continuing our innovative economy.

Top research universities drive innovation

World class research institutions are key to innovation. The region is fortunate to have two top research universities in the nation – the University of Washington and Washington State University – to help drive the region's innovation economy.

UW is the top public university recipient of federal research dollars in the nation, receiving \$995 million in 2015.

UW is the top public university recipient of federal research dollars in the nation, receiving \$995 million in 2015. CoMotion, UW's collaborative innovation hub, launched 35 startups in 2015 and 2016.

WSU was awarded \$141 million in federal grant awards in 2016. Its Office of Commercialization helped launch 25 startups in the past four years, including three in the region.

Because of these companies and institutions, the region is home to an abundance of talent across many sectors and disciplines. This helps to build upon itself for more innovation. In many ways, the region has a creativity economy, melding talent from the sciences, arts, and other disciplines.

Commercialization and collaboration are critical

Both universities have experts devoted to commercializing new ideas that directly impact the regional economy. At UW, CoMotion's goal is to develop companies and foster research from all areas of the university, including technology, health care, social sciences, and environmental studies. CoMotion provides co-working space and a startup accelerator for innovators and nurtures start-ups in software and science.

Washington State University's research serves the region in aerospace, biofuels, and agriculture best practices. Based at WSU's Puyallup Research and Extension Center, the Washington Stormwater Center's work on stormwater run-off mitigation has garnered international acclaim. The research supports industrial activities and aims to save energy and provide clean water for people and the fish they eat, while improving the quality of life throughout the region and beyond.

Western Washington University and Olympic College at Poulsbo are collaborating with the National Security Agency on a federally recognized cyber range that focuses on industry and infrastructure security. This innovative training program will accelerate growth of the cybersecurity sector in emerging hubs across the region.

Nurturing the entrepreneurship ecosystem

The region's entrepreneurship ecosystem is bolstered by formal institutions and programs, as well as through informal linkages. These range from access to capital through venture capital located locally and outside the region, innovation spaces, incubators, makerspaces, and guidance for start-ups. Location and availability of these institutions and programs is important for a variety of locations throughout the region.

The central Puget Sound and Vancouver, B.C. regions' synergies in research, innovation, and technology development represent a game-changing opportunity to create the Cascadia Innovation Corridor that could generate job opportunities and prosperity well beyond what the two cities could achieve separately. Strengthening the transportation systems from Portland through the region to Vancouver, B.C. – including through ultra-high-speed rail – could create a larger economic region bolstered by more talent and institutions, strengthening the region as a destination for innovation.

Initiatives supported by the regional economic strategy will:

- Encourage investment in higher education and research institutions as a tool to maintain the region's strength in innovation
- Support collaborations between industry and universities to drive innovation in both the public and private sectors
- Support the Cascadia Innovation Corridor and the study of ultra-high-speed rail connecting the region to Portland, Oregon and Vancouver, B.C.



GOAL: Sustain a high quality of life

The central Puget Sound region must remain a great place to live, work, do business, go to school, and visit. Residents value the region's natural beauty and cultural assets and are determined to sustain and enhance an outstanding quality of life for generations.

Strategies identified to address regional strengths, weaknesses, opportunities, and threats:

- Improve the region's transportation system
- Ensure a diversity of housing stock that is affordable and connected to jobs
- Focus new growth in urban areas, regional centers, and cities
- Invest in pre-K through 12 education systems that produce, attract, and inspire world class talent
- Embrace, celebrate, and promote the diversity of the region's people
- Ensure an outstanding and healthy natural environment
- Preserve, enhance, and improve access to open space
- Grow access to arts, culture, entertainment, and sports

STRATEGY:

Improve the region's transportation system

The movement of people and goods is crucial to the continued success of the region's economy and for growth of jobs and industries. The region is making unprecedented investments to enhance travel alternatives and improve mobility, efficiency, and reliability. To sustain a successful economy and to provide access to opportunity for all, the region is confronting ongoing transportation challenges.

A robust transportation system supporting a growing region



The fast foot ferry Rich Passage 1 connects residents and workers across the sound in under 29 minutes.

Commuters and freight circulate throughout the region on an integrated network of roadways, rail, air and marine ports, transit, ferries, bikes, and pedestrian facilities. The region is linked to North America by Interstate 5, Interstate 90, and two transcontinental railways (Burlington Northern Santa Fe and Union Pacific). A robust highway network is complemented by light rail, bus rapid transit, high frequency local bus service, and passenger ferries.

Regional planning for transportation, land use, the environment, and economic development are linked. Plans identify and set timelines for the completion of priority investments over the coming decades. Companies that invest in the region can count on transportation improvements backed by the public resources to deliver them.

Investments underway to strengthen and diversify transportation

New state and local funding is investing \$11 billion in the region's transportation system. These investments make improvements to the area's freeway system, shore up state and local roads in urban and rural areas, and improve freight mobility. A total of \$54 billion has been secured to build out the region's light rail network which will extend from Seattle to Everett, Tacoma, Redmond, and Issaquah. When complete, the region's light rail system will be among the largest in the nation, providing opportunities to grow jobs throughout the region.

Electric, autonomous and shared vehicles are in the region's future. Planners are laying the groundwork to get the region ready.



Other local transit investments, such as new Bus Rapid Transit routes in King, Snohomish, and Pierce counties, are in the works. Pierce Transit is innovating with ride-hailing apps to address service gaps between riders and transit stops. New, fast passenger-only ferry service between growing communities in Kitsap County and Seattle is cutting commute times across the Sound in half. The region's transit agencies are working together to integrate services for a more seamless system for all users throughout the day and week.

The region continues to prepare for emerging technologies, including increasing the number of fast charging stations, replacing aging vehicles with hybrid and all-electric vehicles, and planning for autonomous vehicles. These efforts both prepare the region for the future and help grow those emerging technology industries in the region.

While the region is making major progress on the transportation system, there is still much to do. The region is planning for seismic resilience of infrastructure, including strengthening bridges and lifeline routes.

Cities, counties, and local transit experience a funding gap in providing some basic transportation services. Identifying near-term actions to improve system performances and close funding gaps is necessary, especially for cities, counties, and local transit.

Initiatives supported by the regional economic strategy will:

- Manage new roadway, light rail, transit, and ferry projects to meet or beat projected delivery dates and coordinate timely delivery of transportation improvements to the region
- Identify gaps in the transportation system and seismic retrofit plans to be addressed in updates to regional plans and secure funding to address those gaps
- Recognize the importance of freight mobility within the region as integral to intraregional circulation needs
- Encourage full funding of the Highway Trust Fund by the President and Congress
- Continue exploration of potential replacements to the state fuel tax, by the state, to sustain transportation funding in the future
- Develop land use around transit stations that maximizes regional transit accessibility for a diverse and equitable mix of residents and businesses
- Encourage economic development that supports job opportunities throughout the region to help reduce the impact on the region's transportation system
- Support innovation through public and private initiatives such as the University of Washington's new Mobility Innovation Center and Western Washington University's Vehicle Research Institute to stay ahead of trends in fuel economy, car sharing, and autonomous vehicles

Transit Ridership

UP 14%

+13.3 MILLION

JAN–JULY 2011: 95.5 MILLION

JAN–JULY 2016: 108.8 MILLION

STRATEGY

Ensure a diversity of housing stock that is affordable and connected to jobs

A healthy jobs and housing balance, robust mobility options, and a diverse and affordable housing stock contribute to livability for all residents. Rising housing costs and long commutes threaten quality of life – especially for middle and low-income families – and have contributed to an increase of homelessness.

The ability to find affordable housing in proximity to transportation, schools, cultural experiences, and services is essential to attracting and retaining talent and business to the region.

A region that's building housing, but increasingly challenged by affordability

The region's VISION 2040 housing goal is to preserve, improve, and expand its housing stock to provide a range of affordable, healthy, and safe housing choices for every resident. Though the region is building new single and multi-family housing, housing supply is not keeping up with job and population growth.

High demand for housing in some areas of the region has resulted in housing cost increases that rank among the highest in the nation. Areas with comparatively affordable and available housing are drawing new residents. Many residents, however, are traveling long distances to reach jobs.

Addressing the proximity of jobs to housing



Though the region is more affordable than peer communities in Los Angeles and San Francisco, 25% of the region's homeowners are cost burdened. Nearly half of all renters pay more than 30% of household income on housing.

A challenging aspect of housing cost is its location-based impact. The proximity of housing to job opportunities and community resources is a determining factor for new talent considering the area and movement of existing residents around the region.

The region needs to grow living wage jobs in proximity to the existing stock of affordable housing, improve mobility, and significantly boost the supply of affordable and low-income housing in communities that are adding employment. Increasing living wage job opportunities in areas with available housing will allow residents to work in their industry closer to home, shortening commute times.

For residents who live farther from their workplace, robust transit options are essential to accessing their jobs. Coordinated local transit systems, light rail lines, and passenger ferries improve the range of mobility. Equitable transit-oriented development keeps neighborhoods connected to transit and jobs. One new tool, the Regional Equitable Development Initiative, is a unique source of financing to develop affordable housing near light rail stations, providing opportunity for low-income households.

Reducing barriers to development of new housing, particularly in parts of the region that have seen the greatest job growth, is necessary to address affordability and achieve a jobs/housing balance. Gaps in the housing construction sector should be addressed and policies should allow and encourage market rate developers to expand new housing inventory. Collaboration between affordable and market rate developers is needed to create housing for all income levels. Incentives are needed to build affordable homes within mixed income development. New and increased sources of funding for subsidized housing could decrease the cost associated with developing needed affordable units.

Each of these efforts improves the supply of affordable, healthy, and safe housing for the region's residents. With a growing population of homeless individuals and families, approaches such as rapid re-housing in proximity to services and community connections is a social and economic benefit for the region.

Initiatives supported by the regional economic strategy will:

- Establish a more balanced distribution of employment and housing across the region, including more affordable housing near employment centers and job growth in proximity to affordable housing
- Encourage local policies and plans that support the development of an adequate supply of workforce housing, housing of different sizes and for different incomes, and removal of barriers to housing production
- Improve the links between housing and employment centers by delivering reliable transit connections that cut current commute times
- Expand a sufficient supply of housing to meet the needs of low-income, moderate income, and people with special needs – distributed equitably throughout the region
- Preserve and create living wage jobs that enable households to afford adequate housing options and increase accessibility to those jobs through education, training, and other assistance
- Work as a region to address homelessness in ways that allow for individuals and families to participate in the economy and communities

STRATEGY:

Focus new growth in urban areas, regional centers, and cities

The region's population is expected to grow to nearly 5 million people and 3 million jobs by 2040. By concentrating much of this growth in urban areas, regional centers, and cities, the region can sustain a high quality of life for residents, improve business competitiveness, and manage use of finite resources for generations. As the region plans for the future, it must evaluate whether goals are being achieved and reexamine policies that are not working.

A VISION for growth

VISION 2040 is the region's integrated land use, economic, and transportation strategy, providing guidance for the distribution of population, housing, and employment growth throughout the region. It focuses the largest share of growth in urban areas, regional centers, and cities to more efficiently deliver transportation infrastructure and avoid encroachment on rural communities and farms, open space, and resource lands.

As reflected in local comprehensive plans, VISION 2040 serves as a regional framework for making local decisions about growth. Investors in the region can count on a sustained direction of long range plans for growth.

Focusing growth in urban areas

Focusing the largest share of growth in centers and cities within the urban growth area is designed to provide a better balance of jobs in proximity to housing and amenities. The region plans to accommodate growth through:

People of color are driving the region's population growth — 61% of people moving to the region were non-white. One-third of residents are people of color, with increasing diversity of youth.

Designated regional growth centers that are intended to support significant business, government, and cultural facilities and are dense, established hubs for major transportation, public services, and amenities within cities.

Manufacturing industrial centers that are planned recipients for the region's most intensive commercial and industrial activity. Productivity of designated and other industrial lands is integral to the continued competitiveness of regional industries.

Sub-regional centers that are additional strategic locations for concentration of jobs, housing, shopping, and recreational opportunities near growing transportation corridors and transit options. They are increasingly essential to accommodating residents and supporting opportunities for new jobs throughout the region.

Impacts of concentrating growth

Compact, high-density communities on major transportation corridors should lead to more efficient use of infrastructure – decreasing congestion and travel times – and walkable communities, with residences close to goods, services, and amenities.

Businesses can benefit from clustering that is achieved in central places, including workforce, customers, infrastructure, and other supportive industries. Supporting mixed-use-commercial and industrial land within urban areas, rural centers, and cities should grow living-wage jobs in proximity to hubs of activity. Supporting economic development in urban areas across the region will help to diversify the economy and alleviate pressure on housing and transportation.

Supporting growth throughout the region

Regional investment decisions should be prioritized for areas that are planning for growth. Areas of concentrated growth and industrial lands throughout the region should be supported to meet their full potential.

Counties and cities should coordinate to move unincorporated urban areas to annexation or incorporation, where feasible. Transportation plans should support the development of regional centers, including investment in road, transit, freight corridors, and ferry systems. As the region plans for the future, it should be prepared to adjust current plans based on what has worked, what has not worked, and on any unintended consequences arising out of the plans.

Initiatives supported by the regional economic strategy will:

- Work with jurisdictions with centers to accept anticipated proportional growth and development and continue to support local comprehensive plans that support centers
- Support jobs and housing growth in urban areas, regional centers, and cities with investments in infrastructure
- Support coordination between counties and cities to move unincorporated urban areas to annexation, where feasible, or incorporation
- Concentrate industrial business activity within Manufacturing and Industrial Centers regionwide and appropriate industrially zoned areas
- Encourage land use and transportation plans to support job retention and creation and economic development in all communities



STRATEGY:

Invest in pre-K through 12 education systems that produce, attract, and inspire world class talent

School district performance can be a deciding factor when choosing where to live. High performing schools in every county are attracting families from around the region and the world. School systems, however, are striving to prepare students for the jobs of the future without adequate resources.

High performing schools are economic assets

Access to quality schools affects location decisions for businesses and families as they consider staying in the region or relocating to the area. High performing local schools are economic assets that complement other quality of life considerations that attract talent from all over the world. Many school systems in the region attract families to their communities despite problems with state funding and public investments.

Schools challenged by inadequate resources

Most public schools rely on ad hoc community support and an inequitable system of local levies to function. Some families see private schools as a better environment for their children than what is offered by local public schools. Far too many schools come up short with resources and are forced to make sacrifices to educational programs, tarnishing local schools' reputations and desirability. This is too often the case in lower income neighborhoods and in neighborhoods with ethnic and racial diversity.

While some schools have prioritized investments in early learning, a focus in early childhood is not systemic or feasible for all given strained resources. Therefore, high-quality, affordable pre-K options remain limited and difficult to access.

An economic vision for the region should include school systems with stellar reputations and outcomes, well supported by a thriving regional economy. A well-educated populace and workforce leads to business productivity and strong social systems. Children growing up in the region require world class educational opportunities in order to compete in a global labor market for jobs in their own communities.

There will always be some communities with outstanding school programs that outperform others. Though the state has boosted investment in public schools by \$7.3 billion by 2022, continued statewide funding challenges should not further undermine a school's efforts to inspire, prepare, and support its students.

Initiatives supported by the regional economic strategy will:

- Encourage state leaders to make policy decisions to improve educational outcomes
- Promote investments in public schools to bring funding up to nationally competitive standards
- Understand the connection between pre-K, K-12, and economic opportunity, furthering efforts by local school systems to prepare kids to compete in a global labor market
- Invest in schools and early learning programs as an asset to local and regional economies and encourage city and county leaders to continue to make investments in schools and early learning programs as part of an investment in economic opportunity

Embrace, celebrate, and promote the diversity of the region's people

The home of industry revolutionaries Nordstrom, Amazon, and Microsoft – all founded or led by first or second generation immigrants – cannot deny the importance of ensuring that people of all backgrounds are welcomed and respected when they come to live, work, and visit the region.

This welcoming nature is a comparative strength and has been essential to the development of global connections and relationships that attract new opportunities to the region. Embracing and celebrating diversity and social justice as fundamental values in an economic strategy is a step toward achieving equity in opportunity for all people.

A region enriched by diversity

The region's residents have among the most geographically diverse origins of any metropolitan region in the nation. A fifth of regional residents speak a language other than English at home, voicing more than 170 different languages in total. More than 128 different religious groups worship in the region, with over 2,600 congregations attended by more than 1.2 million people.

Wage Gap in the central Puget Sound region

	MALE MEDIAN EARNINGS 2015	FEMALE MEDIAN EARNINGS 2015	GAP	CHANGE 2015-2016
KING	\$70,795	\$55,015	77.7%	-5%
KITSAP	\$52,042	\$41,047	78.8%	-6.9%
SNOHOMISH	\$61,215	\$47,047	76.8%	+6.9%
PIERCE	\$51,139	\$41,065	80.3%	+2.3%
WASHINGTON	\$56,215	\$44,422	79%	-2.5%
U.S.	\$49,938	\$39,940	97.9%	+0.4%

SOURCE: 2015 AMERICAN COMMUNITY SURVEY TABLE S2001

Washington is the eighth largest refugee-receiving state in the nation and regional partners are taking steps to ensure that resettled residents are integrated into their new communities. Nine federally recognized Tribes and other Native peoples live in the region. The LGBTQ community is celebrated and embraced within the region's communities.

The region is growing more diverse. In the last 25 years, 80% of population growth has been non-White, increasing the population of color from 15% to 33% by 2015. Youth are increasingly more diverse, with the population of non-White youth growing at a faster rate than White youth over the last 10 years.

Regional diversity attracts global talent and investment

The region's reputation as a welcoming place is attracting global talent. Between 2005 and 2015, immigrants accounted for 29% of the region's population growth. Foreign born residents made up 17% of the region's population while residents born in the state made up 45% of the population.

Internationally ranked institutions of higher learning strengthen global relationships and drive international talent to the region. A large number of international students study at the region's universities and colleges.

Tourism – a growing export industry – continues to play a vital role in attracting visitors, workers, and investment to the region. International tourists – representing 7% of Seattle's total visitorship in 2016 – are known for staying longer and spending more than domestic tourists. The region continues to experience increasing visitorship from diversifying markets, including a large increase in visitors from China.

Diverse perspectives foster greater economic output

Cultural diversity is a strength and has a positive influence on economic development in the region and around the state. More foreign-born residents in the region are business owners than the state average – 19.6% compared to 15%. Statewide, immigrant-owned companies and entrepreneurs employ 141,483 Washingtonians and generate \$2.4 billion in annual net business income. Roughly 24% of the state's STEM workers are immigrants, leading innovation through many of the region's core industries.

At the same time, women and minorities continue to face increasing wage and opportunity gaps. In 2015, median income for some racial and ethnic groups was nearly \$30,000 below their peers in the region.

Political and business leadership within the region promotes values that embrace differences in culture, economic background, ethnicity, age, disability, education, physical appearance, language, race, political affiliation, sexual orientation, and religious beliefs. Actively maintaining and promoting the region as a welcoming place is essential to the region's culture of invention and innovation, and its economic success.

Initiatives supported by the regional economic strategy will:

- Encourage federal immigration, foreign worker, and visitor policies that recognize the talent requirements and opportunities of regional businesses
- Encourage regional leaders to support and defend protections against discrimination based on religion, ethnicity or national origin, sex, race, disability, and sexual orientation
- Support policies and practices that promote tolerant, safe, inclusive, and equitable communities
- Encourage dialogue on race and social justice that strengthens community policing and respects diverse community backgrounds and attitudes

Ensure an outstanding and healthy natural environment

The region's natural environment and resources are assets that attract – and retain – talent to the region, bolstering the economy. As stewards of this landscape, the region has made important strides in enhancing and restoring the area's natural conditions by protecting water resources, open space, farms and working lands, and forests. These activities directly influence the physical, social, and mental wellbeing of residents in communities across the region.

New technologies will be needed to mitigate, and adapt to, the effects of climate change. Companies like AEP Span are on the leading edge of resilience, researching and developing new solutions in building materials.

Climate change is one of the most significant threats to the region's natural and built environment and economy. A resilient, outstanding, and healthy natural environment is a foundation of the region's high quality of life and bedrock to its economic prosperity.

Healthy headwaters, healthy communities

The region's natural environment – its forests, mountains, clean air, and clean water – is the envy of metropolitan regions world-

wide. Investors, visitors, and business travelers all remark about the stunning environment. Clean air and clean water support the region's vibrant forests, timberland, farms, estuaries, aquatic life, and varied ecological systems. Nature is close to population centers and sustains a healthy populace. The region's healthy streams, rivers, lakes, and tidelands create outdoor recreational opportunities.

Numerous efforts are underway to improve water quality, including the identification of critical areas, acquisition of open space, stormwater recycling and controls, and rehabilitation of previously polluted sites. Communities are working to protect, conserve, and recover working farms, forests, and waterways that are essential to resource dependent, local economies. Locally based resource plans have been implemented, or are under development, for each of the region's seven major river systems.

A 15-year plan is in place to restore the health of Puget Sound. The region is meeting or beating all federal clean air standards.

A healthy place to live, work, and raise a family

The health of a community is integrally connected to the health of its environment. VISION 2040 recognizes this relationship and addresses numerous ways that human health can be impacted in the region, including exposure to air and water pollution, automobile-related injuries and deaths, chronic diseases related to physical inactivity, and lack of fresh and healthy foods. Attention to health as a consequence of economic, planning, and infrastructure decisions can improve quality of life for residents, reduce health care costs, and lessen impacts from lost productivity.

Efforts that improve the health outcomes of all residents across communities in the area elevate the region as a competitive destination for new talent and investment. In particular, efforts should be targeted in communities with known health disparities.

Addressing global climate challenges

The success of global efforts to decarbonize will be a primary determinant of the future environmental health of the region. Warming temperatures, acidifying marine waters, rising seas, increasing flooding and wildfire risks, decreasing mountain snowpack, and less water in summer streams will have a significant impact on the region's core industries. These conditions often have a disproportionate impact on disadvantaged and lower income communities.

For businesses, climate change can bring increased risk of extreme weather events, disruption of supply chains, and damage to critical infrastructure. Climate change is also an opportunity for local inventors, innovators, and commercial leadership to take action to profitably evolve sustainable solutions to these issues.

State and local leaders have instituted laws and policies designed to reduce greenhouse gas emissions. State law places limits on statewide emissions. Local leaders are undertaking complementary policies to further reduce emissions. Regional ports are participating in the Green Marine program, a voluntary effort to reduce the environmental impact to air quality, greenhouse gases, spill prevention, stormwater treatment and recycling, and other community impacts.

Initiatives supported by the regional economic strategy will:

- Continue efforts to protect, conserve, and recover working farms, forests, and waterways
- Encourage the development of established and emerging industries focused on resilience and climate change while increasing regional economic and environmental resilience to climate change, natural disasters, and other stressors
- Decrease reliance on fossil fuels through the development and adoption of alternative energy technologies and transportation systems, while emphasizing the reduction of carbon emissions during the transition phase to clean energy
- Continue to implement VISION 2040 policies that safeguard the region's natural environment and ensure that all residents live in healthy places
- Develop common ground on the best approaches to reduce greenhouse gas emissions, including through encouraging federal action on greenhouse gas reduction measures and support for a global climate accord



STRATEGY:

Preserve, enhance, and improve access to open space

Outdoor recreation is abundant in the region, like at Mount Rainier National Park. Outdoor activities in the region's four counties generates \$10.4 billion in annual expenditures.

Open space is the natural and built green infrastructure that provides a foundation for quality of life and includes public parks, trail systems, wetlands and water bodies, wilderness lands, urban green spaces, and working lands for agriculture and timber production. Open spaces are important to residents, workers, and visitors. Open spaces help sustain healthy air, water, sustainable habitats, and support rural communities.

A metropolis set within the wilderness

The region's natural beauty, clean air, and access to nature make it an increasingly desirable place to live, work, and visit. An urbanizing metropolis is set among snowcapped mountains and surrounded by water, creating an abundance of recreational opportunities and scenic landscapes.

More than half of the land in the region is within state and national forests, wilderness areas, and national parks. Puget Sound's tidelands create 655 miles of shoreline. There are 182 square miles of designated farmlands situated close to urban places. There are 75 square miles of parks within the region's urban areas.

Mountain snowpack and reservoirs supply clean water along with relatively low cost and carbon free electricity. The nation's largest estuary by volume, the Puget Sound gives life to the vibrant biodiversity of watersheds, wildlife corridors, fisheries, and waterways throughout the region. It is an economic and cultural asset.

Resource lands provide jobs in fishing, farming, forestry, material extraction, and tourism. Outdoor recreation in Washington state contributes an estimated \$11.7 billion in revenue annually and supports 115,000 jobs.

Expanding access to nature

With rapid growth, priority has been placed on accelerating protection of open space. Numerous efforts are underway to complete trail systems, enhance access, restore habitat, preserve farmland, and acquire critical areas.

The Regional Open Space Conservation Plan, under development at the Puget Sound Regional Council, will knit together open space and related plans from counties, tribes, resource agencies, salmon recovery groups, and others. The plan will prioritize and elevate open space needs to attract funding and support.

Additional tools are available to preserve open space and to focus development. Transfer of development rights programs offer a voluntary, incentive-based, and market-driven approach to preserve land and steer development growth away from rural and resource lands into urban areas.

Initiatives supported by the regional economic strategy will:

- Preserve the beauty and natural ecological processes of the region through the conservation of natural resources and the environment through the regional planning policies within VISION 2040
- Preserve and enhance open space, protect wildlife corridors, and preserve and restore native ecosystems
- Support conservation planning, project funding, landscape maintenance, and critical areas regulation at the local level
- Improve access to open space, particularly for underserved populations, including completing gaps in regional trails





STRATEGY:

Grow access to arts, culture, entertainment, and sports

Arts, culture, entertainment, and sports enhance communities, create educational opportunities, and promote a high quality of life for residents. They are important characteristics of the region's city centers and neighborhoods. Support for these unique community assets helps nurture, brand, and inform the region's creative economy.

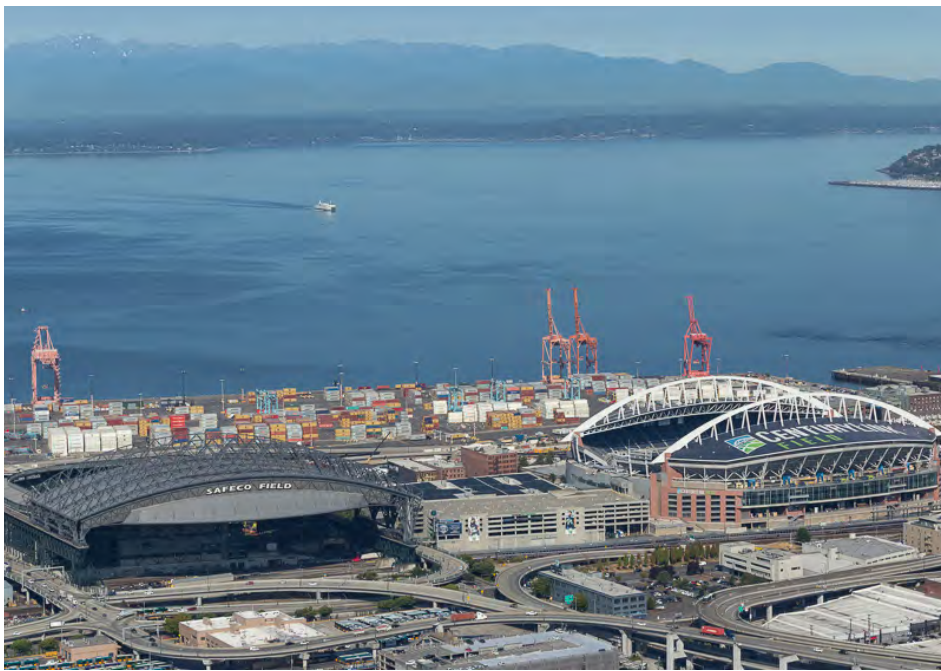
A center of creativity

The region is the arts, culture, and entertainment capital of the Pacific Northwest and is an epicenter for collegiate and professional sports. According to a 2015 Arts Fund study, more than 300 arts, science, and cultural organizations in the region support over 35,000 jobs and generate over \$2.4 billion in annual business activity. This creative economy is a key component of the region's competitive advantage.

Arts, culture, and entertainment assets are a core component of the region's livability and quality of life and are placemaking tools that build and strengthen communities. Much support for arts and culture comes in the form of neighborhood strategies, ensuring access to safe, affordable, and thriving cultural centers of activity. Vibrant neighborhoods with thriving cultural activities – from Edmonds to downtown Kirkland to Tacoma's Proctor District and in Gig Harbor – are environments for innovation, creativity, and new economic opportunities. Businesses seek out the creative workforce fostered in these environments.

This sector helps to promote diversity, empathy, and understanding among our community members, and inspires creativity, cross-cultural connections, and innovation in our workforce, building 21st century skills. The same Arts Fund study found that the region's arts, cultural, and scientific organizations offered more than 5.6 million admissions – representing 40% of total admissions – for free or at a discount. Improving levels of public, private, and individual support is essential to sustaining this economic generator and helping to keep these organizations accessible to all members of the public.

Expanding cultural access and attracting more professional sports



Efforts are underway to expand access to the arts, heritage, science, and culture by creating new cultural access programs enabled by the state. Proposals are being developed to ask voters to decide on more public investment.

New venues and events will also expand access and broaden offerings. The region's newest venue is the 716-seat Federal Way Performing Arts and Events Center. Fundraising is underway for the new 2,000-seat Tateuchi Center Concert Hall in Bellevue. The Upstream Music Festival and Summit aims to be both an exciting music festival and a forum for navigating the rapidly changing music industry. The region's e-gaming prowess is supporting growing international interest in events such as "Dota 2." The region's Native residents offer cultural experiences and education through facilities such as the Tulalip Tribes' Hibel Cultural Center.

Interests within the region hope to attract the National Hockey League and National Basketball Association to the region's professional sports portfolio with the building or refurbishment of a suitable arena. Efforts are underway in Tacoma to build a new stadium as part of the Sounders-Rainiers partnership.

Public facilities districts are an important development tool for arts, culture, entertainment, and sports. They have been used for the Greater Tacoma Convention and Trade Center, the Kitsap Conference Center, the Edmonds Center for the Arts, and Safeco Field, to name a few examples.

Initiatives supported by the regional economic strategy will:

- Support strategies focused on expanding access and activities for arts, cultural, and educational opportunities
- Encourage local government support for an arena to attract National Basketball Association and National Hockey League franchises and high profile sporting events such as the return of the U.S. Open Golf Tournament
- Continue support for the use of public facilities district as a tool for arts, culture, sports, and entertainment



V. Regional Industry Profiles

Aerospace

Overview

The region is home to the largest Aerospace industry cluster in the world. Originating from one company, central Puget Sound's Aerospace industry has grown into a large and diverse supply chain that is producing more commercial aircraft than any other region and driving innovation across clusters, including advanced composite materials and aerospace biofuels. It is well positioned to serve the future production needs of regional aircraft manufacturers.

Location Quotient - Concentrated Regional Industry Clusters, 2015

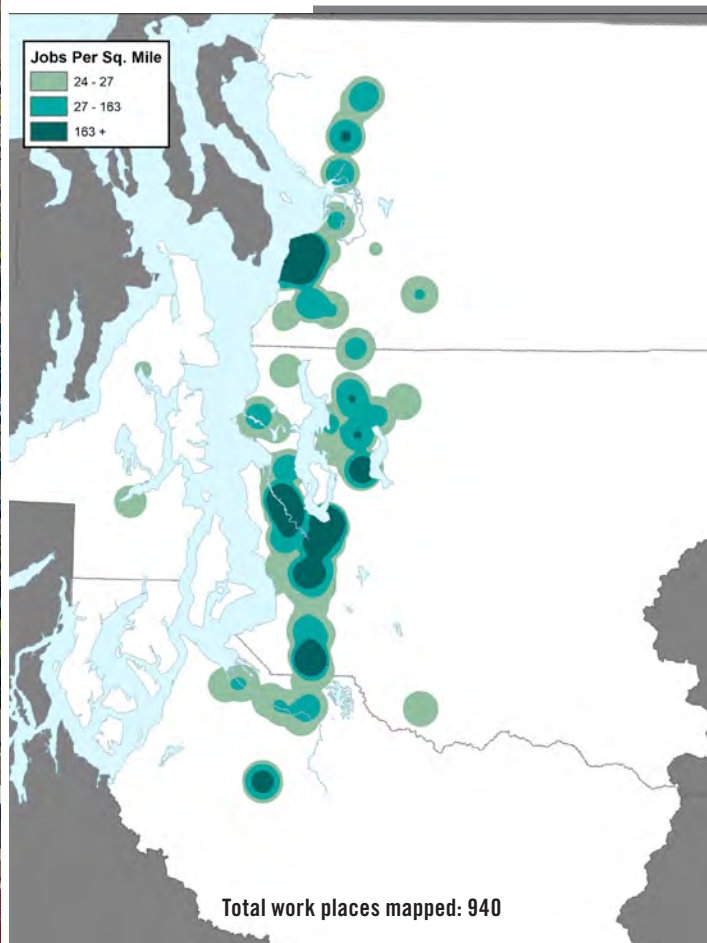
	REGION	KING	KITSAP	PIERCE	SNOHOMISH
Aerospace Manufacturing	11.05	8.31	0.15	2.08	36.37

As a national leader in both Aerospace and Information & Communication Technology, the region is on the cutting edge of advancements in Unmanned Aerial Systems and is leading a new era of space exploration.

Regional Aerospace Industry Cluster Employment, 2015

	JOB	GROWTH*
Aerospace Manufacturing	93,100	2.9%

*AVERAGE ANNUAL GROWTH, 2010-2015



Regional strengths

The Aerospace Manufacturing industry cluster includes aircraft and aircraft engine manufacturing, guided missile and space vehicle manufacturing, and search, detection, and guidance system manufacturing. The region has 93,000 jobs in this cluster, 11 times the national average.

Celebrating its 100-year anniversary in 2016, the Boeing Company continues to drive the concentration of Aerospace Manufacturing jobs in the region. Boeing hosts manufacturing sites in Renton – building the 737 MAX and P-8 military aircraft, Frederickson – building 777X composite tails, and Everett – building the 747, 767, 777X, and 787 Dreamliner. For as long as Presidents have flown, Boeing has manufactured Air Force One from its Everett facility.

Boeing's presence in Everett creates a job concentration in Snohomish County that is 36 times the national average. The company continues to attract significant investment to the area.

In 2016, Boeing opened its \$1 billion manufacturing center in Everett to build carbon-composite wings for the 777X – the largest composite wings in the world. Boeing has also secured its third \$2.1 billion contract to build KC-46 tanker aircraft for the U.S. Air Force. These aircraft will also be assembled at the Everett facility.

Snohomish County assets such as Paine Field and a robust Advanced Manufacturing industry cluster support over 200 Aerospace companies of all sizes in the county, including Aviation Technical Services and Crane Aerospace & Electronics.

King County's concentration of Aerospace Manufacturing jobs is over 8 times the national average. Here as well, Boeing anchors a growing and diverse Aerospace ecosystem of over 507 aerospace-related companies such as AIM Aerospace Inc. In addition to a manufacturing plant in Renton and a fabrication facility in Auburn, the King County International Airport – "Boeing Field" – supports final delivery preparation and test flights for aircraft.

The state's Aerospace supply chain extends far and wide – but relies on key suppliers throughout the central Puget Sound region. Over 136 production suppliers and other vendors in Pierce County are integrated into Boeing's supply chain, creating an Aerospace Manufacturing job concentration in the county that is twice the national average.

Aerospace and Military & Defense industries are closely correlated in Kitsap County where multi-national defense firms – including BAE Systems, General Dynamics, Raytheon, and Northrop Grumman Corporation – have established an efficient manufacturing supply chain with growth potential in multiple industries.

Aerospace-related sectors

The central Puget Sound region's Aerospace industry has helped develop a regional strength in advanced materials and composites (see Materials Manufacturing industry profile). The MTorres Innovation Center in Everett provides advanced engineering services in robotics applications and composites to both Aerospace and Advanced Manufacturing companies. Kitsap Composites designs, manufactures, and tests composite hardware for both the Aerospace and Military & Defense industries.

Aerospace related jobs also extend across electronic and instrument manufacturing industries. Esterline Control Systems, headquartered in Bellevue, is an international specialized manufacturing company providing avionics and controls, sensors and systems, and advanced materials for the Aerospace and Military & Defense industries.



Cross-sector connections

The region's concentration of Aerospace expertise, cutting-edge Information & Communication Technology programming, and world renowned research institutions creates a unique environment for collaboration and innovation. In particular, cross sector knowledge is leading advancements in aviation technologies that will revolutionize the industry.

Insitu is a pioneer in the design, development, production, and operation of high-performance, cost effective Unmanned Aircraft Systems. Regional universities have begun offering programs to support this growing industry including the Autonomous Flight Systems Laboratory at the University of Washington and Green River College's Associate of Applied Science degree in unmanned aerial systems. Amazon is developing air traffic control software for its delivery drones and farmers are using UAS in precision agriculture.



The University of Washington and Washington State University are leading advancements in the commercial production of bio-based aviation, diesel, and gasoline fuels from woody biomass. Aerospace leaders, including Alaska Airlines, are leading demand for this research and development as they seek to incorporate biofuels into flight operations at Sea-Tac Airport.

In total, Aerospace employment across industries accounts for 124,600 jobs in the region. The state and region have a strong support system for the Aerospace industry including the Aerospace Futures Alliance, the Pacific Northwest Aerospace Alliance, and an aerospace sector lead at the Washington State Department of Commerce. The Aerospace Joint Apprenticeship Committee aligns industry occupational needs with workforce programs.

Looking forward: space

An emerging subsector within the Aerospace cluster is the private sector space industry. Space exploration is not new to the region. The Boeing Space Center opened in 1964 and, along with Aerojet Rocketdyne, helped drive NASA's early lunar and Mars exploration.

Today, the private sector is taking an increasingly important role in space exploration work and the region is positioning itself as a leader in the industry.

The growth of this new opportunity has been built upon the region's talent base of Aerospace and Information & Communication Technology workers. In addition, the investments made to grow these companies is directly tied to the region's past successful ICT entrepreneurs. Blue Origin, headquartered in Kent, is leading the way on a new era of reusable rockets and was formed by Amazon's Jeff Bezos. Stratolaunch Systems, a subsidiary of Vulcan Aerospace in Seattle, focuses on space transportation and was founded by Paul Allen of Microsoft. Elon Musk's SpaceX opened an office in Redmond to develop internet satellites.

Other regional space companies, such as Planetary Resources in Redmond, Tethers Unlimited in Bothell, and Spaceflight Industries based in Seattle, create a thriving network of companies and talent in this promising new subsector. Attention needs to be paid, however, to capitalize on this opportunity and preserve its growth amid fierce competition from emerging space states. The Washington State Space Coalition, a consortium of regional companies and government representatives, is working to ensure that this exciting subsector continues to thrive.

Information & Communication Technology

Overview

The region has the highest concentration of Information & Communication Technology jobs in the nation, supporting both large industry leading companies as well as a thriving startup culture. Multiple, highly concentrated clusters diversify the region's ICT industry. These include Software Publishers, Computer Services, Electronic & Catalog Shopping, Communications Equipment & Services, Electronic Equipment & Instruments, and Entertainment Goods.



Regional strengths

The largest regional ICT industry cluster is Software Publishers, accounting for more than 53,000 regional jobs. Anchored by Microsoft, the largest software company in the world, the region has nearly 12 times the number of jobs in this cluster compared to the national average.

The Computer Services cluster includes more than 46,000 jobs in the region. Businesses in this cluster provide data processing, hosting, and computer facilities management as well as custom programming and system design services, such as F5 Networks and the tax automation company Avalara. The increasing importance of cloud computing has helped grow this cluster, averaging 7.5% annual job growth in recent years.

Location Quotient - Concentrated Regional Industry Clusters, 2015

	REGION	KING	KITSAP	PIERCE	SNOHOMISH
Software Publishers	11.88	17.77	0.26	0.11	0.42
Computer Services	1.55	2.08	0.75	0.30	0.62
Electronic & Catalog Shopping	5.45	7.45	0.36	2.93	0.37
Communications Equipment & Services	2.23	2.62	0.31	0.37	2.93
Electronic Equipment & Instruments	0.78	0.64	0.03	0.29	2.12
Entertainment Goods	1.81	2.18	0.18	0.74	1.60

Electronic & Catalog Shopping has emerged as a key ICT growth cluster through the proliferation of online shopping companies. Recently, employment growth in this cluster has been the highest in the ICT industry, averaging job growth of more than 23% annually and now totaling 27,600 jobs.

Amazon has been a significant driver of Electronic & Catalog Shopping cluster growth, with high concentrations of jobs in both King and Pierce counties. Due to Amazon's expansion, ICT employment has grown 47% in Pierce County over the last five years. The company plans to create more than 100,000 jobs companywide over the next 18 months.

The region's Communications Equipment & Services cluster has more than twice as many jobs as the national average and includes both telecommunications services as well as the manufacturing of communications equipment. Industry giant CenturyLink is based in the region. Companies such as Symetrix in Mountlake Terrace and Asentria in Seattle contribute to both Snohomish County and King County's strength in this industry that accounts for 10,300 jobs.

Manufacturing of electronic components and electrical instruments is included in the Electronic Equipment & Instruments cluster. Employing 8,500 people in the region, the cluster is particularly concentrated in Snohomish County with twice the number of jobs compared to the national average. Fluke, and its Fortune 500 parent company Fortive, are both headquartered in Everett. Fluke leads the market in manufacture, distribution, and service of electronic test tools that span multiple industries.

Finally, the region is a leader in the Entertainment Goods cluster. While the broadly defined cluster contains toy and game manufacturing activities, the region's concentration of 3,200 jobs is driven by a thriving interactive media and video game industry. The central Puget Sound region is rapidly becoming known for virtual and augmented reality technology. The Washington Interactive Network reports that there are 40 companies in the region focused on virtual reality and augmented reality. A conference on this technology in the region has grown from 300 to more than 1,000 participants in the last few years.

Cross-sector connections

Increasingly, information technology is becoming an essential component of other industries. ICT workers across the region drive advancements in avionics for aerospace and space exploration companies, submarine technologies in military and defense, data modeling in the financial services sector, and record management in the health care industry. Expedia has done the same for the travel business. Originally founded as a division of Microsoft, Expedia is now its own publicly held company home to well-known travel brands Hotwire, Travelocity, Orbitz, and HomeAway.

ICT plays a significant role in the region's Life Sciences & Global Health and Clean Technology industries, supporting life-saving advancements through research and development. (see Life Sciences & Global Health and Clean Technology sections).

In 2013, 70,000 workers were employed in information technology occupations in non-ICT industries throughout the state. Their employment is captured in job totals for those clusters. The Technology Alliance, the Washington Technology Industry Association, and an ICT sector lead with the Washington State Department of Commerce work to ensure that the region remains a hub for world class technology innovation.

Looking forward: cloud computing, big data, & cybersecurity

The region is home to the leaders in cloud computing. Cloud services allow companies and individuals to purchase computer processing and data storage from a third party. Increasingly, companies, research organizations, and even individuals will utilize these publicly available services rather than operating and maintaining their own computer systems.

Amazon Web Services is the undisputed leader in the industry with more than 40% of the global market. Income from this division now accounts for more than half of all of Amazon's profits. Microsoft Azure offers similar services and the region is home to a wide range of cloud computing and big data startups.

Alongside these large scale, publicly available processing and data storage services is an increasing focus on businesses to better leverage these big data sets. Analysis of these data sets adds intelligence to provide better insight and savings into a business's operations and customers.

Tableau has developed tools to help customers automate the analysis of their data. Zillow Group utilizes transaction data in its real estate value prediction models. This big data analysis movement also has environmental impacts as well. Microsoft is currently working with Accenture to mine building data to reduce energy usage, highlighting a key aspect of the region's Clean Technology industry.

Supporting the cloud computing and big data industries is a growing focus on cybersecurity and information assurance. Local assets are placing the region at the forefront of this industry.

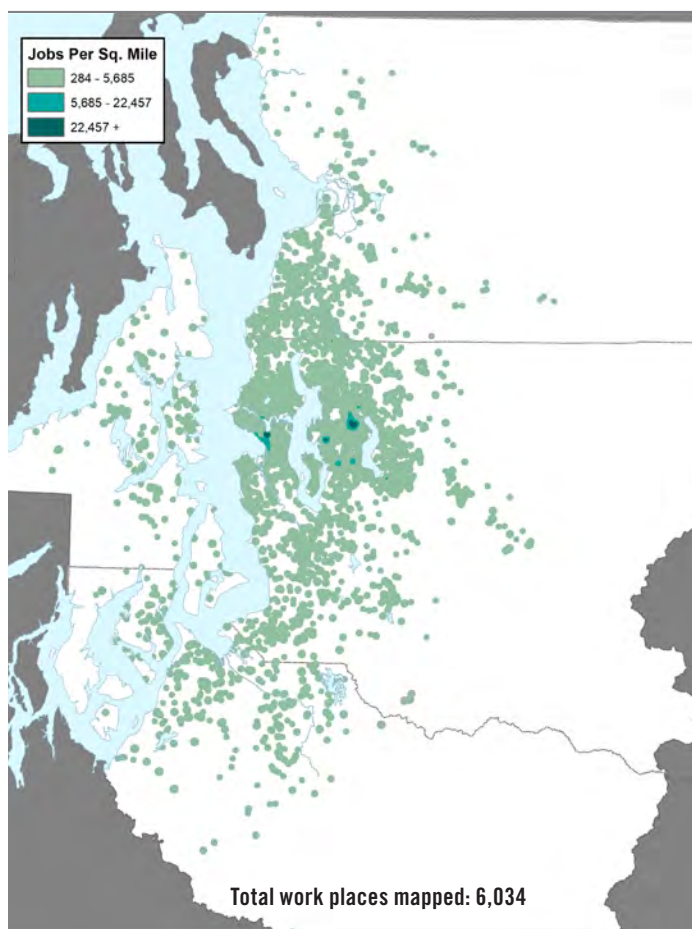
The University of Washington Bothell's Center for Information Assurance and Cybersecurity is a federally designated Center for Academic Excellence in cyber defense education and research. The University of Washington Tacoma's Institute of Technology and Bates Technical College have developed academic programs to meet workforce demand from local cybersecurity employers in Pierce County such as Infoblox and Topia Technology.



Information & Communication Industry Cluster Employment, 2015

	JOBS	GROWTH*
Software Publishers	53,300	1.3%
Computer Services	46,200	7.3%
Electronic & Catalog Shopping	27,700	24.9%
Communications Equipment & Services	10,300	-3.3%
Electronic Equipment & Instruments	8,500	1.5%
Entertainment Goods	3,200	1.8%

*AVERAGE ANNUAL GROWTH, 2010-2015



Regional military installations are significant contributors to the growth of the cybersecurity industry in the region. Stationed at Joint Base Lewis-McChord, the Washington National Guard's cyber team is on the cutting edge of national security and defense from threat of cyber-attack. To capture the expertise of transitioning service members, Olympic College has developed a four-year degree program for cybersecurity specifically aimed at military veterans from regional installations such as Naval Base Kitsap and Naval Submarine Base Bangor.

Successful execution of Department of Defense contracts for cybersecurity is growing the Information & Communication Technology industry in Kitsap County, home to companies Critical Informatics and Paladin Data Systems. Working with the National Security Agency, Western Washington University and Olympic College at Poulsbo have developed a federally recognized cyber range – one of only a few in the nation. Unlike other national cyber ranges which focus on government systems security, Washington's cyber range is geared toward industry and infrastructure security, training students on a safe, closed “cloud” separate from the internet.

Maritime

Overview

Through the Puget Sound's direct access to the Pacific Ocean and proximity to Alaska, Canada, and Asia, the region has a thriving and diverse Maritime industry. The Washington State Maritime Sector Economic Impact Study 2017 Update the impact of the state's maritime economy at \$37.8 billion. Additional studies have estimated that more than 40% of jobs in Washington state are tied to international trade activities. Many of these jobs depend on trade and maritime assets in the central Puget Sound region. Industry clusters with a high concentration of jobs in the region include Boat Building & Ship Repair, Water Cargo Transportation, Fishing & Fishing Products, and Water Passenger Transportation.

Location Quotient - Concentrated Regional Industry Clusters, 2015

	REGION	KING	KITSAP	PIERCE	SNOHOMISH
Boat Building & Ship Repair	8.46	1.01	169.16	0.68	1.57
Water Cargo Transportation	3.41	3.72	0.31	5.82	0.38
Fishing & Fishing Products	8.52	11.29	1.05	3.77	2.79
Water Passenger Transportation	6.14	9.02	3.35	0.00	0.00

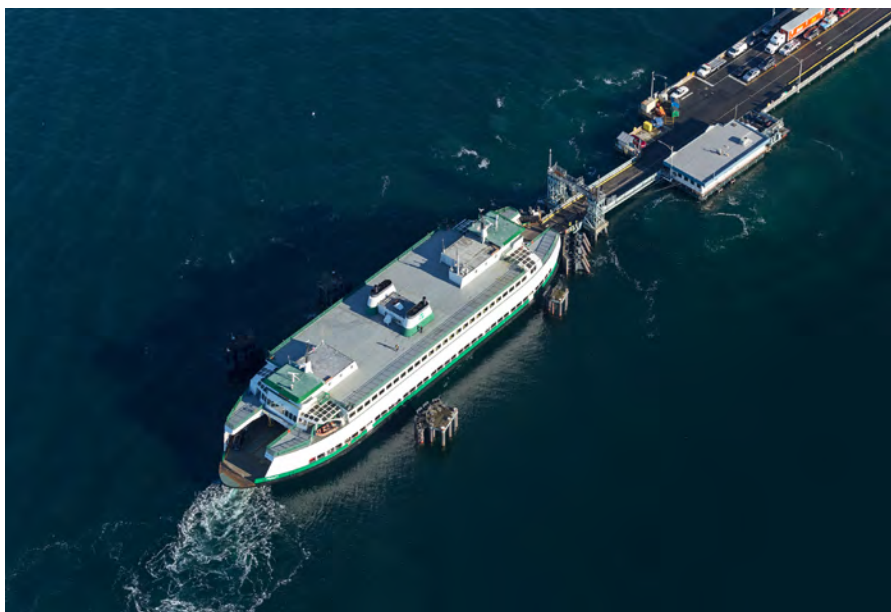
Regional strengths

Helping to support a broad maritime industry, the Boat Building & Ship Repair cluster has more than 16,000 jobs in the region. This level of employment is more than 8 times that of the nation. Activities include construction of commercial, recreation, and military vessels as well as maintenance, refurbishment, and overhaul and modernization of existing boats.

The region's strength in this cluster can be attributed to Kitsap County with a concentration of Boat Building & Ship Repair cluster jobs that is 169 times the national level. Nearly one quarter of all maritime jobs in the state are located in Kitsap County where the Puget Sound Naval Shipyard employs more than 13,500 civilian workers. Located in Bremerton, PSNS is Washington's second largest industrial employer, behind only Boeing. With a 125-year history of exceptional service, PSNS supports \$1 billion in wages and has experienced 25% growth in employment in recent years. It continues to be an important economic driver for the region.

Smaller boat builders also make up Kitsap County's strength in this cluster and include local manufacturers SAFE Boats International, Defiance Boats, Coastal Marine, and Inventech Marine Solutions. Highlighting a regional public/private partnership, Everett's OceanGate, through a collaboration with the UW Applied Physics Laboratory, developed the next generation submersible Cyclops 1.

Collaborating together as the Northwest Seaport Alliance, the ports of Seattle and Tacoma drive regional job totals in the Water Cargo Transportation industry cluster that are significantly higher than the national average. This collaboration is strengthening this concentration and port-related employment has averaged more than 10% annually.



The Port of Tacoma drives a Water Cargo Transportation cluster concentration in Pierce County that is 6 times the national average. The Water Cargo Transportation industry cluster is a key component of a larger regional Transportation & Logistics industry, which supports various ground and air transportation, and wholesaling and storage employment. (See Transportation & Logistics industry profile)

The region has more than 5,000 jobs in the Fishing & Fishing Products industry cluster, 8.5 times that of the U.S., with higher than average concentrations of these jobs in each of the region's four counties. Activities include commercial and recreational fishing, seafood processing firms, aquaculture and fish farming, and wholesale and retail seafood markets. Fish processing and distribution by companies such as Troutlodge Inc. in Pierce County, Pacific Seafood in Snohomish County, and Suquamish Seafood Enterprises in Kitsap County contribute to the region's strength in this cluster.

King County has more than 11 times as many jobs in the Fishing & Fishing Products industry as the national average, anchored by the North Pacific Fishing Fleet homeported at Ballard's Fisherman's Terminal. Commercial fishing, boat building and repair, and warehouses within the Ballard-Interbay manufacturing/industrial center support the industry. Trident Seafoods and American Seafoods, two of the largest seafood companies in the country, are headquartered in the county.

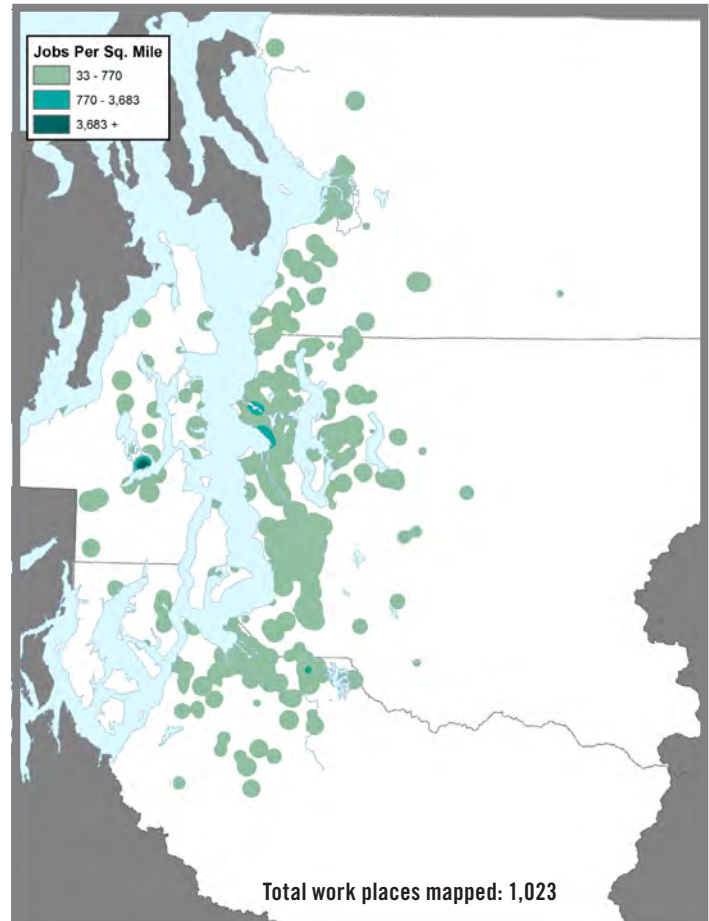
Jobs in the Water Passenger Transportation cluster are much higher in the region than that of the nation. There are more than 6 times as many jobs in private water passenger transportation in the region than the national average. Notable employers such as Clipper Vacations help make up the region's 1,800 jobs in this cluster. (See Tourism and Transportation & Logistics industry profiles)

The Washington Maritime Federation, an association of maritime businesses and organizations, as well as a maritime sector lead at the Washington State Department of Commerce, work to support the industry in the state.

Maritime Industry Cluster Employment, 2015

	JOB	GROWTH*
Boat Building & Ship Repair	16,000	3.5%
Water Cargo Transportation	6,700	4.0%
Fishing & Fishing Products	5,000	-0.7%
Water Passenger Transportation	1,800	1.7%

*AVERAGE ANNUAL GROWTH, 2010-2015



Military & Defense

Overview

The central Puget Sound region is home to several major military installations, including Joint Base Lewis-McChord, Naval Base Kitsap, and Naval Station Everett. The region is also home to numerous private defense contractors and subcontractors which support these installations and contribute to the region's strength in Boat Building & Ship Repair and Aerospace Manufacturing.

Regional strengths

Direct employment of active duty military and civilian personnel at regional installations accounts for an estimated 98,400 direct jobs in 2017. This concentration is more than twice the national rate and reflects the region's strong and ongoing commitment to these installations. As the U.S. Navy shifts its focus to the Asia-Pacific, the region's naval installations will become increasingly important to national defense.

Approximately 90% of the region's direct base employment is located at JBLM or on board Naval Base Kitsap. JBLM is the U.S. Department of Defense's premiere West Coast facility, featuring state-of-the-art training and infrastructure, as well as fully capable mobilization and deployment operations for Army, Navy, Air Force, and Marines. Naval Base Kitsap is the third largest naval base in the U.S., and the Pacific Northwest's largest Naval shore facility. Military sites are located across Kitsap County, including Bremerton, Bangor, and Keyport.

Employment at the Puget Sound Naval Shipyard drives a large portion of this employment, with approximately 13,500 jobs and counting. Kitsap County's concentration of Boat Building & Ship Repair jobs is 169 times the national average. These civilian jobs are a significant benefit to Kitsap County's economy and that of the region. (See Maritime industry profile)

In Snohomish County, Naval Station Everett is Washington's second-largest installation and the Navy's most modern facility. One of only two Navy-owned deep-water ports on the West Coast, Naval Station Everett supports both U.S. Navy guided missile destroyers and U.S. Coast Guard cutters. The installation also provides mission-critical functions to Jim Creek Radio Station in Arlington – communicating with submarines in the Pacific – and Naval Facility Pacific Beach – supporting training for Navy pilots.

In addition to direct base employment, Department of Defense spending associated with regional military installations creates a significant economic impact for the region and supports a broad set of other industries. Recent analysis by Community Attributes, Inc and the Washington Military Alliance shows that direct and secondary revenue supported by defense contracts in the four-county region amounted to \$10.5 billion. The largest amount goes into the aerospace industry and totals \$4.4 billion. Construction, material, supplies, business services, education and training, and maintenance are other industries that benefit from these contracts.

Spending through these contracts is distributed across many industries that are also supported by private sector spending. While job totals for these supported industries appear elsewhere, estimates have been made to quantify the number of regional jobs that are supported by these local contracting dollars. An estimated 43,800 jobs are supported by direct, indirect, and induced spending from these contracts. Some of the largest military contractors in the region include Boeing, Microsoft, and Vigor Industrial.

The Washington Military Alliance is an organization of public and private sector stakeholders that work to support the military missions in the state and promote statewide defense spending. The Washington State Department of Commerce also has a military and defense sector lead to help support this industry.

Local communities work closely to support their military partners. The South Sound Military & Communities Partnership is a strong partner with JBLM. Kitsap County, the City of Bremerton, the Kitsap Economic Development Alliance, and the Kitsap Aerospace and Defense Alliance have taken the lead to support the ongoing success of Naval Base Kitsap and tenant commands.

Military Installations in the Central Puget Sound Region



Overview

The region is home to a diverse Life Sciences & Global Health industry that is impacting the health and well-being of people and communities around the world. This cluster is pushing advancements in biotechnology, diagnostics, bio-agriculture, veterinary medicine, bio-fuels, medical devices, research, and digital health/health IT. The region has high job concentrations in three main industry clusters: Research Organizations, Medical Apparatus Manufacturing, and Medical Devices.

Location Quotient - Concentrated Regional Industry Clusters, 2015

	REGION	KING	KITSAP	PIERCE	SNOHOMISH
Research Organizations	1.31	1.65	0.23	0.14	1.29
Medical Apparatus Manufacturing	3.26	2.21	0.00	0.00	12.48
Medical Devices	0.47	0.53	1.19	0.20	0.19

Regional strengths

The region's largest Life Sciences cluster is Research Organizations, accounting for 11,800 jobs. Jobs in this cluster are 30% more concentrated than the national average. Marquee organizations such as Seattle based Fred Hutchinson Cancer Research Center, the Allen Institute for Brain Science, and the Infectious Disease Research Institute anchor this cluster in King County.

With significant Life Sciences assets – including multinational companies Seattle Genetics and CMC Biologics, and Washington State University's new Elson S. Floyd College of Medicine in Everett – the Research Organizations cluster is also strongly represented in Snohomish County. Collectively, research organizations in King and Snohomish counties attract the sixth most National Institutes of Health funding in the nation.

Jobs in the Medical Apparatus Manufacturing cluster are 3 times more concentrated in the region than the nation as a whole. This cluster includes manufacturers of electromedical, electrotherapeutic, and irradiation apparatus. This cluster is most concentrated in Snohomish County which has jobs more than 12 times the national average. The county hosts a Biomedical Device Manufacturing Innovation Zone based in Bothell and is home to industry leaders Philips Medical Systems and Fujifilm Sonosite. The state's \$703 million ultrasound equipment manufacturing industry is driven by Philips operations in Snohomish County. Approximately 80% of all Philips ultrasound equipment shipped globally is manufactured in Bothell – making the technology one of the state's top 10 exports. Additionally, the company leads design, marketing, commercialization, and shipping of the Sonicare toothbrush from their site in Snohomish County.

The Medical Devices cluster includes surgical, medical, optical, and dental manufacturing. This cluster is most concentrated in Kitsap County, with companies such as Trulife in Poulsbo, which develops specialized prosthetics.

Cross-sector connections

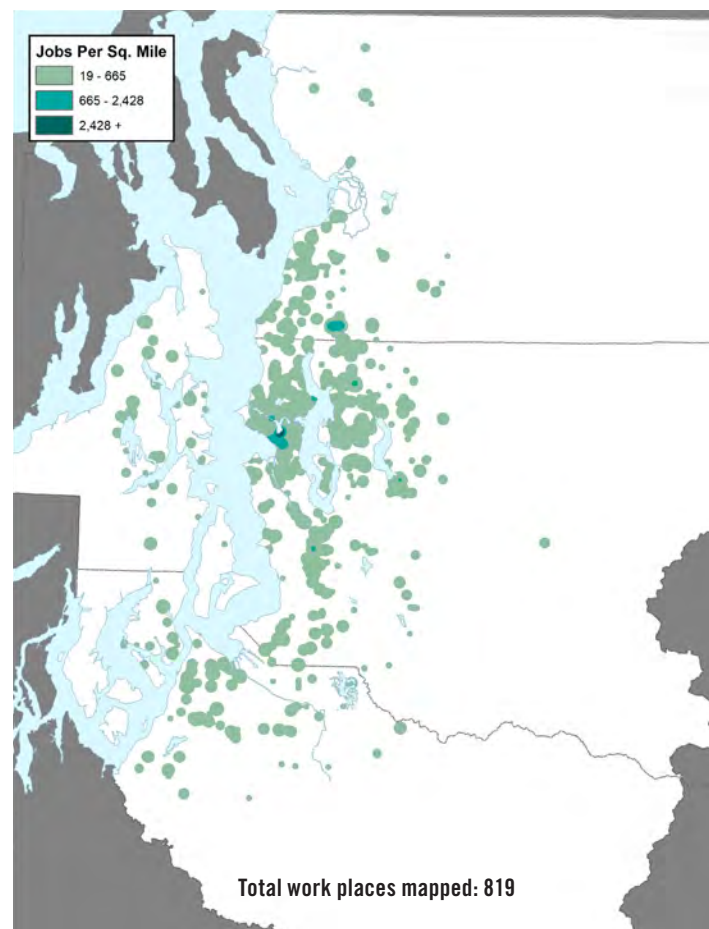
The region's strength in this sector goes beyond employment in these three industry clusters. Tied closely to the region's Life Sciences industry is a world leading Global Health industry. Not only is this work done through infectious disease research and development of medical devices, but spans into other regional industries such as Information & Communication Technology, Agricultural Inputs & Services, and Animal Health.

The Bill and Melinda Gates Foundation, Novo Nordisk, and PATH are working to advance global health outcomes through innovation. The Washington Global Health Alliance, an alliance of global health innovators in the state, works to support this important regional industry.

Life Sciences Industry Cluster Employment, 2015

	JOBS	GROWTH*
Research Organizations	11,800	-0.2%
Medical Apparatus Manufacturing	3,200	-1.5%
Medical Devices	1,800	0.7%

*AVERAGE ANNUAL GROWTH, 2010-2015



Supporting the Life Sciences cluster are four privately owned science parks, the University of Washington Bothell campus, and the Lake Washington Institute of Technology in Kirkland. Research at the University of Washington is a regional asset that continues to pay dividends for the industry with the commercialization of research into numerous life science companies. Life Science Washington, an industry member based organization, as well as the Life Sciences and Global Health sector lead at the Washington State Department of Commerce, work to ensure this success and to support and grow life sciences in the state.

Outside of specific industries and organizations that are wholly focused on research and development, the region is home to a number of key health care anchor institutions that drive innovation as well. Regionally, more than 171,000 jobs are in the Local Health Services cluster, which includes major regional hospitals.

Within this cluster, MultiCare Health System and CHI Franciscan Health drive health care delivery innovations in Pierce County. Providence Regional Medical Center in Everett is the flagship hospital of Providence Health & Services, the nation's third largest nonprofit health system in the nation. World renowned medical centers can be found throughout the region with Swedish Health Services and Virginia Mason in King County and Harrison Medical Center, Kitsap Mental Health Services, and Martha & Mary in Kitsap County.

Looking forward: immunotherapy and Health IT

Seattle Cancer Care Alliance and Seattle Children's Hospital are leading research into cutting edge immunotherapy treatments. Immunotherapy is an innovative treatment approach that taps into and stimulates the body's immune system to overcome diseases, including cancer.

Another emerging regional strength is in Health IT. This concept includes an array of technologies to capture, monitor, and analyze a patient's health information to improve patient care. The region has a strong history of both Life Sciences & Global Health research as well as Information & Communication Technology (including cloud and big data), both of which are key elements to this emerging sector. Arivale, a Seattle company co-founded by life sciences pioneer Leroy Hood, uses a patient's genetics and health data to improve health and wellness.

Clean Technology

Overview

The region is home to thriving industries that are on the leading edge of clean technology developments. According to the Washington State Department of Commerce, research and development by the state's over 900 clean tech companies has generated nearly 200 patents backed by more than a billion dollars in venture capital. The region's strengths exist across numerous key industries including Architecture & Engineering, Wood Products, Information & Communication Technology, Life Sciences & Global Health, Materials Manufacturing, and Transportation & Logistics.

Regional strengths

Clean Technology jobs exist in nearly all industries and therefore can be difficult to quantify as a stand-alone cluster. An effort to quantify the impact of clean technology jobs identified more than 87,500 direct and more 165,000 indirect jobs across Washington state. Other methods have estimated the number of regional jobs in clean technology at 22,100. What is clear is that the region shows a high concentration of jobs across nearly all of the industry clusters that provide clean technology employment.

Key Clean Technology industries in Architecture & Engineering include construction, waste and recycling, energy generation and distribution, and energy management. Local utility Puget Sound Energy is the nation's second-largest producer of wind power and is expanding its supply of solar, geothermal, and biomass energy.

The Center for Urban Waters in Tacoma – a partnership between the City of Tacoma, the University of Washington, and Puget Sound Partnership – leads research and engineering of clean water technologies. Through advancements in green stormwater infrastructure and sampling and analytical methods, the Center is discovering new strategies to restore and protect the Puget Sound and regional waterbodies. The Center is also home to Washington State's Clean Water Technology Innovation Partnership Zone, working to catalyze water technology business growth and development.

Use of woody biomass as a fuel source offers renewed economic opportunity in one of the state's first industries: Wood Products. A natural byproduct of the timber industry, harvesting of woody biomass benefits forest health, provides a low-cost energy source for community facilities, and opens new markets to the timber industry. Hampton Lumber in Darrington has operated a cogeneration plant since 2006, using wood-waste as fuel to generate enough electricity to power 1,500 homes. Additional efforts are needed within the region to expand the market for woody biomass and reduce the start-up cost for rural timber communities (see Wood Products industry profile).

Regional software companies in the Information & Communication Technology cluster are creating the next-generation of energy systems and controls. The Northwest Energy Efficiency Council's Smart Buildings Center in Seattle is a regional asset in energy efficiency, connecting innovations in information technology and data analytics to improve building efficiency.

Research in both the Life Sciences & Global Health and Food & Beverage industries – including plant biotechnology company BASF in Seattle – is developing drought and pest resistant crops that help farmers increase sustainable yield and livestock productivity. Downstream, Qualco Energy in Snohomish County converts manure from dairy farms and other organic waste into bio-gas, capturing methane, protecting salmonid waterways, and providing an additional source of renewable energy to the grid.

Materials Manufacturing industry companies are producing solar panels, batteries, and other advanced materials. APSystems USA manufactures solar microinverter technology for residential and commercial systems from their location in Poulsbo. AEP Span in Tacoma is at the forefront of developments in green building standards in the metal roofing industry, including compatibility with solar panels.

The region is integrating new technology in Transportation & Logistics to reduce carbon emissions and pollution when transporting goods and people by plane, bus, rail, or road. Sound Transit Link light rail trains will run on 100% clean energy by the year 2019 and regional transit agencies are transitioning diesel buses to hybrid or all-electric vehicles. Expansion of electric vehicle charging stations is allowing drivers to drive farther, reaching recreational destinations and communities in all directions. Regional aerospace companies and research organizations are developing alternative jet fuels and working to optimize flight efficiency and aerodynamics. Ports are participating in the Green Marine certification program to reduce environmental footprints related to air quality, greenhouse gases, spill prevention, stormwater treatment, noise, and other community impacts.

To maintain a competitive advantage in these areas, the region must continue to attract and develop the talent that drives these innovations. The region needs more researchers, engineers, building managers, entrepreneurs, and technical talent to continue to drive this work forward.

The Association of Washington Cities and partners are leading an effort to further identify and strengthen the Green Economy in the state. This work will help to position the state as a leader in the response to climate change through the development and commercialization of clean technologies, especially in energy, water, agriculture and forestry, and building materials.

The CleanTech Alliance works to support clean technology jobs in Washington, focusing on spotlighting clean technology jobs across all relevant sectors. Along with the CleanTech Alliance, the Washington State Department of Commerce clean technology sector lead works to support further evolution of this industry. Partnership between the private sector and world class research institutions including the Pacific Northwest National Laboratory, Washington State University, and the University of Washington help set the state's Clean Technology sector apart.

Looking forward: climate technology

New technologies will be needed to mitigate, and adapt to, the effects of climate change. These technologies and approaches will provide opportunities across many industries including energy management, building materials, water resource management, manufacturing, information technology, and others. The region's existing expertise across these various industries creates a significant opportunity for job growth, while providing these important products and services to regions throughout the world.

Research organizations based in the region are pushing advancements in the Life Sciences & Global Health industry. Much of the clean technology R&D led by this industry focuses on public health and adaptation, mitigation, and resilience of communities to a changing environment.

HaloSource, based in Bothell, works to provide solutions to water stress in developing countries around the world. Through water purification and adsorption technology, HaloSource provides clean, safe drinking water to more than 10 million people in China, India, and Latin America. HydroBee in Seattle manufactures portable devices that use renewable energy sources to generate power. Devices can be used to power a cell phone during outdoor recreation or generate electricity in Ethiopia.

The region's strength in the Architecture & Engineering, Information & Communication Technology, Life Sciences & Global Health, and Materials Manufacturing industries has made it a hub for the development of new water technologies. Both public and private partners are contributing to the growth of this emerging industry cluster, whether by restoring the health of the Puget Sound or improving access to clean water and energy around the world.



Overview

The region is home to diverse areas of natural beauty and cultural assets unlike any other place. As a result, the region is rich with recreational activities, entertainment, and amenities that draw visitors from around the world and contribute to a high quality of life for residents. The region shows higher than average employment in four key export focused industry clusters: Attractions & Entertainment, Performing Arts, Gambling Establishments, and Water Passenger Transportation.

Location Quotient - Concentrated Regional Industry Clusters, 2015

	REGION	KING	KITSAP	PIERCE	SNOHOMISH
Attractions & Entertainment	1.25	1.54	0.52	0.77	0.55
Performing Arts	1.13	1.46	0.50	0.35	0.52
Gambling Establishments	1.96	1.76	2.80	2.27	2.29
Water Passenger Transportation	6.14	9.02	3.35	0.00	0.00

Regional strengths

The Attractions & Entertainment industry cluster employs 25% more people than the national average in museums, historic sites, sightseeing tour operators, recreational goods rental, zoos, amusement and theme parks, and skiing facilities. This cluster includes major regional sports teams such as the Seahawks, Mariners, and Sounders, as well as the Tacoma Rainiers and the Everett Aquasox. Other regional attractions include the Museum of Flight and Woodland Park Zoo in Seattle and the Museum of Glass and Lemay America's Car Museum in Tacoma.

Regionally, the Seattle Symphony and the Pacific Northwest Ballet are examples of organizations that make up the Performing Arts cluster. A 2014 study by the Arts Fund found that arts, cultural, and scientific organizations in the region generated over \$2 billion in economic impact and supported 21,800 direct jobs.

Gambling Establishments in the Seattle MSA rank first in the nation in employment with a concentration nearly 2 times the national average. By comparison, the Las Vegas MSA employs the fourth most workers in gambling facilities. This higher than average concentration of jobs is present in each of the region's four counties and is a direct result of the economic development activities of regional Tribal governments and enterprises. In the region, these establishments include the Emerald Queen Casino in Pierce County, the Muckleshoot Casino and the Snoqualmie Casino in King County, the Tulalip Resort Casino, Quil Ceda Creek Nightclub and Casino, and the Angel of the Winds Casino in Snohomish County, and the Suquamish Clearwater Casino and The Point Casino in Kitsap County.

Regional waterways serve as essential connections for communities and commerce. As such, the region has more than 6 times the number of jobs in the Water Passenger Transportation cluster than the national average.

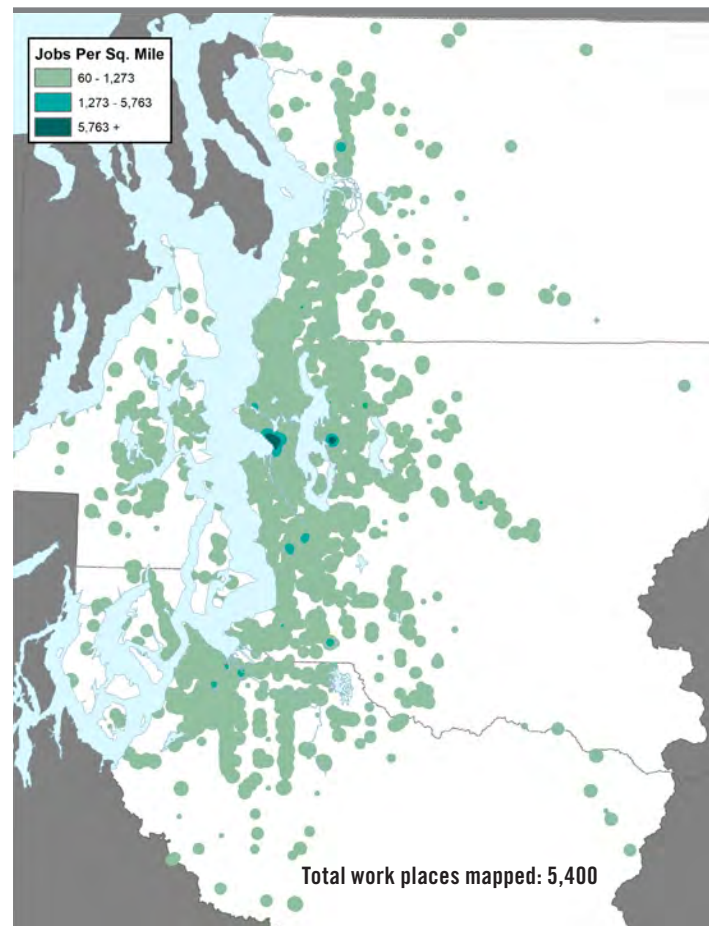
King County based Argosy Cruises and Holland America Line are major contributors to this industry cluster. The number of cruise ship passengers disembarking through the Port of Seattle is growing at a compound annual rate of 35.9% with destinations in Alaska and around the world. This cluster is a key part of the region's maritime and transportation industries. (See Maritime and Transportation & Logistics industry profiles)

Another element of the region's attractiveness to tourists and residents is the region's open spaces and recreational lands. A Washington State Recreation and Conservation Office study on the economic impact of recreational activities quantified

Tourism Industry Cluster Employment, 2015

	JOBS	GROWTH*
Attractions & Entertainment	17,200	3.9%
Performing Arts	4,600	1.7%
Gambling Establishments	3,500	-1.6%
Water Passenger Transportation	1,800	1.7%

*AVERAGE ANNUAL GROWTH, 2010-2015



the value to the state economy of local parks, public waters, state and federal lands, and private recreation lands. Recreational activities drive spending throughout the region across a number of other industries, including sporting goods and apparel, motor vehicles, boats, gas and oil, food, beverage and grocery purchases, and accommodations in addition to other retail and fee revenues. In total, the study reported that these outdoor activities result in more than \$21.6 billion in annual expenditures across these industries – \$10.4 billion from the region’s four counties alone.

The Washington Tourism Alliance, established by industry stakeholders, works to advocate, promote, develop and sustain the state’s tourism industry. WTA members include representatives from industries that both directly engage in tourism related activities as well as those that benefit from a thriving tourism economy. This includes local hospitality establishments such as bars and restaurants that employ 158,000 people in the region, as well as hotels and other accommodations that employ another 16,600.

Transportation & Logistics

Overview

The region is a key maritime gateway connecting U.S. and international markets. Nationally significant deep-water ports, road and rail connections, and proximity to Pacific Rim countries support a thriving regional Transportation & Logistics industry. This industry has a number of clusters that show a higher than average level of employment in the region and include Water Cargo Transportation, Water Passenger Transportation, Air Transportation, Ground Transportation, and Wholesaling & Storage.

Location Quotient - Concentrated Regional Industry Clusters, 2015

	REGION	KING	KITSAP	PIERCE	SNOHOMISH
Wholesaling & Storage	0.99	1.12	0.20	1.01	0.58
Air Transportation	1.74	2.52	0.13	0.13	0.33
Water Cargo Transportation	3.41	3.72	0.31	5.82	0.38
Water Passenger Transportation	6.14	9.02	3.35	0.00	0.00
Ground Transportation	0.91	0.89	0.51	1.67	0.34

Regional strengths

Supporting distribution of locally produced goods, the region has a strong Wholesaling & Storage cluster, employing more than 63,000 people. The Kent Valley is home to the fourth largest warehousing and distribution hub in the U.S., with direct connection to a robust freight transportation network. Global freight and logistics company Expeditors International, with more than 300 locations across the globe, is headquartered in Seattle.

The region’s Air Transportation industry cluster includes both freight and passenger transportation through 26 public use airports and two military airfields. There are 14,500 jobs in this cluster averaging 6.5% growth per year.

This cluster is most concentrated in King County, home to Sea-Tac Airport – one of the fastest growing and busiest airports in the U.S. In 2016, 45.7 million passengers traveled through the airport to domestic and international locations. Agricultural producers across the state rely on Sea-Tac Airport to move locally grown goods to international markets. Northwest cherries and seafood alone represent 35% of all air cargo exported through the airport.

The region continues to plan for increased air capacity, offering new opportunities for regional business and passengers. The Port of Seattle’s Sustainable Airport Master Plan will prepare the airport to handle 66 million passengers by 2035. Delta Airlines expanded routes served from their Sea-Tac base twice in 2017. In May 2017, Seattle based Alaska Airlines announced its intention to begin daily service at Paine Field in Snohomish County.

Water Cargo Transportation is an essential industry cluster in the region, as export-related jobs drive jobs in local industry clusters. Employment in this cluster is nearly 3.5 times the national average and employment has grown on average more than 10% in recent years. This cluster includes port and harbor operations, marine cargo handling, and water freight transportation. The Washington Public Ports Association reports that every job at a marine terminal supports 2.9 jobs elsewhere in the state’s economy. (See Maritime industry profile)

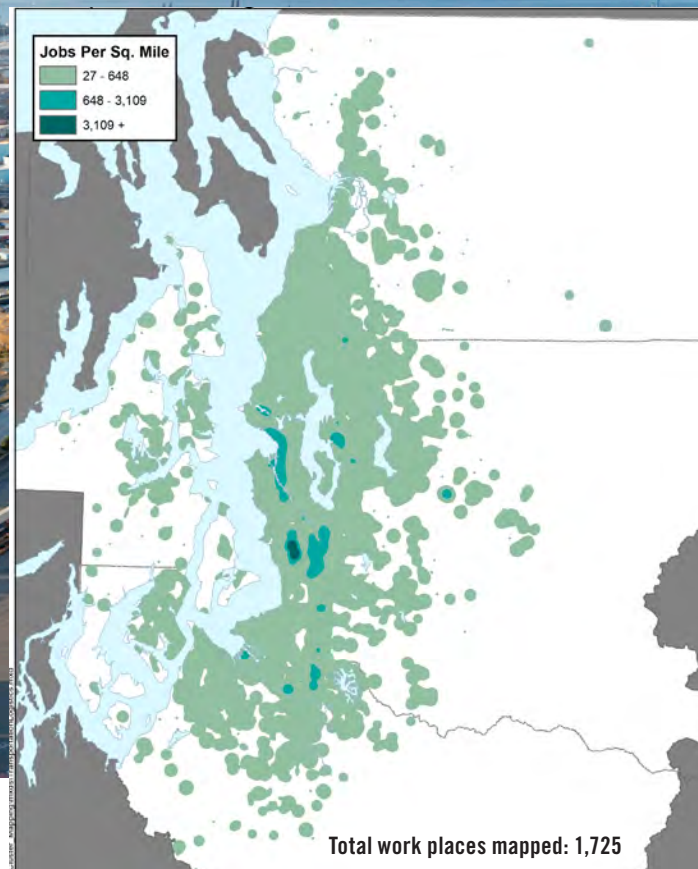
Major ports, including the Port of Seattle, Port of Tacoma, and Port of Everett, are the cornerstone of the region’s trade competitiveness. In total, regional ports facilitate movement of 81% – or \$85.9 billion – of all Washington state port vessel trade.

Operating jointly as the Northwest Seaport Alliance, the ports of Seattle and Tacoma form the third largest containerized cargo port in the U.S. and the fourth largest container gateway in North America. As the closest port to Pacific Rim countries, it is a top competitor for trade with Asia markets, handling \$75.2 billion in two-way international trade in 2016. The Port of Seattle is a top exporter for state agriculture and aquaculture products – including apples, pears, and potatoes – as well as hay and forest products.

Transportation and Logistics Industry Cluster Employment, 2015

	JOBS	GROWTH*
Wholesaling & Storage	63,300	1.7%
Air Transportation	14,500	3.8%
Water Cargo Transportation	6,700	4.0%
Water Passenger Transportation	1,800	1.7%
Ground Transportation	12,800	3.6%

*AVERAGE ANNUAL GROWTH, 2010-2015



The State of Alaska is the Northwest Seaport Alliance's fourth largest trading partner. Approximately 70% of cargo from the lower 48 states to Alaska travels through the Port of Tacoma. TOTE Maritime facilitates much of this transport from their Tacoma terminal. The Port of Tacoma additionally specializes in import of break-bulk cargo and automobiles. As a result, Pierce County has nearly 6 times the national average in Water Cargo Transportation jobs.

The Port of Everett is the third largest container port in the state and is the second fastest growing port on the West Coast. The Port specializes in over dimensional, high-value cargo, transporting parts for the 747, 767, 777 and 777X as well as wind turbines. As such, it is an essential component in the Aerospace and Clean Energy industry supply chains. It additionally supports the region's manufacturing, construction, and wood products industries.

The region has a Water Passenger Transportation industry cluster that employs more than 6 times that of the national average. State and local ferry systems are part of the state's marine highway, connecting walk-on passengers as well as passenger and commercial vehicles to jobs, services, and recreation in eight counties and British Columbia, Canada.

Washington State Ferries is the second largest ferry system in the world for number of vehicles carried. It operates seven routes in the region, supporting movement of over 21,230,000 total riders in 2016. The Seattle-Bainbridge route is the system's busiest, carrying 30% of ridership in the region.

Kitsap Transit operates foot ferry passenger service between Bremerton and Port Orchard and introduced a new fast ferry between Seattle, Bremerton, Kingston, and Southworth in July 2017. The fast ferry cuts passage time in half, bringing jobs, economic opportunity, and recreation and cultural experiences closer for residents on both sides of the water.

The cluster encompasses maritime based tourism and recreational activities and makes up a key component of the region's maritime industry. (See Maritime and Tourism industry profiles)

Finally, the region's Ground Transportation cluster includes long distance trucking and rail operations and accounts for another 12,800 jobs. Major transnational highways traverse the region, including Interstate 5, heading north - south, and Interstate 90, heading east - west. Portions of local routes State Route 167, State Route 18, and Interstate 405 have been recognized as part of the National Highway Freight Network. Burlington Northern Santa Fe Railroad and Union Pacific Railroad operate major rail lines and intermodal facilities in the region.

This cluster has a high concentration of jobs in Pierce County – nearly 70% more than the national average. Interstate Distributor Company in Tacoma is an employer in this industry cluster.

Cross-sector connections

Approximately two-thirds of all Washington agricultural exports are destined for markets in Asia. As such, the region's strength in the Maritime and Transportation & Logistics industries is closely tied to the strength of agriculture and food processing industries across the state. Washington is the nation's premier producer of apples, hops, grapes, sweet cherries, pears, raspberries, blueberries, and seafood, contributing to a job concentration that is over twice the national average. Washington state exports roughly one-third of all apples produced, mainly through containers at Puget Sound ports. An efficient network of railway and truck freight routes is essential to the growth of both industries.

The Washington Trucking Associations and Washington Public Ports Association lead industry efforts to maintain the region's strength in the Transportation & Logistics cluster. Also, the University of Washington opened its Urban Freight Lab as part of its world-renowned Supply Chain and Transportation Logistics Center.

Business Services

Overview

Location Quotient - Concentrated Regional Industry Clusters, 2015

	REGION	KING	KITSAP	PIERCE	SNOHOMISH
Corporate Headquarters	1.07	1.49	0.15	0.21	0.32
Insurance Services	0.97	0.80	0.20	1.32	1.62
Marketing, Design, & Publishing	1.37	1.90	0.40	0.23	0.33

The region is home to a large and thriving Business Services industry that supports other regional industry clusters as well as providing services to other regions. Within the Business Services industry, the region has a high concentration of three industry clusters: Corporate Headquarters, Insurance Services, and Marketing, Design & Publishing.



Regional strengths

The region is home to a number of corporate, subsidiary, and regional managing offices as part of a strong Corporate Headquarters industry cluster. King County has the highest regional concentration with 50% more jobs than the national average in corporate headquarters locations. The county is home to the headquarters of companies with worldwide name reach and recognition such as PACCAR Inc. and Nintendo. Funko, a company that manufactures licensed pop culture toys, recently opened its new headquarters and flagship store in Everett.

The Insurance Services industry cluster includes corporate offices of life, health, property, and title insurance carriers. The region as a whole does not show a high concentration of jobs in this cluster, but Snohomish and Pierce counties do.

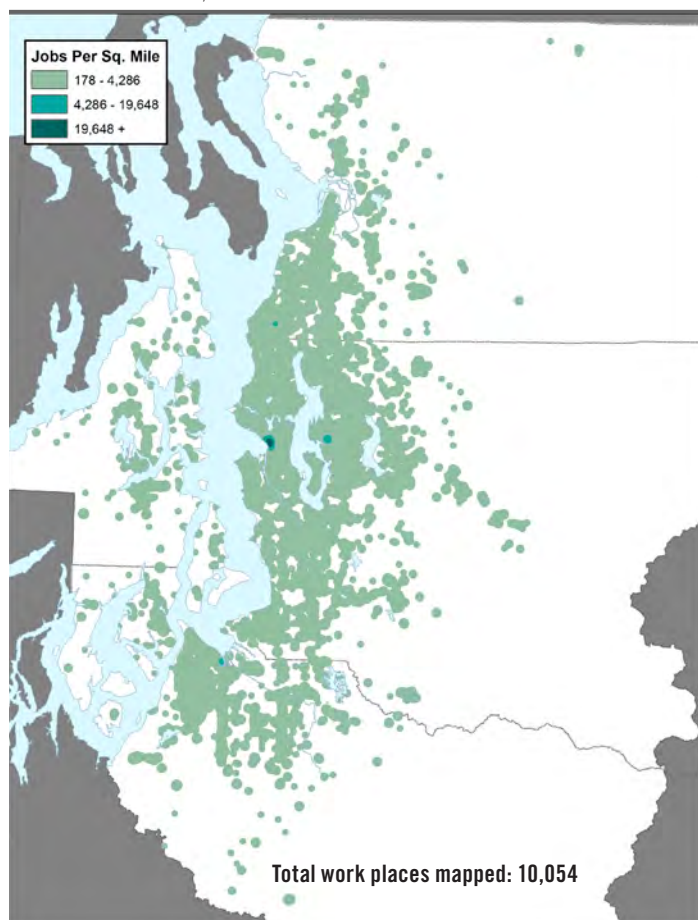
Snohomish County has 60% more jobs than average, anchored by Premier Blue Cross' headquarters in Mountlake Terrace. Pierce County has 30% more jobs than the national average, with Regence Blue Shield, State Farm Insurance Companies, and Brown & Brown Insurance hosting offices in the area.

The region has a concentration of Marketing, Design & Publishing jobs that is nearly 40% higher than the national average. Regional jobs in this cluster have grown an average of 8.5% per year recently. This includes a wide array of creative activities including book and periodical publishers, interior, industrial, and graphic design services and marketing, advertising, public relations, and marketing research services. King County is the center of this regional concentration with nearly twice as many jobs compared to the national average.

Business Services Industry Cluster Employment, 2015

	JOBS	GROWTH*
Corporate Headquarters	32,200	5.4%
Insurance Services	17,400	2.0%
Marketing, Design, and Publishing	25,400	8.0%

*AVERAGE ANNUAL GROWTH, 2010-2015



Looking forward: innovative retail

Part of the region's strength in Corporate Headquarters is based on a large group of well-known retailers who have their homes in the region. The list includes Nordstrom, Cascade Designs, Eddie Bauer, Recreational Equipment, Inc., Zulily, Starbucks, Tommy Bahama, Filson, Cutter & Buck, Outdoor Research, and Zumiez. This group of businesses is leveraging the region's expertise in Information & Communication Technology, Recreation, and Design to lead growth in the retail industry and creating a talent and expertise cluster in the region.



Architecture & Engineering

Overview

The region has a high concentration of firms that offer an array of large scale design and build capabilities. This includes architectural and engineering, structural, and civil engineering as well as firms which manage large scale construction projects. The region shows high concentrations of jobs in the Architectural & Engineering, Construction Production & Services, and Environmental Services industry clusters.

Regional strengths

Location Quotient - Concentrated Regional Industry Clusters, 2015

	REGION	KING	KITSAP	PIERCE	SNOHOMISH
Architectural & Engineering Services	1.33	1.62	1.69	0.50	0.72
Construction Products & Services	0.68	0.54	0.97	1.42	0.48
Environmental Services	1.03	1.02	0.00	1.76	0.56

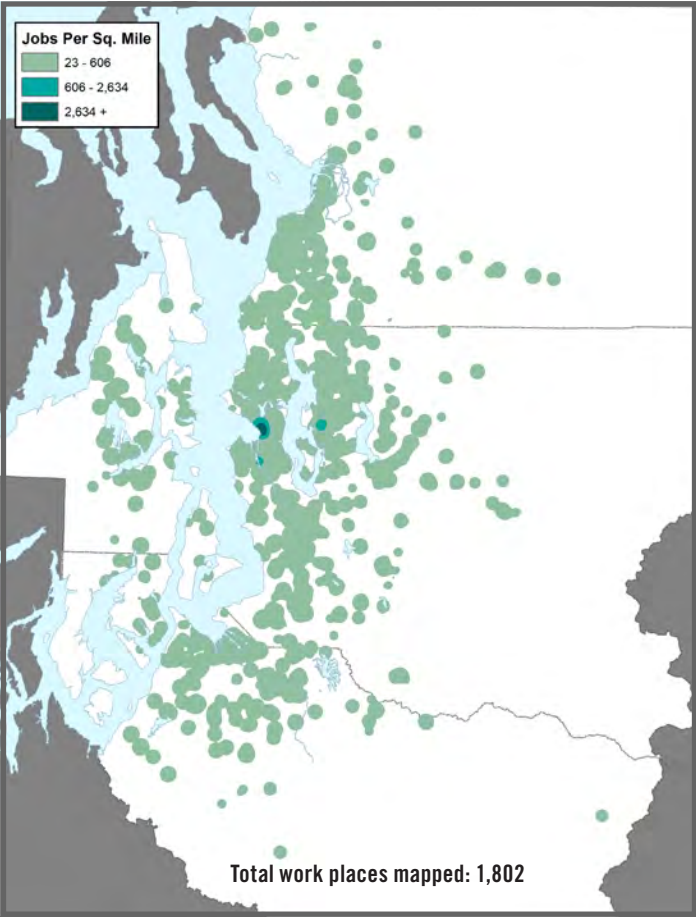
The region's Architectural & Engineering Services cluster employs 21,000 people, a job concentration that is a third higher than the national average. It is most concentrated in King and Kitsap counties.

BergerABAM, a firm in this cluster, offers services in civil and structural engineering as well as environmental services and construction management. The firm is headquartered in Federal Way, but has offices across the West Coast. Rice Fergus Miller provides sustainable and green architectural services from its location in Bremerton. Art Anderson Associates, a facilities engineering company with a strong maritime focus also located in Bremerton, delivers naval architecture and marine engineering as well as waterfront and floating structures.

Architecture and Engineering Industry Cluster Employment, 2015

	JOB	GROWTH*
Architectural & Engineering Services	21,000	0.8%
Construction Products & Services	8,100	4.0%
Environmental Services	1,600	0.3%

*AVERAGE ANNUAL GROWTH, 2010-2015



The region is home to a number of branch locations for large Architectural & Engineering Services companies with headquarters in other parts of the world, many of which gained a presence here by acquiring a smaller firm with local roots. HDR Engineering was listed the #1 engineering firm for 2016 by the Puget Sound Business Journal and, while the main office is out of state, the firm has regional offices in Seattle, Gig Harbor, Edmonds, and Bellevue. Other architectural and engineering firms with large local employment include AECOM and the DLR Group in Seattle, as well as CH2M Hill in Bellevue.

Pierce County has a high concentration of employment in the Construction Products & Services cluster, 42% higher than the national average. The 8,100 regional jobs support products and services that supplement the region’s large scale civil engineering strengths. Milgard Windows & Doors manufactures high-quality windows and patio doors for new building construction markets. Shope Concrete Products in Puyallup manufactures precast concrete pipes and catch basins for water and sewer infrastructure projects. In addition, Salish Construction in Tacoma, a certified Native American owned business, specializes in high voltage outside electrical line installation and has completed projects for numerous government installations and private land in the state.

The region shows a higher than average concentration of jobs in the Environmental Services cluster, though especially in Pierce County. Companies such as NRC Environmental Services, a global company with a Seattle branch office, focuses their work on environmental cleanup efforts. In addition, many of the region’s large engineering firms provide environmental consulting and planning services as part of their portfolio.



Materials Manufacturing

Overview

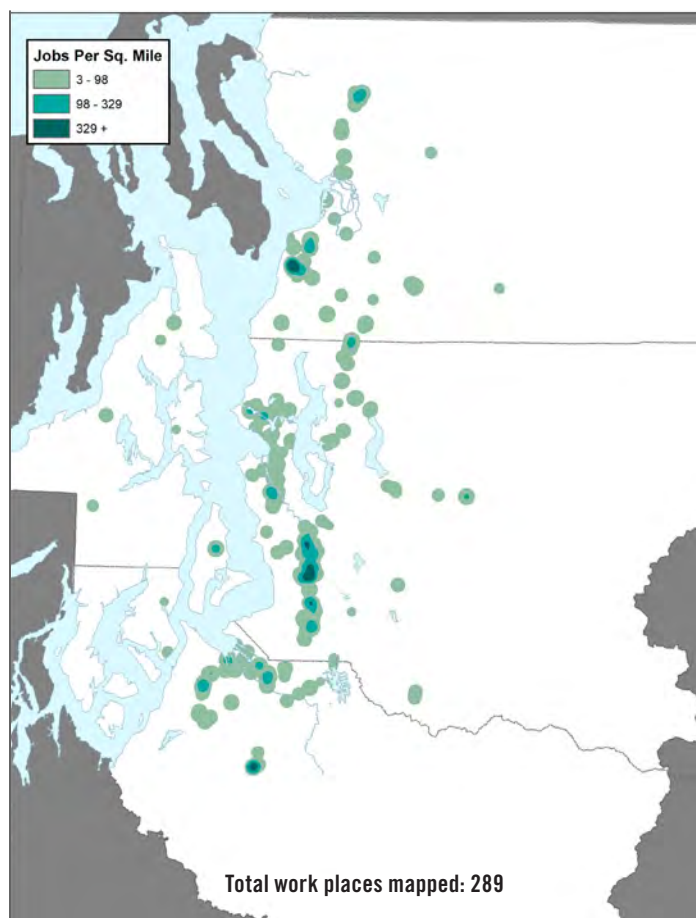
Location Quotient - Concentrated Regional Industry Clusters, 2015

	REGION	KING	KITSAP	PIERCE	SNOHOMISH
Metalworking Technology	0.66	0.55	0.12	0.40	1.54
Plastics	0.53	0.38	0.00	1.37	0.48
Vulcanized & Fired Materials	0.48	0.46	0.00	0.14	1.04

Material Manufacturing Industry Cluster Employment, 2015

	JOB	GROWTH*
Metalworking Technology	4,400	8.6%
Plastics	4,500	0.9%
Vulcanized and Fired Materials	1,600	2.0%

*AVERAGE ANNUAL GROWTH, 2010-2015



of Boeing and the American aerospace market. (See Aerospace industry profile) The region's expertise in composites goes beyond Aerospace. Toray Composites in Tacoma develops composites for the Aerospace, Sports & Recreation, Clean Technology, Transportation & Logistics, and Maritime industries.

The Automobili Lamborghini Sesto Composites Structures Laboratory at the University of Washington is a standalone non-profit organization whose innovations have ended up in Lamborghini automobiles.

These new technologies connect this regional cluster to other parts of Washington. A joint venture between BMW and SGL Carbon operates a carbon fiber production facility in Moses Lake, taking advantage of the low-cost, abundant and environmental hydroelectric power. To supply material for BMW's i series of lightweight electric cars.

In addition, the Composite Recycling Technology Center in Port Angeles develops improved methods to recycle composite products, helping to support the more than 90 composite manufacturers in Washington. Toray Composites supplies the research center with scrap composite material, driving innovation in this emerging industry from the central Puget Sound region.

The region has a century-old legacy of excellence in manufacturing. In addition to Aerospace Manufacturing and Maritime, the region is home to several thriving industries that are powered by cutting edge manufacturing activity, including Life Sciences & Global Health.

To support these industries three Materials Manufacturing focused clusters have become highly concentrated in the region: Metalworking Technology, Plastics, and Vulcanized & Fired Materials.

Regional strengths

The three identified Materials Manufacturing industry clusters do not show higher than average job concentrations at the regional level, but have counties within the region that specialize in each cluster.

Snohomish County has 54% more jobs in the Metalworking Technology industry cluster than the national average. This industry cluster, accounting for 4,400 regional jobs, includes metal processing, machining tool manufacturing, and metal fastener manufacturing activities. The Asko Group, with locations in Mukilteo, Mountlake Terrace, and Seattle, manufactures circuit boards and metal plating for the aerospace industry.

The Plastics industry cluster accounts for 4,500 jobs in the region. Pierce County has nearly 40% more jobs in the Plastics industry cluster than the national average, which includes plastic material, resin manufacturing, and plastic product manufacturing. For 75 years, General Plastics Manufacturing Co. in Tacoma has been a global leader in manufacturing polyurethane foam and build-to-print composite parts for the commercial, industrial, military, and composite manufacturing industries.

The Vulcanized & Fired Materials industry cluster includes manufacturing of rubber, clay and glass products and supports 1,600 jobs. Snohomish County is home to companies such as Crystalite in Everett which manufactures high quality skylights and roof glazing.

Looking forward: composites

Through its connection to Aerospace, the region has developed a strong composites sector. Boeing manufactures carbon fiber composite tails for some of its jets at the company's Composites Manufacturing Center in Frederickson. Spanish composite supplier MTorres acquired a local site in Bothell to better support

Overview

The culture of the central Puget Sound region is closely tied to the production and consumption of high quality food and beverages. It is a market that connects rural communities – through agricultural products, vintners, and food establishments – to the rest of the region and the world. Amongst the food and beverage categories, the region shows higher than average employment in the Specialty Beverage Manufacturing cluster and the Fishing & Fishing Products cluster.

The broader regional industry includes other food related activities, including farming, foods processing, local bars and restaurants, as well as a broad food distribution system. The Washington Farm Bureau reports that Food & Beverage industry processing activities drive jobs in agriculture, with 20% of all agriculture jobs reliant on demand from food processors.

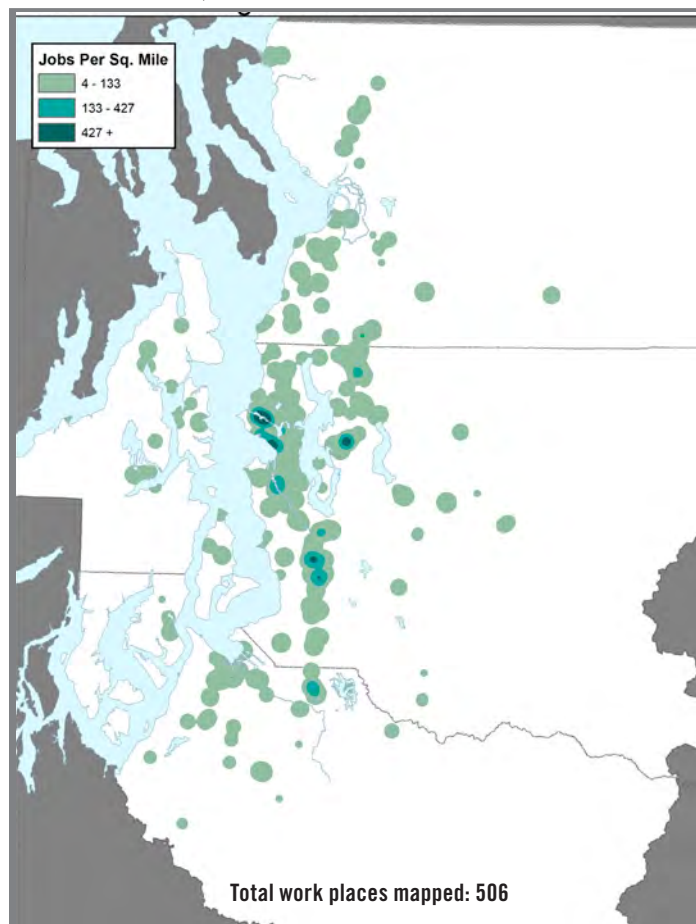
Location Quotient - Concentrated Regional Industry Clusters, 2015

	REGION	KING	KITSAP	PIERCE	SNOHOMISH
Specialty Beverage Manufacturing	1.37	1.46	0.93	1.47	0.94
Fishing & Fishing Products	8.52	11.29	1.05	3.77	2.79

Food and Beverage Industry Cluster Employment, 2015

	JOBS	GROWTH*
Specialty Beverage Manufacturing	4,300	11.8%
Livestock Processing	1,000	-0.7%
Fishing & Fishing Products	5,000	-0.7%
Foods Processing & Specialty Foods	5,700	0.9%
Agricultural Inputs & Services	400	0.5%

*AVERAGE ANNUAL GROWTH, 2010-2015



Regional strengths

The region is home to a strong and growing Specialty Beverage Manufacturing industry cluster. In the region, there are 4,300 jobs tied to industry activities that support breweries, wineries, and distilleries and coffee, tea, and soft drink manufacturing. The number of these jobs has increased more than 13% annual in recent years, driving a regional job concentration that is 37% higher than the national average.

Starbucks' global headquarters in Seattle anchor this cluster, but the region has a strong coffee culture that supports many smaller, locally focused coffee production companies. Pierce County's strength in the Specialty Beverage Manufacturing industry cluster can be linked to Keurig Green Mountain, Inc. production facility in Sumner.

The region is home to the North Pacific Fishing Fleet, anchoring the country's largest Fishing & Fishing Products cluster. This industry has more than 5,000 jobs in the region, and the seafood brought to shore is woven into the region's food culture and identity. (See Maritime industry profile)

The Foods Processing & Specialty Foods cluster employs 5,700 people in the region. While this cluster does not show a concentration higher than U.S. averages, it is composed of a number of regionally identified products and has shown recent job growth. Companies in this cluster include CB's Nuts based in Kingston, several chocolate makers in King County including Theo and Seattle Chocolate, as well as Almond Roca producers Brown-Haley, based in Tacoma.

Continental Mills, a food processor and baking mix manufacturer, is the second largest family owned business in the state. Headquartered in Tacoma, it has manufacturing and distribution locations throughout the region as well.

Representing 1,400 total jobs, the Livestock Processing and Agricultural Inputs and Services industries are concentrated in rural farmlands in all four counties. Most regional farmland produces hay and other feed for livestock and more farms produce cattle and calves than poultry or other livestock.

Snohomish County has more farmland devoted to vegetable production than any other county in the region. Less than 5% of land in each county is used for farming – highlighting the need to conserve locally significant agricultural lands.



The Washington Food Industry Association and the Washington State Department of Commerce's agriculture and food manufacturing sector lead help support these industries.

Cross-sector connections

The region's Local Hospitality Establishments cluster is comprised of restaurants, bars, and other food establishments that regularly receive critical acclaim on a national scale. Employment across these businesses in the region accounts for 158,000 jobs. These restaurants are supported by residents, but regional tourism helps drive business to these locations in both urban and rural areas as well.

To support this network of food and beverage establishments is a thriving Local Food & Beverage Processing & Distribution industry cluster. Businesses in this cluster –mainly local grocery wholesalers and retailers – account for 54,800 regional jobs.

Looking forward: craft beverages & spirits

The central Puget Sound has become a hub for the production of craft ciders, beers, and spirits – supported by industry incentives that benefit emerging and expanding producers. Since 2008, a change in state law has made it cheaper and easier to operate a distillery in Washington. As a result, the state's craft distillery industry is the fastest growing in the nation. The Washington Beer Commission estimates that the number of craft breweries in the state has nearly doubled in the past four years.

The national Brewers Association puts craft beer production in Washington at a \$1.6 billion industry. Nationally distributed brands such as Redhook Ale Brewery and Elysian Brewing Company as well as growing Silver City Brewery and Scuttlebutt Brewing Company illustrate the local presence of this industry throughout the region. Innovative hard cider companies – such as Schilling Cider in Fremont – are pushing advancements in its field as well.

Award winning companies, including Westland Distillery in Seattle, Heritage Distilling Company in Gig Harbor, Scratch Distillery in Edmonds, and Bainbridge Organic Distillers on Bainbridge Island, are heightening the region's prestige for production of high-quality spirits from local crops.

Due to state law, at least 51% of ingredients used in the distilling process must be Washington grown. Therefore, the production of ciders, beers, and spirits is closely tied to the statewide production of apples, barley, wheat, and other agricultural products. Centered in the Yakima Valley, Washington accounts for around three quarters of all U.S. hops production. Both orchards in central Washington and smaller farms in the region contribute apples for hard and non-alcoholic ciders.

The Washington state wine industry produces some of the highest quality wines in the world and is second only to California in the country for production. Wineries in the region are part of the Puget Sound American Viticultural Area, designated as a unique environment for wine production.

The highest concentration of wineries in the region is in Woodinville, home to more than 100 wineries and tasting rooms, including Chateau Ste. Michelle, Washington's oldest winery. Vineyards and wineries also appear across the region, including 21 Cellars in Tacoma, Stringtown Cellars in Eatonville, as well as Quilceda and Bainbridge Vineyards. The region's wineries are part of Washington's world renowned wine industry, connecting the region to the state through grape production and tourism activities.

Recreational Gear

Overview

The region has a strong culture of outdoor recreation, and businesses that provide goods to support this activity have a strong presence in the region. The region's strength in the Recreational Gear industry appears in two main clusters: Sporting & Athletic Goods and Leather & Related Products.

Location Quotient - Concentrated Regional Industry Clusters, 2015

	REGION	KING	KITSAP	PIERCE	SNOHOMISH
Sporting & Athletic Goods	2.61	3.03	5.66	0.51	1.90
Leather & Related Products	1.52	1.86	0.00	1.63	0.22

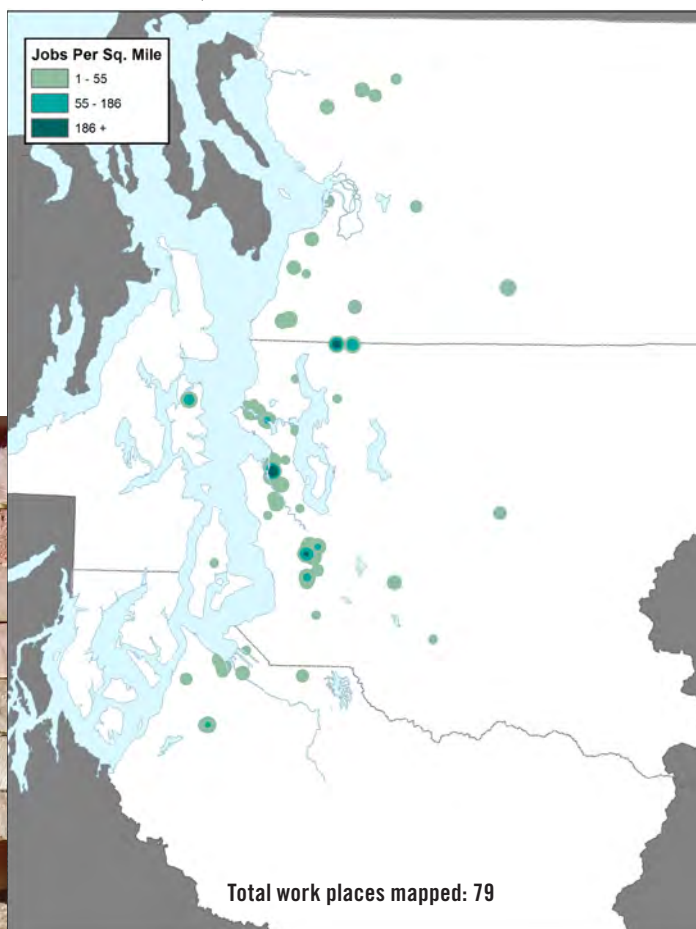
Regional strengths

The central Puget Sound region has more than 2.5 times as many jobs in the Sporting & Athletic Goods industry cluster compared to the nation. This cluster includes manufacturers of sporting, outdoor, and recreational equipment and account for 1,600 regional jobs. The regional cluster is as diverse as the region's recreational activities.

Recreational Gear Industry Cluster Employment, 2015

	JOB	GROWTH*
Sporting & Athletic Goods	1,600	1.5%
Leather & Related Products	700	1.0%

*AVERAGE ANNUAL GROWTH, 2010-2015



Kitsap County – a gateway to the Olympic Peninsula and Olympic National Park – has more than 5 times as many jobs in this cluster than the nation as a whole. Sage, located on Bainbridge Island, manufactures fly fishing rods, reels, and accessories.

King County has more than 3 times as many jobs in this cluster. Cascade Designs in Seattle manufactures the popular Therm-a-Rest portable sleep pads.

Werner Paddles designs and manufactures paddles for water activities in its Monroe plant, helping to drive Snohomish County's job concentration that is nearly twice the national average.

The Leather & Related Products industry cluster includes manufacturers of canvas and leather bags and other products from similar materials and accounts for 700 regional jobs. Blade Tech in Pierce County manufactures leather holsters and other sport equipment. Washington Tent and Awning in Tacoma and Barrett Enclosures in Seattle produce outdoor coverings and structures for outdoor and maritime activities.



Wood Products

Overview

Early economic development of the region was built upon the logging industry. In the mid-1800s, towns across the central Puget Sound region sprung up to supply lumber to support the California Gold Rush. For decades, no other industry in the region came close to timber in terms of economic impact.

While the region has become much more economically diverse over the last 200 years, forestry and manufacturing of wood and related products are still a key strength. While the region as a whole does not show a high concentration of jobs in the Wood Products industry, regional counties have strengths in four clusters: Furniture, Wood Products, Paper & Packaging and Forestry.

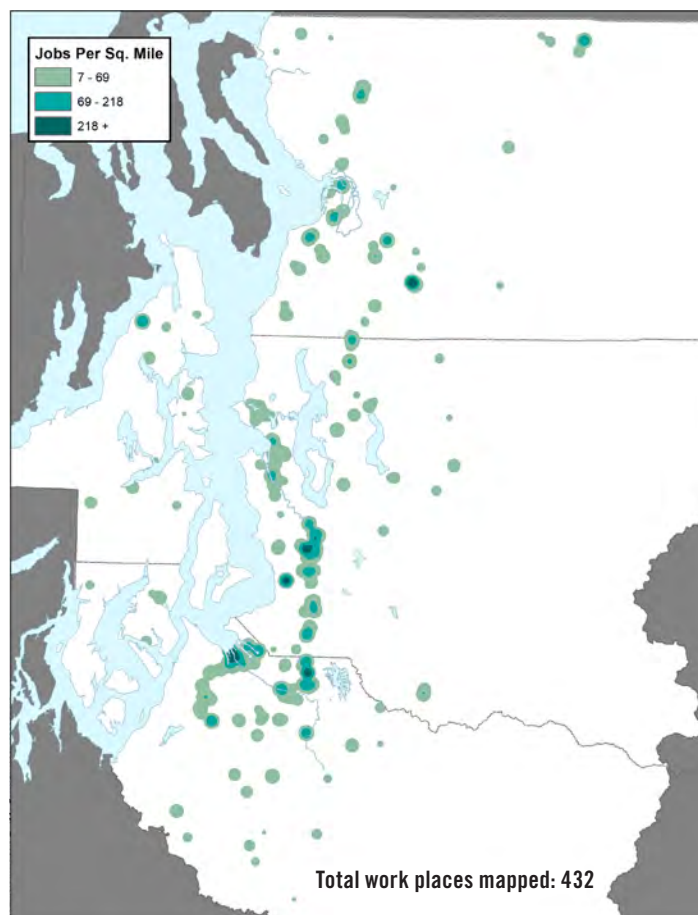
Location Quotient - Concentrated Regional Industry Clusters, 2015

	REGION	KING	KITSAP	PIERCE	SNOHOMISH
Furniture	0.71	0.41	1.30	1.31	1.29
Wood Products	0.72	0.22	0.07	2.38	1.45
Paper & Packaging	0.48	0.40	0.00	1.38	0.04
Forestry	0.56	0.30	1.51	1.15	0.80

Wood Products Industry Cluster Employment, 2015

	JOBS	GROWTH*
Furniture	3,600	3.2%
Wood Products	3,500	-0.5%
Paper & Packaging	2,500	-5.5%
Forestry	600	0.6%

*AVERAGE ANNUAL GROWTH, 2010-2015



Regional strengths

The largest and fastest growing cluster in this group is Furniture manufacturing. With 3,600 regional jobs, this cluster has grown more than 9% per year recently.

Kitsap County has jobs in the Furniture manufacturing industry cluster that are 30% higher than the national average. More than a hundred of these jobs are at Watson Furniture, which designs and manufactures furniture at its Poulsbo headquarters. Using locally sourced, recycled, and recyclable materials and state of the art manufacturing processes, Watson is bridging the region's timber history and modern environmental values.

Canyon Creek in Monroe employs more than 400 people manufacturing cabinets, and Belmont Cabinet Company in Sumner employs another 300, highlighting the high concentration of jobs in both Snohomish and Pierce counties.

The Wood Products cluster includes wood building material manufacturing, sawmills, and plywood manufacturing. With 3,500 jobs regionwide, higher than average concentrations appear in both Pierce and Snohomish counties.

Pacific Paper Products is part of Pierce County's Paper & Packaging industry, which has manufactured paper products in the region for more than 50 years. This cluster includes paper and pulp mills, paperboard, paper bag, and cardboard manufacturing and employs 2,500 regionwide.

Kitsap County has the highest concentration of Forestry jobs in the region, more than 50% higher than the national average. Companies such as Pacific Western Timbers in Port Orchard, which manufactures around 15 million feet of boards annually, anchor this regional industry.

The Washington State Department of Commerce employs a forest products sector lead to help support this industry.

Looking forward: cross laminated timber

An opportunity for the region in wood products lies in Cross Laminated Timber. This new technology uses large, prefabricated wood panels that are lightweight and are comparable to concrete and steel as far as strength and durability.

While building codes are still being updated to incorporate these advanced materials, the region's wood products cluster could benefit from broader adoption of this technology.

VI. Acknowledgments

Central Puget Sound Economic Development District Board

Comprehensive Economic Development Strategy Committee

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City of Lake Forest Park

VICE PRESIDENT —

Councilmember, Terry Ryan
Snohomish County

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Russell Steele, The Suquamish Tribe
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Kathy Cocus, Kitsap Economic Development Alliance
Elizabeth Court, Olympic Workforce Development Council
Heather Engelbrecht, Economic Development Council Seattle-King County
James Henderson, Economic Development Council Seattle-King County
Bruce Kendall, Economic Development Board for Tacoma-Pierce County
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Matt Smith, Economic Alliance Snohomish County
Stan Sorscher, Organized Labor Representative
Dan Trimble, Economic Development Board for Tacoma-Pierce County

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Patricia Iolavera, Navy Region Northwest
Tom Knight, Joint Base Lewis-McChord
Dr. David Mitchell, Olympic College
Ralph Pease, Maritime and Tourism Representative
Tony To, HomeSight

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Patricia Akiyama, Master Builders Association
Rob Allen, Pierce County
Marc Barejka, Recreational Equipment, Inc.
Josh Berger, Washington Maritime Federation
Shannon Boldizar, Starbucks
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Larry Brown, Machinists Union, IAM 751
Anthony Chen, Tacoma-Pierce County Health Department
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Tony Mestres, The Seattle Foundation

Steve Mullin, Washington Roundtable
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 Eileen Quigley, Climate Solutions
 Tom Ranken, Washington Clean Technology Alliance
 Kristiné Reeves, Washington State Department of Commerce/Military and Defense
 Jim Rothlin, Port of Bremerton
 Rebecca Saldaña, Puget Sound Sage
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Appendices

Appendix A: Strategy Development Process

Outreach

Development of the new regional economic strategy kicked off at PSRC's General Assembly meeting on March 31, 2016, at Husky Stadium. The program included a video, One Region, and a keynote speech from PSRC President John Marchione. Elected leaders at the General Assembly participated in an interactive polling exercise to set regional economic priorities.

The outreach process was designed to be as valuable and meaningful as possible, so it focused on individual stakeholder meetings, most often meeting at external locations. This approach not only saved time for participants, it generated focused and frank conversations that provided essential input on stakeholders' key issues. Over the course of approximately 18 months, staff and consultants held more than 110 meetings with individuals and small groups to collect information from a wide range of sources: private sector leadership, local governments, port districts, labor and workforce representatives, higher education experts, industry associations and nonprofits (see Outreach Meetings in Acknowledgements).

Leveraged existing regional plans

To prepare for the strategy development process, staff reviewed the economic development plans of more than 30 local jurisdictions, workforce development council plans, industry sector plans, related technical reports, and economic development sections of a wide variety of local comprehensive plans. The close to 500 strategies in these plans helped identify regional priorities and needs. The new regional economic strategy reflects the ongoing economic development work at the local, regional, state, and national levels, in the public, non-profit, and private sectors.

Established objectives for the strategy

Early in the process, the EDD Board discussed objectives to help guide the process to establish goals and strategies for Amazing Place. These objectives were:

- Ensuring a healthy and beautiful environment, vibrant and thriving communities, and a high quality of life for all the region's residents
- Preparing the region to compete globally in the future, working within the region, and around the globe, to continuously identify the near-term actions necessary to maintain a diverse and resilient economy
- Creating and supporting access to living wage jobs for all people in the region and access to talent for all the region's employers to succeed, innovate, and compete globally
- Advancing progress on equity and social justice to better connect the region's residents with the needs of the future and provide opportunity for everyone to thrive
- Supporting land use and transportation policies and investments that provide housing in proximity to jobs
- Providing infrastructure to support the growth potential of the region's economy and ensuring affordable access to housing and opportunities to grow and enjoy life here
- Embracing diversity of the people within the region, and globally, to enrich life within the region and enhance global connections beyond the region

Analyzed economic data

A comprehensive economic analysis was performed as part of the strategy development process. Data serve as a background for the condition of the region's economy with analysis of the employment, population, geography, workforce, infrastructure, resources, and the environment. Preliminary data analysis work began in 2015 and was modified and updated throughout the development of the strategy.

Important additions were made to the research compared to previous strategies, including analysis of equity, resiliency, and health data. This work was done to support the new focus to open economic opportunities to all the region's residents. To support this, industry and occupational data was analyzed at the regional level as well as the county level and offered insight into the nature of jobs in the rural areas and the small cities of the region. When available, demographic data was broken out by race and ethnicity to highlight differences in the regional population.

The new strategy takes a fresh approach in addressing key industries and other major sectors. Industry profiles were created for the region's top industries, and new elements such as emerging sectors and sub-regional profiles have been introduced in this update. Highlighting county level industry strengths helped provide deeper insight into the specific strengths of the region's four counties. The emerging sectors address promising developments in established industries such as commercial space travel and high tech composite materials.

Established Goals & Strategies

Throughout the process, the EDD Board guided the development of the goals and strategies that form the foundation of Amazing Place. A draft set of goals and strategies were released for public comment by the EDD Board. During the public comment process, more than 45 groups and individuals submitted public comments or engaged in feedback meetings to finalize the goals and strategies.

PSRC's Executive and Policy Boards were briefed throughout the development process, reinforcing the important connections of the region's economy to growth management and transportation.

Appendix B: Comprehensive Economic Development Strategy Requirements

The Puget Sound Regional Council Economic Development Board is the federally designated Economic Development District for the central Puget Sound region, encompassing King, Kitsap, Pierce, and Snohomish counties. The U.S. Economic Development Administration requires Economic Development Districts to establish a Comprehensive Economic Development Strategy as a prerequisite for eligibility to receive federal EDA funds.

Together, Amazing Place: Growing Jobs and Opportunity in the central Puget Sound region and the Economic Analysis of the central Puget Sound region serve as the Comprehensive Economic Development Strategy for the Central Puget Sound EDD. The regional economic strategy meets EDA CEDS requirements:

	2017 Regional Economic Strategy CENTRAL PUGET SOUND EDD						
	ENGAGEMENT	INTRODUCTION	GOALS & STRATEGIES	ECONOMIC ANALYSIS	INDUSTRY PROFILES	DEMOGRAPHICS	PERFORMANCE MEASURES
CEDS REQUIREMENTS							
Summary Background	X	X					
SWOT Analysis & Resilience	X	X	X	X	X	X	
Strategic Direction/Action Plan	X	X	X				
Evaluation Framework	X						X

Regionally owned planning process guided CEDS development

The EDA requires a committee to ensure a regionally owned planning process to build capacity and guide the economic prosperity and resiliency of the region. The EDD Board is the designated Comprehensive Economic Development Strategy Committee.

The central Puget Sound region's CEDS was developed under the guidance and consultation of the EDD Board. Board members include representatives and their alternates from private business, local governments, tribes, and trade organizations from each of the four counties in the region.

Appendix C: SWOT Analysis & Economic Resilience

While the central Puget Sound region is experiencing an era of economic prosperity, effective response to challenges and opportunities will determine its future success. The U.S. Economic Development Administration considers an in-depth assessment of the regional economy – including internal and external trends and forces – as well as the availability of resources for economic development and resilience as core elements of a Comprehensive Economic Development Strategy.

Throughout the central Puget Sound region's CEDS development process, substantial engagement with stakeholders and EDD Board members as well as extensive analysis of regional conditions highlighted strengths, weaknesses, opportunities, and threats to future prosperity. The SWOT analysis additionally revealed areas that impact the region's economic resilience in the wake of major disruptions (shocks) to its economy. The regional economic strategy responds to the SWOT analysis & economic resilience sections, identifying solutions throughout the Goals & Strategy narratives

GOAL: Open economic opportunities to everyone

Strengths

Highly Educated Workforce

Regional residents have a higher level of educational attainment than the state or nation as a whole. As a result, the region ranks 10th in the nation for educational attainment. High school graduation rates continue to climb in all counties.

Diverse Labor Force

Women and minorities make up 65% of the labor force and own businesses at a higher rate than their counterparts around the country. Resident demographics continue to trend more diverse, with 80% of population growth fueled by people of color in the last 25 years. Immigrants account for 29% of population growth over the last 10 years. Unemployment rates have recovered to pre-Recession levels and continue to drop.

Weaknesses

Passable Graduation Rates

Though graduation rates continue to climb in all counties, they still remain below the national level. Academic underperformance is influenced at an early age, with kindergarten preparedness a significant factor in high school completion. Local school districts are struggling to prepare youth for the jobs of the future with limited resources.

Persistent Workforce Gaps

Local residents and youth are disconnected from a job market that is struggling to fill open positions with a qualified 21st Century workforce. A projected 740,000 jobs will be open across the state in 2020. Daily, more than 25,000 jobs go unfilled in the state due to occupational skills gap – 80% in STEM and health care industries.

Access to Business Capital

Institutional barriers persist that limit access to start-up capital and financing for expansion. Women and minorities own 20% of businesses in the region, higher than the national level. Immigrant owned businesses contribute \$2.4 billion in net business income to the state economy.

Threats

Inadequate Supply of Local Talent

Industry employers demand top talent and recruit from around the world when local labor cannot fill the need. Seventy percent of the region's workers age 24-34 with bachelor's degrees were born outside the state or country.

Opportunity Gaps Increasing

Graduation rates for youth of color fall as much as 20% behind their peers. Women and racial and ethnic minorities continue to experience inequity in wage, educational attainment, and economic opportunity.

Opportunities

Early, Basic Education Investment

Communities are investing in targeted and strategic efforts to prepare all youth for success, from cradle to career. Incorporating equity in education systems will ensure that 70% of youth earn a college degree or career credential by 2030.

Improving Workforce Pipelines and Training Completion Rates

Companies are seeking qualified workers at all educational levels, whether a training credential, 2-year, or 4-year degree. Regional education and training programs are increasing completion rates. Industry aligned training programs continue to provide a strong pipeline of qualified talent for legacy and emerging industry employers facing gaps from an aging workforce.

Prominent Rural Communities

Rural, scenic communities are within reach of major metropolitan areas and are growing as destinations for recreation, small business, and new resource industries. Access to broadband and transportation infrastructure could accelerate tourism and business growth while retaining unique community character.

GOAL: Compete globally

Strengths

Strong Sectors

Export focused Aerospace, Information & Communication Technology, Maritime, Military & Defense, Tourism, Transportation & Logistics, Clean Tech, Life Sciences & Global Health, and Business Services industries continue to drive the region's economy. Sub-regional cluster analysis revealed local specialization in export industries as well as Wood Products, Recreational Gear, Food & Beverage, and Architecture & Engineering clusters. Robust supply chains exist to support each sector.

Industrial and Trade Infrastructure

The nation's fastest growing airport, fourth largest manufacturing and distribution area, and North America's fourth largest gateway for containerized cargo are all situated near natural deep-water ports and Pacific Rim countries in the region. These intermodal assets support a \$30 billion state maritime economy. Adjacent industrial lands support over 474,000 jobs – nearly one third of all jobs in the region. The region's strongest, export-based industries rely on these facilities to reach global markets.

Innovation Economy

World renowned companies, universities, and research organizations lead the way in R&D output, SBIR awards, and utility patents from the shores of the Puget Sound. Worldwide solutions necessitate global partnerships, and collaboration between local headquarters and international counterparts are developing advancements that disrupt markets.

Military Installations

Military personnel in the Pacific Northwest are at the forefront of national defense. Over 98,400 individuals serve or support military readiness at regional Army, Navy, Air Force, and U.S. Coast Guard stations. Department of Defense contracts are a \$10.5 billion economic driver in the region.

Weaknesses

Narrow Support Tools for Business

State Research & Development tax credits and the Life Sciences Discovery Fund have been allowed to expire, further narrowing resources for businesses. Limited funding for business recruitment, retention, and expansion and residual business regulations constrain economic development efforts.

Encroachment and Land Use

In the face of rapid growth, demand for land and space is high. Military installations and industrial lands face encroachment from competing land use interests. Lingering brownfields and contaminants further limit the amount of available developable land. Competition for commercial and warehouse space is high. Congested last-mile freight connections pass increased travel costs to consumers.

Threats

Domestic Competition

Washington state's Constitution specifically restricts the giving of money or lending of credit to a specific business. Financial incentives offered by other states are successfully recruiting businesses in the region's core industries.

Global Competition

International competitor regions are organizing to capture FDI and a greater market share. Canada is investing billions in port and rail infrastructure, capturing a greater share of the North American cargo market.

Economic Resilience

The region is reliant on just a few major employers in the region's major industries, making the economy susceptible to shocks. Emerging regional industries are drawing from the talent and assets created provided by these employers, but need support to take hold and prosper.

Opportunities

Increasing Capacity

Only half of students qualified to study engineering at the University of Washington will be admitted to the degree program while positions go unfilled at nearby firms. Sea-Tac Airport is one of the nation's top 10 busiest airports – projected to serve 66 million passengers a year by 2035 with constrained space for expansion. These assets are looking for new solutions to maximize throughput and meet demand.

Non-Tax Incentives

Non-tax incentives are making it easier to do business at the state and local level. Washington state does not have an income tax. The Strategic Reserve Fund, High Unemployment County/Community Empowerment Zones, and Rural County/Community Empowerment Zones offer creative financing solutions to recruit, retain, and expand business in all areas.

Organizing for Success

Robust and tactical economic development organizations are coordinating at every level of government. Participation in the Global Cities Initiative and international trade shows is bringing new trade opportunities to the area.

GOAL: Sustain a high quality of life

Strengths

Process for Growth

VISION 2040 details the region's process for growth management, transportation investment, and natural resource management. With local comprehensive plans, VISION 2040 prepares the region for 5 million residents and 3 million jobs by 2040 while enhancing environmental assets and improving overall quality of life.

High Standard of Livability

The region's diverse population, prominent arts, culture, and entertainment experiences, growing mobility options, and globally ranked educational institutions make the region one of the most desirable places to live in the U.S. A high standard of livability is attracting talent from around the globe.

Weaknesses

Accommodating Growth

Population growth continues to outpace housing supply in much of the region. Living wage job growth is not occurring in proximity to available housing supply – driving up home prices and lengthening commutes. Historic divestment and continued gaps in transportation funding exacerbate congestion for residents and freight.

Growing Economic Disparity

Not everyone is engaging in the region's prosperity. Poverty continues to be suburbanized as cost of living increases push individuals further from dense resource and opportunity centers. A growing number of homeless are unsheltered and separated from stable, safe housing and resources.

Threats

Climate Change and Resilience

Situated between active volcanoes, fault lines, wilderness, coasts, and unstable hillsides, preservation of the region's natural beauty must also mitigate against disaster. As a result of climate change, natural threats are exacerbated by warming temperatures, acidifying marine waters, rising seas, increasing flood and wildfire risk, decreasing mountain snowpack, and lower summer stream levels.

Changing Political Environment

New policies toward climate change, immigrants and foreign workers, and infrastructure funding may not align with regional industry and occupational needs.

Opportunities

Equity in Education

The state is investing an additional \$7.3 billion in public schools by 2021. Regional partners continue to develop innovative programs to make the region an equitable place for all.

Ease of Mobility

The Connecting Washington package, Sound Transit 3, and local transit levies represent significant investment in the state's transportation infrastructure. Businesses and residents are assured of new pathways to meet their mobility needs.

Emerging Local Sectors

Environmental protection and climate change mitigation are demanding new technologies. Growing outdoor tourism, "buy local" trends, and trail networks are supporting agricultural and resource lands. New sports teams and tournaments are on the horizon.

As defined by the EDA, economic resilience encompasses three attributes: the ability to recover quickly from a shock, the ability to withstand a shock, and the ability to avoid the shock altogether.

The central Puget Sound region is planning for resilience that addresses social (education systems, changes in population), economic (diverse industries, downturns in spending), and physical realms (natural disasters or environmental threats). Efforts seek to anticipate risks, evaluate how risks can impact key economic assets, and build a responsive capacity. Goals & Strategies throughout the regional economic strategy provide a framework to build this responsive capacity.

The *Economic Analysis of the central Puget Sound region* – the companion document to the regional economic strategy – includes a report on Resiliency, Health & Opportunity. Excerpts from the report are detailed below followed by the region’s efforts to achieve both economic and environmental resilience.

Measuring Resilience

As stated in the Economic Analysis, the region ranks in the top 10% of metro areas assessed through the Building Resilient Regions’ Resilience Capacity Index, a tool developed by the Institute of Government Studies at UC Berkley.

Overall, the Seattle-Bellevue-Tacoma Metropolitan Statistical Area ranked 25th out of 361 regions evaluated, 3rd out of 79 metro areas in the West. The region scored highest in Regional Economic capacity, ranking 5th among metro areas.

Strong scores in business environment and economic diversification reveal strengths in the region. Regional affordability, however, ranked 290th – highlighting a target area for future resilience efforts.

Community Connectivity capacity was the region’s lowest score with very low levels of metropolitan stability, homeownership, and voter participation.

High Regional Economic capacity and low Community Connectivity is consistent with metro areas that have experienced rapid growth and considerable population churn, as is the case in the central Puget Sound region.

Resilience Capacity Index

SEATTLE-BELLEVUE-TACOMA MSA	RANK
Overall RCI (all three combined)	25
Regional Economic Capacity	5
Income Equality	135
Economic Diversification	25
Regional Affordability	290
Business Environment	8
Socio-Demographic Capacity	42
Education Attainment	29
Without Disability	62
Out of Poverty	44
Health-Insured	121
Community Connectivity Capacity	202
Civic Infrastructure	105
Metropolitan Stability	159
Homeownership	299
Voter Participation	149

Source: Building Resilient Regions

Economic & Environmental Resilience

Surrounded by mountain ranges, shorelines, national forests, and wilderness, central Puget Sound communities are in close proximity to natural and open spaces. These attributes have attracted major companies that now employ a significant number of the region’s workforce. Regional industries, including those that are export-related, depend on transportation corridors, marine highways, and commercial and industrial lands integrated with – and susceptible to – this geography.

Shocks in the region are closely connected to this natural landscape and include seismic vulnerabilities, infrastructure failure, landslides, rainfall flooding, rising sea levels and coastal erosion, and impacts to quality of air, water, and habitat. As climate change continues to exacerbate the ability for natural threats to disrupt core industries, regional planning must address interrelated economic and environmental shocks.

Steady-state Initiatives

The region is engaged in steady-state resilience initiatives with public, private, and community partners. These long-term efforts bolster the region's ability to withstand a major disruption to its economic base after economic and environmental shocks.

The region benefits from local, regionwide, state, and federal economic and environmental resilience efforts, including:

- A growth management plan – VISION 2040 – coordinated with local comprehensive plans
- A regional economic strategy, identifying emerging industry clusters and strategies to diversify the economy
- A transportation plan – Transportation 2040 – with a Four-Part Greenhouse Gas Strategy
- The University of Washington's Center for Collaborative Systems for Security, Safety, and Regional Resilience, coordinating universities and security and safety partners
- University of Washington Supply Chain Transportation and Logistics Center, conducting research and education in supply chain, transportation, and logistics performance and resilience
- A Washington State Facilities Action Plan, rehabilitating Interstate-5 and making seismic retrofits on critical corridors and bridges
- A Washington State Department of Ecology's Floodplains by Design program, protecting infrastructure, property, habitats, and developable land from flood risks
- A Washington Climate Collaborative, advocating to reduce greenhouse gas emissions
- The Northwest Healthcare Response Network, creating a disaster-resilient healthcare system
- A NOAA Resilient Lands and Water Initiative to sustain water supply, restore fisheries, reduce flood risks, and support agriculture in Snohomish County and watersheds in Puget Sound

Responsive Initiatives

The region is improving the capabilities of partners tasked with incident response. Pre-disaster recovery planning is helping to define and coordinate key stakeholders, roles, and responsibilities across jurisdictions.

The region benefits from pre-disaster planning that is improving mitigation and response capabilities, including:

- Current FEMA-approved hazard mitigation plans, ensuring that each county is eligible for non-emergency federal disaster assistance
- A Washington State Military Department Enhanced Hazard Mitigation Plan
- The Center for Regional Disaster Resilience, coordinating solutions for resilience and catastrophic preparedness of supply-chains, cyber security, public safety technology, oil transportation by rail and pipeline, maritime corridors, and emergency support systems
- A Puget Sound Region Catastrophic Disaster Coordination Plan, providing an all-hazards framework for coordination among local, state, tribal and federal entities prior to, during, and following a catastrophic incident in the Puget Sound area

Testing Resilience & Recovery

In recent years, these plans have been put to the test through controlled scenarios and, tragically, unforeseen natural disasters. As a result, emergency response partners at the local, state, federal, tribal, non-profit, private, and community level are well practiced in executing a coordinated and effective response when called upon.

Cascadia Rising

In 2016, the State of Washington and regional entities participated in a FEMA Region X multi-state Catastrophic Earthquake and Tsunami Functional Exercise, called Cascadia Rising. The exercise practiced the life-saving and life-sustaining response operations needed in the aftermath of a Cascadia Subduction Zone disaster. Importantly, it assessed the coordination and integration of governments at all levels, non-government organizations, and the private sector.

Cities, counties, state, tribes, federal, military, and other partners in the central Puget Sound region had significant roles to play in response. An after-action report identified specific findings relating to how emergency operations centers at all levels can better collaborate to share information and solve problems in the aftermath of a catastrophic scenario.

State Route 530 Slide

On March 22, 2014, a major landslide outside Oso, Washington claimed 43 lives and covered 1 square mile in 18 million tons of mud and debris in less than 60 seconds, including portions of State Route 530. One of the worst mudslides in U.S. history, the disaster triggered a response and recovery effort that required coordination of federal, state, tribal, and local jurisdictions and resources on a massive scale. Lack of communication and broadband infrastructure, the remoteness of the community, as well as the absence of redundant transportation corridors limited response capabilities.

Recovery efforts are ongoing. Through funding provided by the U.S. Economic Development Administration, Economic Alliance Snohomish County has partnered with local leaders to develop the North Stillaguamish Valley Economic Redevelopment Plan. Implemented in 2015, the plan has already made progress on the long-term socio-economic challenges and economic disruption caused by the slide. Business recruitment, retention, and expansion efforts and broadband infrastructure are creating new opportunities for residents in the area.

Appendix D: Four County Economic Development Organization Workplans



2017

ACTION PLAN



Inspired Economic Development

Kitsapeda.org | KitsapConnected.org | Campaign4Kitsap.com



OUR MISSION:

Through a partnership of business and government, KEDA focuses on attracting investment and growing jobs through retention, expansion, and recruitment of primary business.

Kitsap Economic Development Alliance

2021 NW Myhre Road, Suite 100
Silverdale, WA 98383

Phone: (360) 377 9499

Email: info@kitsapeda.org

Kitsapeda.org | KitsapConnected.org
Campaign4kitsap.com



Inspired economic development

THE KITSAP ECONOMIC DEVELOPMENT ALLIANCE

Connecting businesses
to valuable relationships,
and resources, shaping
Kitsap's future.

What Does KEDA Do?

KEDA promotes economic opportunities throughout Kitsap County by telling the story of Kitsap's economic composition, character, competitiveness, and integral role in the Central Puget Sound regional economy... Our Alliance champions Kitsap County as a prime Puget Sound business location. KEDA provides free customized services to business clients in a confidential manner on opportunities and challenges, including:

Acts as a Liaison (Business to Business, Business to Government)

- Utilizes network of contacts & resources to provide assistance to business, overcome obstacles and open doors
- Provides input to governing bodies to ensure friendly business environment

Promotes Kitsap as a desirable place to do business/works to open new markets

- Strategic partners include: Kitsap Aerospace & Defense Alliance, Kitsap Commercial Investment Brokers, Kitsap Chambers of Commerce, Puget Sound Regional Council, Washington State Department of Commerce, Washington Military Alliance, and Washington Maritime Federation
- Partners with local and regional media outlets to promote Kitsap as prime business location
- Uses social media channels and multiple digital tools to increase & optimize reach

Business Consulting

- Review of needs for growth; follow up with options (E.g.: sites for expansion; workforce development options)
- Review of any challenges; follow up with options
- Industry Certifications - information and assistance
- Referrals to potential partners, resources

Provides Market Research/Statistical Data

- Key market research & analysis for business, including: economic indicators, demographics, labor availability, wages, taxes, housing costs, business environment and available sites
- Easy to access on KEDA website
- Custom research of existing data
- Business environment

Workforce Recruitment and Training

- Works closely with local educational institutions on workforce development needs
- Assists companies with hiring/training employees by coordinating involvement with appropriate educational institutions and government entities

Public/Private Partnership

- Works with city and county government re: land use, comp plan updates, policy as it relates to business development

Referral Network

- KEDA is part of a local and state network of business assistance agencies and can provide referrals and introductions to partners with expertise in funding, exporting, business plan analysis and more

Coordinates Business Events & Education

- Annual Economic Forecast Event (Decision Makers Breakfast) and Decision Makers II (focusing on current economic development topics)
- Co-convene Kitsap Business Forum
- Coordinates Kitsap Global Entrepreneurship Week
- Government contracting workshops and outreach events

Represents Kitsap economic development interests at national, state, regional & local levels

Including: The International Economic Development Council (IEDC), Washington State Department of Commerce, Central Puget Sound Economic Development District (EDD) Board, Puget Sound Regional Council (PSRC), Olympic Workforce Development Council (OWDC), Washington Economic Development Association (WEDA), Aerospace Futures Alliance (AFA), Kitsap Regional Coordinating Council (KRCC), Kitsap Aerospace & Defense Alliance (KADA), Washington Military Alliance (WMA), Washington Maritime Federation (WMF), Washington Technology Industry Alliance (WTIA), Washington Clean Technology Alliance (WCTA), West Sound Education Leadership Council (WSEL), and the Trade Development Alliance of Greater Seattle

Business Start-up Kit

- A comprehensive “how to” listing is found on the KEDA’s website, providing business plan templates as well as links to local, state and federal resources

Communications & Marketing

- Website, blog, Monthly Management Tips and newsletter offer a comprehensive source for economic news and information
- Social media channels provide useful information and tips to business
- Monthly column in Kitsap Peninsula Business Journal
- Presentations to community groups on topical issues
- Multi-media campaign promotes Kitsap County

Permitting

- Introductions and/or follow up for new and expanded facility needs
- Troubleshooting when problems arise

Site Location Assistance

- Information on commercial & industrial parks and property including customized maps, available buildings, land and build-to-suit facility availabilities
- Meets & coordinates with Kitsap Commercial Investment Brokers (KCIB)
- Manage RFPs from Washington State Department of Commerce

Site Visit Assistance

- Facilitate tours and ground transportation; schedule interviews/meetings with local government, utility and workforce providers

Government Contracting/PTAC (Procurement Technical Assistance Center)

- Business counseling for companies seeking or wishing to expand government contracts (marketing & selling to federal, state and local government agencies & prime contractors)
- Workshops & Training including: Contracting Coffee Hour, Proposals, Marketing to the Government, and Succeeding as a Subcontractor.
- Review line cards and capability statements
- Proposal review
- Resources and Information (Prime Contractor Lists, Government Small Business Program Manager Contacts, Forecasts, Biz Opps)
- Assist agencies, departments and primes re: compliance with federal and state procurement socio-economic goals

Lead Initiatives

Focus on Business

Business Retention, Expansion, Recruitment (BRER) activities for targeted regional economic clusters: Military/Defense; Maritime; Advanced Manufacturing; Aerospace; Emerging Technologies; ICT; Healthcare; Tourism; and Business Services

Regional Economic Development Strategy/Growth

- Focused emphasis on Puget Sound Region industry clusters psrc.org/econdev/res
- KEDA will provide leadership in several key regional economic development initiatives: Washington Military Alliance; Washington Maritime Federation; Aerospace Futures Alliance; Global Cities Initiative; and, the Central Puget Sound Economic Development District's Regional Economic Strategy
- Leverage Kitsap's adjacency to the I-5 corridor by promoting Kitsap's connectivity and competitive advantages via the enhanced development and deployment of KEDA's "KitsapConnected" multi-media marketing campaign aimed at targeted economic sectors
- Provide input for the following Kitsap growth areas: PSIC-B, Kitsap UGAs and LAMIRDs and Silverdale Economic Action Plan (SEAP)

Washington PTAC/Washington Military Alliance

- Kitsap's strong Navy presence supports nearly 30,000 military and civilian jobs in Kitsap County generating \$6B annually in economic impact
- KEDA's Procurement Technical Assistance Center provides assistance to local businesses on (all levels of) governmental contracting and subcontracting opportunities kitsapeda.org/ptac
- Washington Military Alliance (WMA) program focus on diversifying defense contractors revenue stream will be key for Kitsap clients militaryalliance.org/
- Assist agencies, departments, and primes regarding compliance with federal and state procurement socio-economic goals

KADA

- Kitsap Aerospace and Defense Alliance is a broad-based alliance of business and community leaders formed in 2011 to advance efforts to attract investment and employment in the region's rapidly expanding aerospace sector
- KADA collaborates with the Washington State Department of Commerce and Aerospace Futures Alliance on statewide initiatives to support and grow the aerospace cluster in Washington State
- KADA promotes Kitsap's unique assets including skilled workforce, airport, logistics, and the largest (greenfield) heavy industrial site in the region – Puget Sound Industrial Center - Bremerton (PSIC-Bremerton) kitsapaerospace.com

Launch Campaign for Kitsap (C4K) investment drive

- Launch *Campaign for Kitsap* with direction from C4K Leadership Team with goal of increasing private-sector funding by 100% Campaign4Kitsap.com

Promote Kitsap as a prime Puget Sound business location

- KEDA partners with local and regional media outlets to promote Kitsap as prime business location
- Uses multiple social media channels and digital tools to increase & optimize reach
- KEDA's award winning multi-media campaign, KitsapConnected utilized to promote economic opportunities throughout Kitsap by telling the story of Kitsap's character, competitiveness, connectivity, and integral role in the Seattle region kitsapconnected.org

Financial Resources

Development and Deployment

KEDA seeks to attain a competitive level of funding for its economic development programs consistent with the goals identified in the 20/20 Initiative commenced in 2007, and reaffirmed by the Kitsap Economic Development Alliance leadership in 2012. That level of funding is \$2+ per capita per year for a sustained period of time - a level consistent with best practices of the economic development community (IEDC, EDA, and WEDA). In Kitsap County, with a current population of approximately 265,000, this amounts to an estimated \$550,000 per year. We must be mindful that Kitsap's population is projected to grow by 10% over the next ten years and that our Alliance will need to increase its annual funding accordingly.

Funding at the \$600,000 level will enable KEDA to achieve its development potential and optimize market opportunities in Kitsap County. As KEDA leans into 2017 – it is within reach of its sustainable funding goals and expects to be able to achieve its full funding goals by 2018.

KEDA's 2017 Strategic Plan is built on an annual operating budget of \$599,750.

KEDA's current funding is supported by two "foundational funders": Washington State Department of Commerce and, Kitsap County, which together account for \$200,000 of KEDA's current funding. The balance of the current budgeted funding \$399,750 is projected to be derived from private sector investors and other local public sector partners in near equal amounts. General operating revenue includes event income, contributions in-kind, and grants, but not funding dedicated to special projects such as KADA.

2017 Action Plan supported by the 2017 budget

Business Retention, Expansion & Recruitment (BRER)	65%	\$389,838
Marketing and Communications	25%	\$149,938
Organizational and Resource Development	10%	\$59,975
TOTAL	100%	\$599,750

Staffing: 4 FTE

2017 Performance Targets

QUANTITATIVE OUTCOMES

- ✓ \$10 Million new private capitol investment
- ✓ 175 Kitsap companies assisted
- ✓ \$75 Million new business generated for clients
- ✓ 5000 jobs created/supported

QUALITATIVE OUTCOMES

- ✓ Grow number of KEDA private investors by 100% and increase annual investment to \$250,000
- ✓ Maximize and leverage outcomes from PTAC, KADA, WMA, WMF, AFA, PNAA, WTIA, GCI, TDA and Washington Department of Commerce programs
- ✓ Increase awareness of Kitsap County as a prime Puget Sound business location and competitive market opportunity
- ✓ Advance Kitsap's role in the region via Central Puget Sound Economic Development District Comprehensive Economic Development Strategy (CEDs)



BUSINESS RETENTION, EXPANSION AND RECRUITMENT (BRER)

BRER: GOAL 1

RETAIN, EXPAND, AND ASSIST PRIMARY BUSINESSES IN KITSAP COUNTY

Provide confidential and direct assistance to new & existing primary businesses in Kitsap County

TACTICS

METRICS

- | | |
|--|--|
| <p>1. Increase contacts with primary businesses¹ throughout Kitsap County to identify and provide responses to challenges impeding their ability to expand & create jobs</p> | <ul style="list-style-type: none"> ✓ 150 company visits/presentations ✓ 1500 jobs created/supported ✓ 175 companies assisted |
| <p>2. Improve coordination and service quality with other business assistance organizations and agencies as well as local jurisdictions; assist companies identified through research, direct referrals or inquiries</p> | <ul style="list-style-type: none"> ✓ 200 information referrals/research for clients ✓ Brief local jurisdictions & partners quarterly ✓ Utilize CRM (Customer Relationship Management) program for professional reports and tracking |
| <p>3. Increase visibility of services and assistance to start-ups and entrepreneurs</p> | <ul style="list-style-type: none"> ✓ 25 start-ups provided assistance via referrals, direct assistance, introductions and other means of assistance ✓ Coordinate activities and host events during Global Entrepreneurship Week ✓ Coordinate and host three (3) Kitsap Business Forums; provide assistance for twelve (12) months |
| <p>4. Work via KEDA Technology Committee to identify and assist early stage and expanding Kitsap technology firms</p> | <ul style="list-style-type: none"> ✓ Identify and contact ten (10) early stage and expanding technology firms ✓ Provide direct assistance to five (5) early stage technology firms |
| <p>5. Identify small business trends in Kitsap; create & coordinate small business roundtable</p> | <ul style="list-style-type: none"> ✓ Convene small business roundtable ✓ Report as warranted: trends & recommended actions |

¹ Primary businesses are defined as those where the majority of their product/service is exported out of the local jurisdiction

Enhance efforts around existing and emerging primary clusters

TACTICS

1. Promote business opportunities and partnerships for local businesses in existing and emerging Kitsap clusters: Military and Defense, Maritime, Advanced Manufacturing, Emerging Technologies, Aerospace, ICT, Healthcare and Business Services

METRICS

- ✓ Catalyze 25 business relationship actions in identified clusters (meetings, introductions and brainstorming)
- ✓ Attend quarterly meetings of partners in targeted industries including; Pacific NW Aerospace Alliance, Aerospace Futures Alliance, Washington Military Alliance, Washington Maritime Federation, Washington Technology Industry Alliance, West Sound CoderDojo, Washington Clean Technology Alliance, Trade Development Alliance, and Global Cities Initiative/ Foreign Direct Investment.

Provide confidential direct assistance to new & existing primary businesses in Kitsap County

TACTICS

1. Expand PTAC (Procurement Technical Assistance Center) Program with increased workshops and forums; one-on-one assistance and business opportunities newsletters
2. As part of the Kitsap Aerospace and Defense Alliance (KADA) strategic plan, contact and educate local advanced manufacturing businesses regarding aerospace and defense opportunities in the expanding regional aerospace industry

METRICS

- ✓ 50 active (returning) clients in PTAC program
- ✓ 25 new clients in PTAC program
- ✓ \$75M in government contracts for Kitsap PTAC clients
- ✓ Six (6) business opportunities (Biz Opps) emails sent
- ✓ Host/sponsor 20 business assistance workshops/forums
- ✓ Collaborate with Navy Small Business directors to host client meetings at KEDA office
- ✓ Five (5) Kitsap businesses referred to opportunities in aerospace
- ✓ Five (5) Kitsap companies engaged in new aerospace opportunities



BRER: GOAL 2

ENHANCE SERVICES TO NEW & EXISTING BUSINESS CLIENTS IN KITSAP COUNTY

Utilize technology and digital tools to provide more timely and relevant client services

TACTICS

METRICS

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. Acquire skills, programs and tools to provide relevant property, demographic and business data | <ul style="list-style-type: none"> ✓ Implement CRM (Client Relationship Management) program for reporting and tracking ✓ Launch <i>Community Systems InSite</i> digital tools (customized and embedded in KEDA website) for market research, data and analytics, and GIS tools |
| <ol style="list-style-type: none"> 2. Participate in online courses to continuously improve skills and acquire new tools | <ul style="list-style-type: none"> ✓ Refine and execute social media marketing plan to showcase and promote Kitsap & Kitsap businesses |
| <ol style="list-style-type: none"> 3. Create and promote internship matching program | <ul style="list-style-type: none"> ✓ Create Internship Matching page on KEDA website ✓ Document 10 matches of local students to Kitsap business internships |

BRER: GOAL 3

MAINTAIN AND ENHANCE KITSAP BUSINESS CLIMATE

Work with Kitsap jurisdictions regarding land use, comp plans, policies & procedures impacting business

TACTICS

METRICS

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Collaborate with Kitsap County to conduct outreach to Silverdale businesses, property owners and developers related to Silverdale Economic Action Plan (SEAP) | <ul style="list-style-type: none"> ✓ Provide input to Kitsap County SEAP team on land use discussions, infrastructure needs, and other policy updates and changes as requested |
| <ol style="list-style-type: none"> 2. Provide direct assistance in drafting economic development provisions in land use policies | <ul style="list-style-type: none"> ✓ KEDA recognized when appropriate as partner in planning or policy process ✓ Provide input as appropriate |
| <ol style="list-style-type: none"> 3. Participate as key member of West Sound Transportation Alliance (WSTA) | <ul style="list-style-type: none"> ✓ Provide suggested goals and implementation for West Sound Transportation needs |

BRER: GOAL 4

RECRUIT NEW PRIMARY BUSINESS TO KITSAP COUNTY

Focus on near term growth opportunities such as defense contractors, energy efficiency and innovation, emerging technologies, maritime, sustainable technologies, aerospace supply chain, and targeted business expansions/relocations from elsewhere in the region/nation/world

TACTICS

1. Pursue firms identified via research and referrals in the following clusters: defense, maritime, ICT, aerospace, technology, and advanced manufacturing

METRICS

- ✓ 25 target firms (5 per cluster)
 - ✓ Five (5) site visits from interested firms
 - ✓ Outreach to five (5) site consultants in key markets
-
- ✓ Inquiries receive response within one business day
-
- ✓ Attend eight (8) regional & international trade shows/events in targeted clusters
 - ✓ 20% increased reach (documented) of KEDA online marketing presence
 - ✓ Implement online GIS based site selection tool featuring property and company comparisons, maps, & customizable community reports/data

PARIS INTERNATIONAL AIR SHOW





ORGANIZATIONAL & RESOURCE DEVELOPMENT (ORD)

ORD: GOAL 1

**KEDA BOARD
MEMBERS ENGAGED
IN MEANINGFUL
MANNER**

Enlist and engage KEDA Board of Directors in development of new opportunities

TACTICS

1. Keep KEDA board of directors well informed regarding Kitsap business intelligence, developments, climate and opportunities

METRICS

- ✓ Provide case updates within confidentiality parameters at quarterly board meetings
- ✓ Present timely topics as business briefings at quarterly board meetings
- ✓ Send timely emails regarding time-sensitive cases or opportunities for action
- ✓ Provide opportunities for board members to participate in site visits and presentations to jurisdictions
- ✓ Annual retreat for strategic planning, organizational development and board relationships

Launch Campaign for Kitsap (C4K) investment drive

TACTICS

1. Launch *Campaign for Kitsap* with direction from C4K Leadership Team with goal of increasing private sector funding by 100%

METRICS

- ✓ Engage board members in C4K outreach
- ✓ Provide board members with tools and support for successful campaign communication (video, campaign booklet, participation form and coaching from C4K Leadership Team)
- ✓ Private sector board members identify and contact potential new investors
- ✓ Accompany executive director on face-to-face meetings
- ✓ Work with KEDA staff on follow-up



ORD: GOAL 2

IMPROVE CLIENT SERVICES & ENHANCE EFFECTIVENESS VIA STAFF DEVELOPMENT IN KITSAP COUNTY

Continuously improve KEDA staff knowledge, skill sets and tools

TACTICS

1. Participate in industry training to improve skills, knowledge and abilities
2. Increase efficiency in case management and reporting
3. Increase efficiency in responding to data requests and other research

METRICS

- ✓ Increase economic development tools and tactics via webinars and suitable off-site training opportunities
- ✓ Implement CRM (Client Relationship Management) program for reporting and tracking
- ✓ Launch *Community Systems InSite* digital tools (customized and embedded in KEDA website) for market research data and analytics, and GIS tools

ORD: GOAL 3

INCREASE STAFFING BY ONE (1) FTE AND GREATER UTILIZATION OF VOLUNTEERS AND INTERNS

Improve staff accessibility and responsiveness

TACTICS

1. Increase client services with addition of one (1) FTE (as supported by C4K success)
2. Increase efficiency in case management and reporting
3. Increase efficiency in responding to data requests and other research

METRICS

- ✓ Increased client services, site visits and responsiveness
- ✓ Implement CRM (Client Relationship Management) program for reporting and tracking
- ✓ Utilize Community Systems digital tools (customized and embedded in KEDA website) for market research, data and analytics, and GIS tools



Kitsap is a Great Place to Start a Business.



COMMUNICATIONS, OUTREACH AND MARKETING (COM)

COM: GOAL 1

PROMOTE KITSAP COUNTY AS PRIME PUGET SOUND BUSINESS LOCATION

Create and deliver message regarding Kitsap as a prime Puget Sound business location

TACTICS

1. Manage and enhance KEDA's online presence via website, blog, and social media channels
kitsapeda.org
2. Partner with Puget Sound Business Journal (PSBJ) and Kitsap Peninsula Business Journal (KPBJ) to promote Kitsap as prime business location
3. Partner with West Sound Home & Garden (WSHG)/ Wet Apple Media to promote Kitsap as prime business location
4. Update and refresh Work+Life videos with new material. Continue adding videos and promote multi-media marketing campaign with KitsapConnected video kitsapconnected.org

METRICS

- ✓ Maintain site in line with IEDC standards
- ✓ Minimum of 10 blog posts per week which are shared on KEDA social media channels
- ✓ Partner with Kitsap organizations for monthly Puget Sound Business Journal ad featured in *Around the Sound* section
- ✓ Promote and highlight Kitsap via demographic profile and strategic ad placement in PSBJ *Book of Lists*
- ✓ Monthly ads and column in KPBJ
- ✓ Create & send regular news releases
- ✓ Coordinate with WSHG to identify Kitsap businesses for display ads with messaging that promotes benefits of doing business in Kitsap (6 per year)
- ✓ Videos promoted in multiple locations; results tracked & reported
- ✓ Kitsap as business location tracked via multiple online and print media sources
- ✓ Utilize KitsapConnected videos in community presentations, trade shows & outreach events

KEDA MEDIA PARTNERS



COM: GOAL 2

INCREASE AND OPTIMIZE BUSINESS OUTREACH

Facilitate business outreach, networking & education events; distribute timely business information; and provide representation & leadership on regional boards

TACTICS

1. Highlight Kitsap assets and businesses via annual events
2. Continue to promote Kitsap's business opportunities
3. Participate as active member of local, regional, state and national organizations impacting economic development and growth in the region

METRICS

- ✓ Host Economic Forecast, Decision Makers II and Annual Meeting
- ✓ Co-host defense event
- ✓ Coordinate activities and host events during Global Entrepreneurship Week
- ✓ Coordinate and host three (3) Kitsap Business Forums; provide assistance for twelve (12) months
- ✓ Publish 12 KEDA newsletters
- ✓ Promote and highlight Kitsap via demographic profile and strategic ad placement in *PSBJ Book of Lists*
- ✓ KEDA staff & board members serve on boards & committees for local and regional partner organizations (e.g.; OWDC, Central Puget Sound EDD, WEDA, AFA, KADA, PNAA, WMA, GCI, WMF, and IEDC)

2017 ECONOMIC FORECAST DECISION MAKERS BREAKFAST



CAMPAIGN LEADERSHIP TEAM



Ben Anderson
CEO & President,
Art Anderson Associates



Monica Blackwood
Principal,
Rice Fergus Miller



Nathan Evans
Co-Chair
KEDA Technology Committee



Elliot Gregg
President & CEO,
Kitsap Credit Union



Steve Politakis
CEO, Kitsap Bank



Julie Tappero
President,
West Sound Workforce

Campaign FOR KITSAP

INSPIRED ECONOMIC DEVELOPMENT How you can participate

I WANT TO BECOME AN ANNUAL INVESTOR-PARTNER*:

☐ \$10,000 ☐ \$5,000 ☐ \$2,500 ☐ \$1,500 ☐ \$1,000

Please bill me (circle one): annually semi-annually quarterly

*Investor-partners make annual commitments to KEDA.

I NEED ASSISTANCE WITH:

- | | |
|--|---|
| <input type="checkbox"/> Government contracting | <input type="checkbox"/> Financing |
| <input type="checkbox"/> Licenses & permits | <input type="checkbox"/> Tax incentives |
| <input type="checkbox"/> Transportation & shipping | <input type="checkbox"/> Start-up assistance |
| <input type="checkbox"/> Site selection | <input type="checkbox"/> One-on-one business assistance |
| <input type="checkbox"/> B2B and B2G referrals | <input type="checkbox"/> Market research and reports |
| <input type="checkbox"/> Workforce development | <input type="checkbox"/> Exporting |
| <input type="checkbox"/> Other _____ | |

I'M INTERESTED IN ASSISTING WITH:

- ☐ KEDA Tech Committee (infrastructure, training and workforce)
- ☐ Internship matching program
- ☐ KADA (Kitsap Aerospace and Defense Alliance)
- ☐ Small Business Advisory Committee (launching mid-2017)
- ☐ Client testimonials (for website, marketing, presentations)
- ☐ Other _____

For more information on **KEDA**, its programs and events, visit **www.kitsapeda.org** or **www.campaign4kitsap.com**.

KITSAP ECONOMIC DEVELOPMENT ALLIANCE

EXECUTIVE LEADERSHIP



Ben Anderson
Chair

CEO & President,
Art Anderson Associates



Monica Blackwood
Vice Chair

Principal, Rice Fergus Miller



John Powers
Secretary

Executive Director, KEDA



Nathan Evans
Treasurer

Co Chair, Technology
Committee



Steve Politakis
Immediate Past Chair

CEO, Kitsap Bank

2017 KEDA BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

Ben Anderson, Chair

CEO, Art Anderson Associates

Monica Blackwood, Vice Chair

Principal, Rice Fergus Miller

Nathan Evans, Treasurer

Co-Chair, KEDA Technology Committee

John Powers, Secretary

Executive Director, KEDA

Steve Politakis, Immediate Past Chair

CEO, Kitsap Bank

Charlotte Garrido

Commissioner, Kitsap County

Silvia Klatman*

Public Affairs Officer, Naval Base Kitsap

Patty Lent

Mayor, City of Bremerton

Ed Stern

Council Member, City of Poulsbo

DIRECTORS:

Cary Bozeman

Commissioner, Port of Bremerton

Jay Burghart

CEO, The Doctors Clinic

Jim Civilla

Commissioner, Kitsap PUD

Becky Erickson

Mayor, City of Poulsbo

Leonard Forsman

Chair, Suquamish Tribal Council

Greg George

Board Chair, Port Madison Enterprises

Elliot Gregg

President & CEO, Kitsap Credit Union

Mark Gulbranson*

Deputy Executive Director, Puget Sound

Regional Council

Marcus Hoffman

Commissioner, Silverdale Water District

Lynette Ladenburg**

CEO, Martha & Mary

Wes Larson

Principal, Sound West Group

Erin Leedham

General Manager, Kitsap Mall

Cindy Lucarelli

Council Member, City of Port Orchard

Mary McClure

Commissioner, Port of Kingston

Kol Medina

Council Member, City of Bainbridge Island

Judy Mentor Eagleson

President, Mentor Company

Dr. David Mitchell

President, Olympic College

David Nelson

Editor, Kitsap Sun

Rob Putaansuu

Mayor, City of Port Orchard

Chris Rieland

CEO & President, Pacific NW Title

Michael Scott

Council Member, City of Bainbridge Island

David Schultz

Market President, Peninsula Region

Harrison Medical Center & St. Anthony Hospital

Kathryn Townsend**

Client Relations Manager, West Sound

Workforce

Mark Walsh

VP, Real Estate Investments, Olympic

Property Group

Eric Younger

Council Member, City of Bremerton

Jim Carmichael, Emeritus

Dwight Sutton, Emeritus

* Non-voting Members

**Pending confirmation

KEDA STAFF

John Powers

Executive Director

Kathy Cocus

Business Development Director

Theresa Mangrum

Events, Marketing & Administration

Susan Veach

Accountant (Contract)

Mary Jo Juarez

Business Counselor – PTAC (.5 FTE)

Mona Carlson

Contracting Specialist (Volunteer)

2021 NW Myhre Road, Suite 100 | Silverdale, WA 98383

360.377.9499 | info@kitsapeda.org

www.kitsapeda.org | www.kitsapconnected.org | www.kitsapaerospace.com

ECONOMIC VITALITY ACTION PLAN 2017



Cluster Driven. Client Focused.



Economic

*Development
Seattle & King County*

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OUR VISION

The EDC's vision is to catalyze economic opportunity for all the people of King County by strengthening and supporting business growth and vitality, and becoming the premier economic development organization in the United States.

OUR MISSION

The EDC's mission is to expand and diversify the economy throughout King County by retaining and recruiting jobs, growing strong and sustainable industry clusters and promoting global competitiveness for Washington State.



TARGETED CLUSTERS & Growth Opportunities

commercial space | cloud/big data/analytics | immunotherapy
energy digitalization | fishing fleet modernization

Aerospace & Defense

Jobs: 44,640 aerospace, 11,400 defense

Average income: \$114,046 aerospace

Number of firms: 507 aerospace, 640 defense

Estimated revenue: \$32.66B aerospace

Principal employers: The Boeing Co., Esterline, Honeywell Aerospace, AIM, Skills, Blue Origin, SpaceX

Top competitive regions: California, Texas, Florida, France, UK

Emerging opportunities: commercial space, composites, 777X and 737 MAX supply chains, biofuels, UAS, single aisle jets, robotics



Life Sciences & Health

Jobs: 19,664 in Life Sciences, 118,120 in Healthcare

Average income: \$97,392 Life Sciences, \$65,237 Healthcare

Number of firms: 1,000 Life Sciences, 4,860 Healthcare

Estimated revenue: \$21.6B Life Sciences, \$40.8B Healthcare

Principal employers: Fred Hutchinson Cancer Research, Allen Institute for Brain Science, University of Washington, Northwest Clinical Laboratory, Institute for Systems Biology

Top competitive regions: San Francisco Bay Area, Boston, New York, Raleigh-Durham, San Diego, New Jersey

Emerging opportunities: immunotherapy, healthcare IT, personalized medicine/wellness, natural medicine, global health, biomedical device



Information & Communications

Technology

Jobs: 165,950

Average income: \$124,272

Number of firms: 5,794

Estimated revenue: \$50.66B

Principal employers: Microsoft, Amazon, T-Mobile, Expedia, Zillow

Top competitive regions: Silicon Valley, Austin, Boston, New York, Singapore, South Korea, Taiwan

Emerging opportunities: cloud, big data/analytics, software+: "Internet of Things," interactive media, e-commerce, mobile, social, wearables, Virtual Reality, Artificial Intelligence, 3D printing, automotive IT, content creation



Clean Technology

Jobs: 18,739

Average income: \$82,261

Number of firms: 1,291

Estimated revenue: \$14.58B

Principal employers: Brown & Caldwell, AECOM, Parametrix, CH2M, HDR Engineering

Top competitive regions: San Francisco Bay Area, Boston, Denver, Salt Lake City, Hamburg, Germany

Emerging opportunities: energy digitalization, smart grid, climate tech, commercial energy storage, biogas, advanced materials



EDC SERVICES, Free & Confidential

With over 45 years of experience and a strong track record of success, the EDC provides a unique set of services, tailored to the specific needs of our clients and focused on business growth and development leading to job creation. The EDC's unique value flows from our *cluster-driven, client-focused* approach to business development and ability to accelerate success by connecting businesses with our private and public partners and the variety of essential economic resources they provide.

The EDC assigns a business development manager with industry expertise to strategically focus on each client's needs. This specialist acts as a confidential liaison between client companies and local governments, educational institutions, workforce development agencies, industry associations, labor and business leaders. Our business creation, retention, expansion and recruitment assistance includes:

- ⇒ Economic and demographic data
- ⇒ Comparative analysis
- ⇒ Site selection services
- ⇒ Workforce and job-training information
- ⇒ Tailored advocacy
- ⇒ Entrepreneurship training
- ⇒ Business plan assistance
- ⇒ Access to financing organizations
- ⇒ Counsel and advice
- ⇒ Identifying collaboration opportunities
- ⇒ Key introductions
- ⇒ Tax research and incentives
- ⇒ Transportation services
- ⇒ Facilitation with the permitting process
- ⇒ Personalized briefings and orientations
- ⇒ Public relations and media coordination

Outdoor Recreation, Fashion & Apparel

Jobs: 20,057

Average income: \$34,717

Number of firms: 1,458

Estimated revenue: \$15.14B

Principal employers: Nordstrom, REI, Zulily, Eddie Bauer, Precor

Top competitive regions: Los Angeles/Orange County, New York, Ohio, Oregon, Colorado, Vermont

Emerging opportunities: ICT applications, innovative materials, advanced manufacturing and designs



Financial & Business Services

Jobs: 51,968

Average income: \$101,423

Number of firms: 4,632

Estimated revenue: \$38.26B

Principal employers: Bank of America, Wells Fargo, JPMorgan Chase, Liberty Mutual, Safeco Insurance

Top competitive regions: New York, San Francisco, Minneapolis, Denver, Dallas

Emerging opportunities: FinTech/technology impact, small business/women & minority-owned business outreach, new entrants, globalization



Maritime & Logistics

Jobs: 21,329

Average income: \$75,075

Number of firms: 817

Estimated revenue: \$16.39B

Principal employers: Expeditors, Delta Marine, Ocean Beauty Seafoods, Foss Maritime, Tri-Marine International

Top competitive regions: British Columbia, Los Angeles-Long Beach, Alaska, Gulf Coast, Savannah

Emerging opportunities: modernization of the fishing fleet, "Blue marine"/sustainability with IoT/clean tech



Global Trade & Investment

Exports: \$86.4B

Top 5 export markets: China, Canada, Japan, South Korea, United Arab Emirates

Largest export industries: Transportation Equipment, Agricultural Products, Computer/Electronic Products, Processed Foods

Number of small & medium-sized (SME) goods exporters: 11,352

Number of jobs at foreign-owned firms: 105,600

FDI source countries: Canada, UK, Japan, Germany, France

Industries with most FDI: Manufacturing, Wholesale, Information, Professional and Technical Services, Construction

Emerging opportunities: Global Cities Initiative/Foreign Direct Investment & Exports, SelectUSA, trade shows & marketing strategy



EDC LEADS

Objective 1: Grow Local Jobs *Help existing employers retain and expand jobs to improve economic vitality countywide*

The EDC works with local employers to identify opportunities for growth and increase the number of jobs—particularly middle income jobs—in King County. Our cluster-based outreach helps identify employers at risk so that targeted retention efforts can be proactive and foster a diverse and sustainable economy.

Actions:

- ⇒ Collaborate with city, county and state partners to provide comprehensive business retention & expansion services in targeted growth clusters
- ⇒ Engage companies and foster growth in Foreign Direct Investment and export opportunities in the region
- ⇒ Execute cluster driven strategies to grow women, minority and veteran-owned businesses



Objective 2: Recruit New Jobs *Recruit growing companies, especially those that improve regional supply chains in targeted clusters*

The EDC works quickly and aggressively to respond to company and site selector requests and identify high-growth “gazelle” companies and gaps in supply chains to target for recruitment.

Actions:

- ⇒ Proactively market the region globally in collaboration with other economic development partners
- ⇒ Conduct recruiting missions and attend trade shows in collaboration with regional partners
- ⇒ Host and foster business development opportunities with delegations, both U.S. and international
- ⇒ Respond to requests for information from clients and partners timely and aggressively
- ⇒ Update and maintain market intelligence, economic and real estate data for King County and its 39 cities



Objective 5: Organizational Vitality

Create a “best-in-class” organization led by a strong and dynamic Board and staffed by forward-thinking economic development professionals

The EDC is lead by a Board of Directors that includes some of the region's top leaders and is a small but impactful organization staffed by dedicated professionals committed to its mission. To meet these objectives and grow the local economy, the EDC must work to strengthen the organization from the inside out.

Actions:

- ⇒ Increase communication with the Board of Directors and improve Board engagement
- ⇒ Continue implementation of a communications strategy that increases brand awareness and positions the EDC as the go-to economic development organization
- ⇒ Recruit high-performance business development specialists and provide on-going professional development opportunities for the entire team
- ⇒ Improve communications with stakeholders to raise awareness of the organization's position as the only public/private partnership focused on retaining, expanding and recruiting businesses across King County and its 39 cities



EDC SUPPORTS AND PARTNERS

Objective 3: Support Startups *Cultivate King County's next generation of businesses and entrepreneurs*

Washington State has more business starts per capita than any other state. To increase the chances of business success, the EDC supports and promotes a variety of opportunities for startup and entrepreneurial assistance.

Actions:

- ⇒ Counsel individual entrepreneurs and connect them with strategic resources
- ⇒ Support strategic partners in conducting group training workshops for entrepreneurs and startups, particularly targeting women, minorities and veterans as well as parts of King County that have been underserved by existing startup resources
- ⇒ Continue to strengthen the EDC's comprehensive web portal of resources available to entrepreneurs throughout King County



Objective 4: Strengthen Industry Clusters *Fortify key clusters to create a robust and diverse economic base*

The EDC's unique value flows from our *cluster driven, client-focused* approach to business development and we partner with key industry associations to identify steps that can be taken to strengthen the clusters, allowing for a more robust and diverse economy and more intentional marketing efforts.

Actions:

- ⇒ Develop industry snapshots to provide an annual look at industry-specific data for our eight target clusters
- ⇒ Identify subsector growth opportunities as well as supply chain gaps in the local ecosystem
- ⇒ Work with Innovation Partnership Zones to support strategic clusters
- ⇒ Help identify industry-specific workforce training and development needs



EDC 2020

Long-Term Business Plan

Laser Focus on Core Mission: Business Retention, Expansion & Recruitment

- ⇒ EDC is recognized as the "go-to" for retention, expansion and recruitment throughout King County

Board Engagement: Engaged and Action Oriented

- ⇒ Increase Board engagement in membership development, strategic planning and client work

Financial Growth

- ⇒ Strengthen support of existing members and grow private sector investment for long-term financial sustainability

King County Economic Development Managers Collaboration

- ⇒ Increase outreach and engagement with ED Managers and work closely with partners on client management

Ongoing Regional Collaborations & Influences: PSRC Regional Economic Strategy (5 year); Greater Seattle Region Global Trade & Investment Plan; Port of Seattle Economic Development; Workforce Development Council of Seattle-King County; Challenge Seattle; Seattle Regional Partnership; Leadership Eastside; Soundside Alliance & other regional efforts

EXECUTIVE COMMITTEE



Chair
Will Einstein,
Director of Product
Development &
Growth, Puget
Sound Energy



Vice Chair
Timothy Howell,
Senior Vice President,
PNW Market Manager
- Business, JPMorgan
Chase & Co.



Immediate Past Chair
Terry Danysh, Of
Counsel, Dorsey &
Whitney



Treasurer
Nancy Backus,
Mayor, City of
Auburn



Secretary
Stephanie Bowman,
Commissioner,
Port of Seattle



David Allen,
Executive Vice
President, McKinstry
Company



Jan Beck, Vice
President & Site
Head, Novo Nordisk



Dow Constantine,
County Executive,
King County



Shelley Easter Gill,
Managing Partner,
Kinzer Partners



Albert Lewis, Jr.,
Vice President of
Economic &
Workforce
Development,
Bellevue College



Aric Manion,
President, Kelley
Imaging Systems



David McFadden,
Managing
Director, Economic
Development
Division, Port of
Seattle



Ed Murray, Mayor,
City of Seattle



Eric Pettigrew,
Director, Community
and Business
Relations, Regence
BlueShield



John Stokes,
Mayor,
City of Bellevue

BOARD OF DIRECTORS

Shannon Affholter, Executive Director, Master Builders Association of King and Snohomish Counties

David Allen, Executive Vice President, McKinstry Company

Monty Anderson, Executive Secretary, Seattle Building & Construction Trades Council

Bob Aylward, Executive Vice President, Business Operations, Seattle Mariners

Nancy Backus, Mayor, City of Auburn

Cary Badger, Director, HealthScape Advisors

TBD, Bank of America

Patrick Bannon, President, Bellevue Downtown Association

Jan Beck, Vice President & Site Head, Novo Nordisk

Marc Berger, Director, Executive Communications & China Practice, Nyhus Communications, LLC

Mariah Bettise, Councilmember, City of Issaquah

Greg Bilte, Vice President-General Manager, KIRO-TV *

Stephanie Bowman, Commissioner, Port of Seattle

Jeanne Burbidge, Deputy Mayor, City of Federal Way

Dave Carson, Councilmember, City of Redmond

Michelle Mills Clement, President & CEO, Commercial Brokers Association

Dow Constantine, County Executive, King County

Paige Shevlin, Economic Development Policy Advisor, King County Office of the Executive (Alt. for Executive Constantine)

Suzette Cooke, Mayor, City of Kent

Jeff Crowe, Regional Director, Principal, BRPH Architects-Engineers

Marc Cummings, Vice President, Public Policy & External Affairs, Life Science Washington

Suzanne Dale Estey, President & CEO, Economic Development Council of Seattle & King County *ex-officio*

Terry Danysh, Of Counsel, Dorsey & Whitney

Maud Daudon, President, Seattle Metropolitan Chamber of Commerce

Terry Davis, Director of Government Affairs, Comcast

Deanna Dawson, Executive Director, Sound Cities Association

Rod Dembowski, Councilmember, King County Council

Will Einstein, Director of Product Development & Growth, Puget Sound Energy

Shelley Easter Gill, Managing Partner, Kinzer Partners

Nicole Grant, Executive Secretary-Treasurer, ML King County Labor Council

Lisa Herbold, Councilmember, City of Seattle

Randy Hodgins, Vice President, Office of External Affairs, University of Washington

John Holman, Councilmember, City of Auburn

Kathy Hougardy, Councilmember, City of Tukwila

Tim Howell, Senior Vice President, PNW Market Manager - Business, JPMorgan Chase & Co.

Bob Jeans, Councilmember, City of Snoqualmie

Kristin Jensen, Vice President of Development, Touchstone

Albert Lewis, Jr., Vice President of Economic & Workforce Development, Bellevue College

Nancy Long, Executive Director, 501 Commons

Teresa Lynch, Senior Manager, Economic Development, Amazon

Jeff Lyon, Chairman & CEO, Kidder Mathews

Andrew Magill, Director of Marketing, Commercial Airplanes, The Boeing Company

Aric Manion, President, Kelley Imaging Systems

David McFadden, Managing Director, Economic Development Division, Port of Seattle

Patrick McQueen, Senior Project Manager, Lease Crutcher Lewis

Chris Mefford, President & CEO, Community Attributes Inc. *ex-officio*

Ed Murray, Mayor, City of Seattle

Rebecca Lovell, Deputy Director, Office of Economic Development at City of Seattle, (Alt. for Mayor Murray)

John Nowoj, Vice President and General Manager, MA Mortenson Company

Megan Ouellette, Managing Director, Government & Community Relations, Alaska Airlines

Shouan Pan, Chancellor, Seattle Colleges

Emily Parkhurst, Editor in Chief, *Puget Sound Business Journal*

Michael Pearce, Administrative Director of Customer Experience & Performance Excellence, Swedish Medical Center

Eric Pettigrew, Director Community & Business Relations, Regence BlueShield

Bart Phillips, CEO, OneRedmond

Alex Pietsch, Associate Vice President, Office of Corporate Relations, Washington State University

Irene Plenefisch, Government Affairs Director, Microsoft Corporation

Bill Poppy, Senior Vice President, Virginia Mason

Tom Ranken, President & CEO, CleanTech Alliance

Jon Scholes, President, Downtown Seattle Association

Michael Schutzler, CEO, Washington Technology Industry Association

Marlena Sessions, CEO, Workforce Development Council of Seattle-King County

Brian Stading, President, NW Region, CenturyLink

Catherine Stanford, Deputy Mayor, Lake Forest Park

John Stokes, Mayor, City of Bellevue

James Henderson, Economic Development Director, City of Bellevue (Alt. for Mayor Stokes)

Erik Strom, Director of Government and Community Relations, Russell Investments

Penny Sweet, Councilmember, City of Kirkland

Mike Tibbits, Vice President, Senior Relationship Officer, Key Bank, Commercial Banking

Allan Van Ness, Councilmember, City of Kenmore

TBD, Umpqua Bank

Sherry Zins-Calvert, President, Keiretsu Forum Northwest

**Pending approval at 6/14/17 Board of Director Meeting*



Economi

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le & King County

 EDC-SeaKing.org

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 [/EDCSeattleKing](https://www.linkedin.com/company/EDCSeattleKing)

Economic Development Board for Tacoma-Pierce County

Program of Work

2016 – 2020

VISION 2040

TACOMA-PIERCE COUNTY IS THE MOST ATTRACTIVE LOCATION IN THE PACIFIC NORTHWEST FOR LOCAL, NATIONAL AND GLOBAL BUSINESS INVESTMENT AND JOB CREATION

MISSION

COMPETE EVERY DAY FOREVER – THE EDB GROWS PRIMARY BUSINESSES BY WORKING WITH ITS PARTNERS TO SPUR PRIVATE CAPITAL INVESTMENT AND JOB CREATION IN TACOMA-PIERCE COUNTY

Five Year Goals

1. Direct Jobs: 3,220 at or Above Average County Wage (\$44,541)
2. Private Capital Investment: \$400,000,000
3. Direct Jobs By Cluster: 50% of Total Recruited/Retained-Expanded Jobs
4. Cluster Acceleration Teams: Aerospace, Health Services, Trade and Logistics, Cyber Security/Information Assurance
5. Companies Recruited and Companies Retained/Expanded: 35 Companies
6. EDCPC Industrial Revenue Bond Financing: \$20,000,000
7. EDB Revenue: \$6,600,000



Work Program Summary

STRATEGY AND OBJECTIVES	GOALS	5 YEAR BUDGET GOAL \$6.6M
1 RETAIN and EXPAND PRIMARY COMPANY JOBS Objective A: Business Retention and Expansion (BRE) Program Structure Objective B: BRE Company Targets and Cases Objective C: Class A Office Development (coordinate with Recruitment) Objective D: BRE Cluster Acceleration Integration Objective E: Industrial Revenue Bond Financing (shared with Recruitment) Objective F: BRE Tracking & Reports (Gain/Loss/Net)	<ul style="list-style-type: none"> 1,932 direct jobs (60% of 3,220 total jobs target) created via BRE 50% (966 of direct 1,932 jobs) stem from cluster initiatives \$120M Private Capital Investment (30% of \$400M goal) 20 retained companies (4 per year) 250,000 SF of new Class A, with tenants (shared with Recruitment) Economic Development Corporation of Pierce County (EDCPC) - \$20M in bonds (shared with Recruitment) 	\$1.98M over 5 years \$396K annually (30% of total budget)
2 RECRUIT PRIMARY COMPANY JOBS Objective A: Company Recruitment Program Structure Objective B: Company Targets and Cases Objective C: Class A Office Development (coordinate with Retention/Expansion) Objective D: Company Recruitment National/Global Strategy Objective E: Company Recruitment Cluster Acceleration Integration Objective F: Industrial Revenue Bond Financing (shared with Retention) Objective G: Company Recruitment Tracking & Reports (Gain/Loss/Net)	<ul style="list-style-type: none"> 1,288 direct jobs (40% of 3,220 total jobs target) created via Recruitment 50% (644 of direct 1,288 jobs) stem from cluster initiatives \$280M Private Capital Investment (70% of \$400M goal) 15 recruited companies (3 per year) 250,000 SF of new Class A with tenants (shared with Retention/Expansion) Economic Development Corporation of Pierce County (EDCPC) - \$20 M in bonds (shared with Retention) 	\$2.31M over 5 years \$462K annually (35%)
3 CLUSTER ACCELERATION Objective A: Cluster Acceleration Team Program Structure Objective B: Cluster Acceleration Team Work Plans Objective C: Institution Building Objective D: Cluster Acceleration Team Performance & Reports	Each Cluster Team develops its goals relative to: <ul style="list-style-type: none"> job creation, private capital investment and institution building 	\$1.32M over 5 years \$264K annually (20%)
4 MARKETING & COMMUNICATIONS Objective A: EDB Vision, Mission, Work Program Deployment Objective B: EDB Vision Alignment with Partners / Community Objective C: Marketing the EDB Vision & Mission/Tacoma-Pierce County	<ul style="list-style-type: none"> Develop and deploy EDB Vision, Mission, Work Program Share Vision, Mission with key Pierce County organizations Measure marketing impact across industries and geographies 	\$660K over 5 years \$132K annually (10%)
5 ADMINISTRATION Objective A: Maintain & Produce EDB Dashboard (Month, Quarter, Annual) Objective B: Prepare Board & Executive Committee Materials Objective C: Perform Event & Publications Management Objective D: Manage Investor Relations Objective E: Handle Office (Access, Equip, IT, Supplies, Parking) Objective F: Offer Administrative Support For The CEO	Organization support towards annual and five year goal attainment	\$330K over 5 years \$66K Annually (5%)
EDB "SMART" goals are designed to be Specific, Measurable, Attainable, Repeatable and Time-Bound		

Work Program Details

STRATEGIES, OBJECTIVES, TACTICS	WHO	FREQ	PRODUCT	DUE	PROCESS METRICS
1 - RETAIN and EXPAND PRIMARY COMPANY JOBS Business Retention & Expansion (BRE)					
Objective A: BRE – Program Structure 1. Assess and rank target company list (BRE candidates – top 250) 2. Assign critical criteria (bellwether, importance, etc.) 3. Design & implement a results based reporting structure 4. Determine research funding support as necessary for decision making	VP recommends, CEO approves	On-Going	Work Plan	Annually	Create top 250 list
Objective B: BRE – Company Targets and Cases 5. Conduct confidential firm visits (w Partners as necessary) 6. Face-to-face Q&A (offer assistance, referrals, develop case work) 7. Assess probability of success (Low = 0.1; High = 1.0) 8. Check any connections to Exec Com/Board/Investors 9. Get feedback from BRE targets (how did we do?)	VP lead with CEO and Exec Committee support Board regular updates	Monthly – Exec Committee Quarterly – Board	Staff action plan; record of visits planned/actual; Sales Force data; BRE wins / losses (lessons learned)	On-Going	180 unique, confidential company visits per year Target firms receive at least one annual visit For target firms with HQs outside Pierce County, the HQ will receive a visit, phone call or other method of communication annually 360 information referrals per year Average of all wages/salaries of closed cases greater than Pierce County average \$44,541

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STRATEGIES, OBJECTIVES, TACTICS	WHO	FREQ	PRODUCT	DUE	PROCESS METRICS
Objective C: Spur Class A Office Development 10. Assign/hire dedicated staff resource(s) to work with property owners, developers, jurisdictions and potential tenants to develop Class A office space to meet market demand 11. Identify and alleviate impediments to Class A office growth	Staff develops plan, approved by CEO (Recruitment/Retention jointly) Implements plan w/owners, developers, tenants	Ongoing	Site plans, strategies	Annual	15 site plans/strategies developed and implemented (3 per year)
Objective D: BRE – Cluster Acceleration Integration 12. Check BRE targets for linkages to current cluster plans 13. Determine points of leverage with cluster teams	EDB Staff and Exec Committee / Cluster Acceleration Team Executive	Monthly	Enhanced value due to teamwork, learning	As needed	N/A
Objective E: Industrial Revenue Bond Financing 14. Market industrial development revenue bond program 15. Staff the Economic Development Corporation of Pierce County (EDCPC)	SVP and VP shared	As needed	Bond financing	As needed	Bond approval process applied
Objective F: BRE – Tracking & Reports 16. Provide case strength/positioning based on location quotient fit 17. Do activity logging and reporting for each BRE and case 18. Produce Board reports (value: results, progress)	EDB Staff and Exec Committee	As needed	BRE Reports	Monthly Quarterly Annually	N/A
2 - RECRUIT PRIMARY COMPANY JOBS					
Objective A: Program Structure 1. Qualify and prioritize target company list (25 targets) 2. Perform due diligence to client/prospect expectations 3. Manage case pipeline (open, sustain, close) 4. Design and implement results based reporting structure 5. Determine research funding support as necessary for decision making	SVP, CEO approved	On-Going	Work Plan	Annually	N/A

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STRATEGIES, OBJECTIVES, TACTICS	WHO	FREQ	PRODUCT	DUE	PROCESS METRICS
Objective B: Company Targets and Cases 6. Work proactive target list 7. Work reactive inquiries and leads 8. Assess probability of success (Low = 0.1; High = 1.0) 9. Check any connections to Exec Com/Board/Investors 10. Get feedback from targets (how did we do?)	SVP	On-Going	Case work; contact list; Sales Force data	On-Going	25 targets per year
Objective C: Spur Class A Office Development 11. Work with property owners, developers, jurisdictions and potential tenants to develop Class A office space to meet market demand 12. Identify and alleviate impediments to Class A office growth	Staff develops plan, approved by CEO (Recruitment/Retention jointly) Implements plan w owners, developers, tenants	On-Going	Site plans / strategies	Annual	15 site plans/strategies developed and implemented (3 per year)
Objective D: National/Global Strategy 13. Craft global recruitment initiative (Asia, Europe focus) 14. Craft national recruitment initiative 15. Coordinate with Cluster Teams as necessary 16. Document and report status and outcomes	EDB senior staff CEO; board updates	On-Going	Action plan	On-Going	2 domestic recruitment/site selector trips per year 2 international trips per year
Objective E: Cluster Acceleration Integration 17. Check firm targets for linkages to cluster plans 18. Determine points of leverage with cluster teams	EDB Staff and Exec Committee / Cluster Acceleration Team Executive	Monthly	Enhanced value due to teamwork, learning	As/when needed	N/A
Objective F: Industrial Revenue Bond Financing 19. Market industrial development revenue bond program 20. Staff the Economic Development Corporation of Pierce County (EDCPC)	SVP and VP shared	As needed	Bond financing	As needed	Bond approval process applied

STRATEGIES, OBJECTIVES, TACTICS	WHO	FREQ	PRODUCT	DUE	PROCESS METRICS
Objective G: Company and Case Tracking & Reports 21. Provide case strength/positioning based on location quotient fit 22. Sales Force activity logging/reporting for prospects/cases 23. Produce Board reports (value: results, progress)	SVP	On-going	Recruitment Reports	Monthly Quarterly Annually	N/A
3 - CLUSTER ACCELERATION					
Objective A: Program Structure (Set It Up) 1. EDB board and staff develop Cluster Team concept and guidelines 2. Get industry executive leadership and team member input 3. EDB board reviews and adopts guidelines 4. Post program on website and in newsletter article	EDB Staff, Board	1 st Q Review Even Years	Template Agreements, Staff Cluster Assignments	1 st Q Even Years	N/A
Objective B: Create Cluster Acceleration Plans (4 Teams) Aerospace Health Services Trade/Logistics Cyber Security/Information Assurance 5. EDB: Empower Executive Leadership & Team <ul style="list-style-type: none"> a. Select C-level leader(s) b. Select Subject Matter Expert(s) c. Create and sign protocols (all); non-disclosure agreements (some) d. Prepare Orientation Packet 6. Each Team: Set Objectives (1-6 Quarters, 2 Years Max) <ul style="list-style-type: none"> a. Adopt/Adapt to SMART (Specific, Measurable, Attainable, Realistic/Repeatable, Time-Bound) goal structure b. Get needed data/e.g. research for decision making c. Build the work plan: people, timeline, resources 7. Integrate plan with Recruitment and BRE plans 8. Report progress/results (twice yearly)	EDB CEO and industry C-level executives sign an agreement to form a Cluster Acceleration Team Cluster leader(s) launch planning and implementation Team and EDB staff use available, cost-effective links to academia for research support	A team is formed to function for a discrete time period during the 5 year life of Compete Every Day Forever	Teams provide leadership and technical expertise to accelerate cluster growth	Timeline is created by each team Approval by the EDB exec com/ board	Refresh 1-2 cluster acceleration teams in year one (2016) Activate cluster teams 3 and 4 in year two (2017)

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STRATEGIES, OBJECTIVES, TACTICS	WHO	FREQ	PRODUCT	DUE	PROCESS METRICS
Objective C: Institution Building 9. Identify and analyze opportunities to grow world class economic development assets in the South Sound (e.g., Law School, Health Research Consortium, etc.) 10. Implement institution building strategies as determined by cluster leadership	Cluster Acceleration Team Executive and EDB staff	Per the cluster team's work program	For approved initiatives, progress reports and results	Annually	Flexible and varied
Objective D: Performance & Reports (Work The Plan) 11. Schedule task and activities per timeline 12. Connect with EDB staff on problems/seize opportunities 13. Launch the plan w/EDB staff assistance as appropriate 14. Report results	Cluster Acceleration Team Executive and EDB staff	Per the work program	Plans/Actions to enhance job, wealth creation in the cluster	Per board approved program timeline	SMART plan vs. actual
4 - MARKETING & COMMUNICATIONS					
Objective A: Vision/Mission Deployment 1. Use web, social media, traditional media, and speeches to spread the vision across Pierce County and beyond 2. Craft supporting materials describing the vision/mission	Marketing VP, CEO, Board Members, Staff	On-Going	Website, Social Media touches; Ancillary Materials	2Q 2016 Website re-launch; 3Q 2016 Social Media re-launch	Weekly website postings; monthly mailed and emailed newsletter; positive story placement across various media
Objective B: Vision Alignment with Partners/Community 3. Encourage partners and community members to embrace the vision	Marketing VP, CEO, Board Members, Staff	On-Going	Touches	On-Going	Bi-monthly CEO and board member meetings with partners
Objective C: Marketing Tacoma-Pierce County 4. Communicate Pierce County's great economic development opportunities to target audiences, internal and external	Marketing VP, CEO, Board Members, Staff	On-Going	Touches	On-Going	Website, social media, newsletter, media placement

Pierce County Auburn Bonney Lake Buckley Carbonado DuPont Eatonville Edgewood Fife Fircrest Gig Harbor Lakewood Milton Orting Pacific
 Puyallup Roy Ruston South Prairie Steilacoom Sumner Tacoma University Place Wilkeson

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STRATEGIES, OBJECTIVES, TACTICS	WHO	FREQ	PRODUCT	DUE	PROCESS METRICS
5– ADMINISTRATION					
Objective A: Maintain & Produce EDB Mo/Qu/An Dashboard 1. Place metrics Dashboard on website/lobby (daily reminder) 2. Coordinate timely updates with retain/recruit staff 3. Populate other goal vs. actual measures as available 4. Disseminate to board and investors	Office Manager, Other staff	Quarterly	Dashboard	Quarterly	N/A
Objective B: Prepare Annual Budget 5. Adjust budget annually according to work program priorities	CEO, Exec Comm, Board	Annually	Approved budget	Annually	Begin September, complete November
Objective C: Board & Executive Committee Management 6. Use templates to refresh for “next” meeting 7. Prepare packets for print and PDF email attachment	Office Manager	Monthly	Packets	Monthly	N/A
Objective D: Publications Management 8. Prepare materials as/when needed	Office Manager	As needed	Coordination	As needed	N/A
Objective E: Manage Investor Relations 9. Implement database tracking of pledge fulfillment 10. Implement plan to sustain/grow key relationships 11. Acknowledge pledges received 12. Do recurring EDB updates for investors (e.g., Investor Bfgs)	Office Manager, Bookkeeper, CEO	Monthly	Satisfaction	Always ahead	3 Investor Briefings per year
Objective F: Manage Office systems (IT, Supplies, etc.)	Office Manager	Daily	Satisfaction	Daily	
Objective G: Administrative Support 13. Executive Committee planning 14. Board Planning: a. Annual Meeting b. Off site once per year c. Quarterly Cluster Team presentation (as/when available) 15. New Board Member Selection Orientation 16. Annual Work Plan update (Internal: Board/Investors)	CEO with Administrative Support	As needed	Satisfaction	As requested	Cluster presentation at each board meeting

DEFINITIONS

CLUSTER ACCELERATION TEAMS

Clusters are geographically specific groups of interconnected companies. By clustering near each other, businesses can increase their productivity, accelerate innovation, and stimulate new business formation. Regions with fully developed clusters have higher levels of job creation, higher wages, and higher levels of wealth creation than regions without well-integrated clusters. At the apex of the cluster are (a) lead firms that export products or services outside the region. A network of (b) supplier firms and partners provide raw materials, components, parts and specialized services to the lead firms. Supporting both the lead firms and the suppliers/partners are (c) the foundations of the economy, including educational institutions, governments, technology infrastructure, other physical infrastructure, access to capital, tax

and other business climate policies, and quality of life/social capital. **The EDB's cluster teams**, in working groups of five to eight C-level executive volunteers and subject matter experts, create a goal and work plan to achieve concrete results to strengthen (aka accelerate) the cluster. With oversight by the board of directors and assistance by EDB staff, the plan should be started and completed within an 18-24 month timeframe. Cluster team executives sign an agreement to partner with the EDB consistent with operating guidelines.

Cluster team leaders are provided opportunities to report on activities and outcomes to the EDB's board and investors.

EDB PARTNERS

Our partners are essential to business recruitment and retention/expansion success across the South Sound. Key partners include:

City of DuPont
 City of Fife
 City of Gig Harbor
 City of Lakewood
 City of Milton
 City of Puyallup
 City of Sumner
 City of Tacoma
 City of University Place
 Town of Steilacoom
 Chambers of Commerce
 Community and Technical Colleges

Four year universities (UW Tacoma, WSU
 Puyallup, University of Puget Sound, Pacific
 Lutheran University)
 Impact Washington
 NW Trade Adjustment Assistance Center
 Pierce County
 Pierce Transit
 Port of Tacoma & Seaport Alliance
 Procurement Technical Assistance Center
 Puget Sound Energy
 Puget Sound Regional Council
 Puyallup Tribe of Indians
 Real Estate Developers and Brokers
 Small Business Administration

Small Business Development Center
 Sound Transit
 State of Washington
 Tacoma Public Utilities
 Tacoma Regional CVB
 Tech Resources for Engineering Efficiency
 WA Aerospace Partnership
 WA Econ Dev Association (WEDA)
 WA State Department of Commerce
 WorkForce Central – Business Connection
 World Trade Center Tacoma
 Pierce County Legislative Delegation
 US Congressional Offices (Districts 6, 9, 10)
 US Senate Offices

DEFINITIONS (Continued)

“SMART” GOAL SETTING

SMART is an acronym giving criteria to guide in the setting of objectives in project management, employee-performance management and personal development.

- S SPECIFIC
- M MEASURABLE
- A ATTAINABLE
- R REPEATABLE (e.g. a process)
- T TIMEBOUND

LOCATION QUOTIENT (LQ)

Economic development organizations use the concept of Location Quotient (LQ) to focus on industry, employment and growth strengths/weaknesses.

A location quotient (LQ) identifies the concentration of a given economic cluster (e.g., aerospace) in a region relative to the national average for that cluster (adjusted for population size). An LQ of 1.0 indicates that employment in that cluster is at the national average. An LQ of 7.0 (as with aerospace) indicates that employment is seven times the national average. An LQ of less than 1.0 indicates a concentration below the national average.

In addition, LQs can show the growth trends of a given cluster. When size is plotted with growth trajectory on a graph, one gets a fairly clear picture of the strength and dynamism of the cluster in a region.

The EDB utilizes LQs to understand the strengths and weaknesses of clusters in the South Sound in order to better inform its recruitment, retention and cluster acceleration work.

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DEFINITIONS (Continued)

PRIMARY BUSINESSES

Primary businesses are at the core of the EDB's activities and the health of the Tacoma-Pierce County economy. Quality of life for all citizens is intimately tied to the number and strength of primary employers.

Primary businesses export a product or service out of Tacoma-Pierce County and import new dollars into the local economy, thereby growing the "wealth pie." That wealth energizes the local community through employee wages paid and purchases from suppliers who employ additional people. Primary businesses typically pay higher wages than other businesses because higher value goods and services are produced. Primary businesses are the fundamental building blocks of high-wage job creation.

The competition is fierce. Tacoma-Pierce County faces regional, national and global competition to keep its existing firms, as well as recruit new firms to the Tacoma-Pierce County market.



950 Pacific Avenue, Suite 410
Tacoma, WA 98402

253.383.4726
edbTacomaPierce.org



Economic Alliance Snohomish County

808 134th Street Southwest
Suite 101
Everett, WA 98204



Business Plan

2016-2017

For additional information, please
contact us:

(P) 425.743.4567
info@economicalliancesc.org
www.economicalliancesc.org



Our Mission:

As a regional leader, Economic Alliance Snohomish County exists to be a catalyst for economic vitality resulting in stronger communities, increased job creation, expanded educational opportunities, and improved infrastructure.

ADVOCATE • DEVELOP • CONNECT



TRUSTEE OBJECTIVES

BOARD OF TRUSTEES »

The Board of Trustees has agreed upon the following objectives as our main focus for 2017. Each objective ties to one or more of our strategic goals.

1 SUPPORT, DEVELOP, AND ATTRACT NEW & EXISTING TALENT

Increase training and educational opportunities and awareness to satisfy workforce demand for all industry sectors.

- Continue engaging with strategic partners to develop and sustain a countywide STEM education pipeline and Snohomish STEM Network (preK-12, community/technical colleges, four-year universities, community-based organizations and industry).
- Expand opportunities for apprenticeships and internships for existing and future workforce, especially in the trades.
- Raise awareness and expand opportunities within the Aerospace Training Complex including Washington Aerospace Training and Research Center, and the Advanced Manufacturing Training and Education Center.
- Support the growth of all Snohomish County's four-year university programs, including UW Bothell, WSU Everett, Western Washington University and Central Washington University, as strategic assets.
- Actively participate with partners, including Leadership Snohomish County, in the development and expansion of leaders and leadership opportunities throughout the County
- Support the growth of Washington State University's Elson S. Floyd College of Medicine

2 SOLIDIFY GLOBAL AEROSPACE LEADERSHIP

Lead Washington's aerospace competitiveness efforts to protect and strengthen Snohomish County's core industrial base.

- Solidify aerospace and advanced manufacturing as the economic base that drives further diversification in our county's future.
- Work with others to help implement recommendations from Washington Aerospace Partnership's 777X competitive assessment, including aerospace incentives.
- Continue to improve the Port of Everett's ability to manage a variety of aerospace cargos.
- Develop strategies to prepare for new market opportunities (UAS – Unmanned Aerial Systems, NMA – New Market Airplane, New Space, etc.).

3 STRENGTHEN MILITARY SECTOR

Increase the defense and military sectors presence in Snohomish County.

- Advocate for Naval Station Everett as a carrier and destroyer homeport, and support its facilities, staff, contractors and families.
- Develop a strategy for growing the Coast Guard's presence at Naval Station Everett.
- Continue progress on expanding naval ship repair and maintenance in Snohomish County.
- Be a supportive partner for the Washington Military Alliance.

4 FOSTER INDUSTRY DIVERSITY & MARKET THE REGION

Implement a sustainable business retention, expansion and recruitment program to grow and diversify the county's economy.

- Inventory and promote growth of business sectors to include: advanced manufacturing, clean technology, maritime, healthcare and life sciences.
- Partner with County and others to support economic development opportunities in recreation and tourism, agriculture including Cross Laminated Timber (CLT), arts, culture and film, energy and sustainability.
- Engage site locators and economic development professionals to identify companies and implement a diversification recruitment strategy, including the continued pursuit of Foreign Direct Investment opportunities and corporate headquarters.
- Foster an environment that helps new and existing entrepreneurs, small businesses and emerging technologies thrive.
- Maintain current business incentives while working to develop policies to strategically expand new market opportunities.
- Support continued efforts to streamline permitting processes and achieve realistic and attainable regulatory requirements.
- Adopt benchmarks as competitive analysis tools to better distinguish our strengths in marketing our region.
- Foster, support and integrate rural innovation initiatives including the North Stillaguamish Valley Economic Revitalization Plan, into regional and local economic development activities.
- Continue leadership role in the Snohomish County Health Care Leadership Coalition to help Snohomish County become a healthier community.
- Market the attribute of "quality of place" (the combination of the built and natural environment, diverse people of all ethnicities, nationalities, religions, and sexual orientations, and cultural assets) as a value for Snohomish County.
- Develop strategic regional alliances to increase political influence and effectiveness.

5 ACHIEVE WORLD CLASS INFRASTRUCTURE

Grow and implement initiatives to develop the infrastructure necessary for continued business retention, expansion and recruitment.

- Continue leadership role in expanding high capacity transit in Snohomish County, including Sound Transit Link Light Rail and Community Transit Swift BRT.
- Advocate for strategic transportation investments with an emphasis on connecting employment centers, improving freight mobility and developing additional high capacity transit options.
- Support the approval of a Manufacturing Industrial Center (MIC) in Arlington / Marysville.
- Strengthen the Port of Everett as a strategic asset, including its ability to manage a variety of cargos.
- Strengthen Paine Field as a strategic asset, including scheduled air service for passenger and freight mobility.
- Strengthen rail corridors in support of freight mobility to maintain interstate and international commerce as a regional strategic advantage. Be a strong advocate and educator about economic value of freight mobility.
- Support regional investment in countywide physical infrastructure including utilities, communications, and emerging technologies.

BOARD OF TRUSTEES (2017)

As of January 2017

« Elected Positions



Chair
Crystal Donner
Pertee, Inc.



Vice Chair
Dale Newman
Industrial Massage



Secretary
Doug Purcell
Purcell Legal & Mediation
Services, PLLC



Treasurer
Scott Strand
BECU



Bill Akers
Premiera Blue Cross



Dom Amor
Puget Sound Energy



Dr. David Beyer
Everett Community
College



Andy Buchan
Esterline Control
Systems



Joe Casalini
Republic Services



John Chelminiak
Waste Management



Craig Collar
Snohomish County PUD



John Dickson
Coastal Community
Bank



Amy Drewel
Mosaic Insurance
Alliance, LLC.



Mark Duffy
Mountain Pacific Bank



Dave Earling
Mayor, City of Edmonds



Rob Grannum
Moss Adams LLP



Nick Harper
Master Builders
Association of King &
Snohomish County



Emmett Heath
Community Transit



Dr. Jean Hernandez
Edmonds Community
College



Chris Knapp
The Everett Clinic



Rick Koske
Foster Pepper



Captain Mark Lakamp
Naval Station Everett



Tom Lane
Dwayne Lane's Auto
Family



Dr. Marci Larsen
Mukilteo School District



Mark Lewinski
Kirtley-Cole Associates,
LLC.



Eric List
Frontier
Communications



Bryan McDonald
Heritage Bank



Dr. Kristine McDuffy
Edmonds School
District



Bill McSherry
The Boeing Company



Erin Monroe
Workforce Snohomish



Jon Nehring
Mayor, City of
Marysville



Don Nielsen
Lumenal Lighting, LLC.



Josh O'Connor
The Daily Herald



Jim Orvis
Commissioner, Port of
Edmonds



Dr. Paul Pitre
Washington State
University, Everett



Dr. Sabah Randhawa
Western Washington
University



Les Reardanz
Port of Everett



Rick Resseguie
Umpqua Bank



Peter Rogoff
Sound Transit



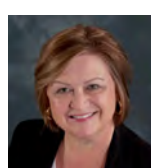
Terry Ryan
Councilmember,
Snohomish County



Mel Sheldon
Chairman, Tulalip Tribes



Preston Simmons
Providence Health &
Services



Nicola Smith
Mayor, City of
Lynnwood



Dave Somers
Executive,
Snohomish County



Ray Stephanson
Mayor, City of Everett



Barb Tolbert
Mayor, City of
Arlington



Bill Tsoukalas
Boys & Girls Clubs of
Snohomish County



Allison Warren-Barbour
United Way of
Snohomish County



Scott Washburn
YMCA of Snohomish
County



Jonalyn Woolf-Ivory
Sno-Isle Libraries



Dr. Bjong Wolf Yeigh
University of
Washington, Bothell



Matt Yerbic
Aviation Technical
Services, Inc.

Economic Alliance
SNOHOMISH COUNTY



ADVOCATE • DEVELOP • CONNECT

EASC STRATEGIC GOALS

In recent years, we’ve successfully established Snohomish County’s role as a local, regional, and national leader for promoting economic development. In the coming year, we will enhance that image by continuing to:



Market Snohomish County

We will broadcast our message regionally, nationally, and internationally, that Snohomish County is the most desirable place for advanced technology businesses to locate and grow. In making this case we will highlight our strengths in workforce, education, leisure, and healthcare.



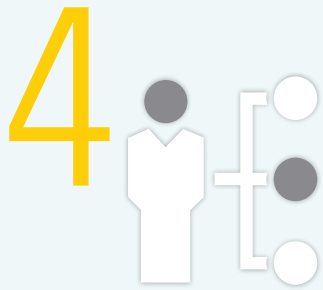
Attract New Investment

We will recruit new companies to our county that expand and support our current industrial clusters. In our efforts we will promote available business sites and our highly-trained workforce skilled in advanced manufacturing, aerospace, and the life sciences.



Improve Quality of Place

We will continue to support businesses by working to enrich preK-12 and higher education. We have a multi-layered, high quality healthcare system, as well as a variety of recreation opportunities, making Snohomish County a great place to live and work.



Respond to Employer Needs

We will support the needs of employers by continuing to partner with preK-12, community and technical colleges, and universities to enrich and expand our county’s highly educated and skilled technical workforce in science, technology, engineering, and math.



Connect Regional Leaders

We will enhance our center-of-influence in Snohomish County by continuing to provide and grow opportunities for the exchange of information and networking, develop strategic partnerships, and promote communication between private and public leaders.



Engage the Community

We will encourage Snohomish County’s public and private sector leaders to engage in our organization’s business development efforts. We will be proactive in supporting our current investors as well as attracting a cross-section of new investor businesses.

BUSINESS LINE FOCUS

ADVOCATE

- Work with the private and public sectors to speak with a unified voice that represents the economic interests of Snohomish County and provide opportunities to build relationships between business leaders as well as elected officials in Olympia and Washington, D.C.
- Partner with key stakeholders to develop an annual legislative agenda which aligns and champions Snohomish County business interests to enhance our economic climate and promote initiatives that nurture and support emerging business sectors.
- Advocate for hard (i.e. roads, transit, rail, ports, utilities, and telecommunications) and soft (i.e. preK-20 education, workforce training, health care, military, culture, and recreation) infrastructure resources and policies that spur private sector investments and improve the marketability of Snohomish County.

DEVELOP

- Support the aerospace, advanced manufacturing, life sciences, and renewable energy sectors through business retention and expansion efforts, coordinating these endeavors with key stakeholders.
- Research and contact companies in targeted industries, including diversifications opportunities, to increase the visibility of Snohomish County for business recruitment, technology transfer, real estate development, and capital investment.
- Leverage our partnerships with the private and public sectors to provide information, data, and other services to site selectors and businesses considering a new or expanded presence in Snohomish County.

CONNECT

- Continue to serve as the “Center of Influence” in Snohomish County where industry, government, labor, and nonprofits engage with each other to further common interests.
- Facilitate access to professional advice and technical assistance for small business growth, including government contracting, through the Procurement Technical Assistance Center (PTAC), Small Business Transportation Resource Center (SBTRC), and the Small Business Development Center (SBDC).
- Connect and align private and public sector leaders through strategic committees and focus groups, and by conducting a variety of educational and networking events throughout Snohomish County.



Dr. David Beyer
President, EvCC

“EASC has become the place to collaborate with private and public partners in our region. They have established a unified voice which has created stronger Everett Community College partnerships and ensures our county’s economic health.”

PUBLIC POLICY EFFORTS

EASC and our partners advocate in the following ways at every level of government for the betterment of Snohomish County:

Local
Maintain a proactive stance on policy issues relating to ease of permitting, business climate, economic development, STEM education, transportation and transit, public safety, private-public partnerships, and quality of place.

State
Promote investments and policies which encourage a strong economy and full employment, workforce training, and a healthy business climate in Snohomish County and the Puget Sound region. Specific policies of interest include workers compensation, unemployment insurance, economic development tools, energy, tax incentives, transportation and transit, strong education system, social service structure, and regulatory efficiency.

Federal
Lead and collaborate with regional partners to pursue policies and investments including transportation, national defense, port competitiveness, international trade, education system, healthcare, research and development, incentives and regulatory efficiency.

Funding for this document provided in part by member jurisdictions, grants from U.S. Department of Transportation, Federal Transit Administration, Federal Highway Administration and Washington State Department of Transportation. PSRC fully complies with Title VI of the Civil Rights Act of 1964 and related statutes and regulations in all programs and activities. For more information, or to obtain a Title VI Complaint Form, see <https://www.psrc.org/title-vi> or call 206-587-4819.

Americans with Disabilities Act (ADA) Information:

Individuals requiring reasonable accommodations may request written materials in alternate formats, sign language interpreters, physical accessibility accommodations, or other reasonable accommodations by contacting the ADA Coordinator, Thu Le, at 206-464-6175, with two weeks' advance notice. Persons who are deaf or hard of hearing may contact the ADA Coordinator, Thu Le, through TTY Relay 711.

Additional copies of this document may be obtained by contacting:

Puget Sound Regional Council
Information Center
1011 Western Avenue, Suite 500
Seattle, Washington 98104-1035
206-464-7532 • info@psrc.org • [psrc.org](https://www.psrc.org)



