



The Voice of Economic Development

WEDA Newsletter – May 2019

Working Together for Jobs & Economic Prosperity Across Washington State

Legislative Wrap Up: Solid Progress for Economic Development in Olympia

The Washington State Legislature adjourned Sine Die just moments before 12:00 midnight on Sunday evening, April 28. In short, while historic new and important investments were made this session, historic levels of increased taxation will help pay for them. As this was a “long” legislative session lasting a full 105 days, the Legislature adopted a new \$52.4 billion biennial Operating Budget, in addition to Transportation (\$9.8 billion) and Capital (\$4.9 billion) Budgets.

WEDA’s board, staff and members actively advocated like never before for our [2019 State Legislative Agenda](#) focused on “*Working Together for Jobs and Economic Prosperity Across Washington.*” WEDA’s Legislative Agenda outlined our strategy for retaining, expanding and recruiting jobs and investment across Washington State. The Agenda focused on the most critical actions lawmakers could take to retain and grow living wage jobs, foster vibrant communities and spark investment in Washington State.

We held three WEDA Advocacy Days in Olympia, in addition to our Winter Conference, and a record number of WEDA members met with, wrote to or emailed their legislators this session. We also deeply appreciated a Member letter organized by Representative Jeff Morris, which supported our funding requests, and was signed by 21 House members. This demonstrated significant progress at fostering champions for economic development.

Here’s a brief summary of results related to WEDA’s Top Legislative Priorities for 2019:

- 1) *Strengthening the Economic Development Ecosystem*** – supporting state-level leadership in economic development and investing more in regional and local capacity to grow jobs.

RESULTS: The final Operating Budget includes \$1 million in new Economic Development Council funding, which is *good news*, however most of the funding comes from the Economic Development Strategic Reserve Fund, which was separately reduced by \$2 million. This is very disappointing, and we will have to work to get this fixed next year in the Supplemental budget. We were pleased with \$5 million in capital funding for a new Maritime Innovation Center and \$500,000 for microenterprise funding. Our preliminary review indicates that most Commerce economic development funding amounts are carried forward at the expected levels, which is *good news*.

- 2) *Fostering Catalysts for Job Growth & Competitiveness*** – advocating for public works programs designed to support expanding businesses, increased investments in roads/transit

infrastructure and services, protecting targeted incentives for aerospace and expanding these to all manufacturing, and supporting increased broadband capacity initiatives.

RESULTS: The 2019-21 capital budget appropriates a total of \$4.9 billion and includes \$3.8 billion for prior authorized, but not-yet completed projects. Many of these projects will help catalyze economic development and job growth. Important investments include \$96.5 million for local government infrastructure, \$8.6 million for the Community Economic Revitalization Board, \$21.5 million for high speed broadband, \$175 million for affordable housing through the Housing Trust Fund, \$70.1 million for clean energy projects, and \$116.1 million for the Public Works Trust Fund.

Key transportation projects funded in the Transportation Budget and related bills included the I-5 Columbia River Crossing, and the I-405/Gateway Corridors.

WEDA also supported and was pleased with the passage of **2SSB 5511** to improve statewide broadband service. A new State Broadband Office is established, but only partially funded. WEDA was disappointed in the reduction to the Economic Development Strategic Reserve Fund, which is an important tool in expansion and recruitment projects. A bill WEDA supported to extend the rural data centers incentive, and expand it to urban areas, did not pass.

3) Increasing Prosperity Across All of Washington – supporting policies and investments that ensure that all parts of the state benefit in increased prosperity such as the Sales & Use Tax for Public Facilities in Rural Counties and legislation to incentivize development of Class A office space statewide.

RESULTS: WEDA supported and was pleased with the passage of **SHB 1746** to incentivize the development of commercial office space across the state. The .09 percent Sales & Use Tax for Public Facilities in Rural Counties remained intact. The Rural Development & Opportunity Zone Act proposal was turned into a study, and the Governor and Commerce’s proposed competitive grant program for asset mapping, regional strategic planning and industrial site readiness was not funded.

WEDA was also pleased with significantly increased investments in workforce development and higher education and the passage of several bills to address housing affordability challenges across the state.

All dues-paying WEDA investors should have received our Legislative Wrap Up report, weekly Legislative Updates throughout the session, and an invitation to our Session Wrap Up call, which was on May 6.

Thank you for being engaged with WEDA’s advocacy for growing jobs across Washington!