

2SHB 1178 - S COMM AMD

By Committee on Economic Development, Trade & Management

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that economic  
4 development success requires coordinated state and local efforts.  
5 Associate development organizations serve as a networking tool and  
6 resource hub for business retention, expansion, and relocation in  
7 Washington. Economic development success requires an adequately funded  
8 and coordinated state effort and an adequately funded and coordinated  
9 local effort. The legislature intends to bolster the partnership  
10 between state and local economic development efforts, provide increased  
11 funding for local economic development services, and increase local  
12 economic development service effectiveness, efficiency, and outcomes.

13 **Sec. 2.** RCW 43.330.080 and 1997 c 60 s 1 are each amended to read  
14 as follows:

15 (1) The department shall contract with county designated associate  
16 development organizations (~~((or other local organizations))~~) to increase  
17 the support for and coordination of community and economic development  
18 services in communities or regional areas. The organizations  
19 contracted with in each community or regional area shall be broadly  
20 representative of community and economic interests. The organization  
21 shall be capable of identifying key economic and community development  
22 problems, developing appropriate solutions, and mobilizing broad  
23 support for recommended initiatives. The contracting organization  
24 shall work with and include local governments, local chambers of  
25 commerce, (~~((private industry councils,))~~) workforce developing councils,  
26 port districts, labor groups, institutions of higher education,  
27 community action programs, and other appropriate private, public, or  
28 nonprofit community and economic development groups. The (~~department~~

1 ~~shall be responsible for determining the)) scope of services delivered~~  
2 ~~under these contracts((-~~

3 ~~(2) Associate development organizations or other local development~~  
4 ~~organizations contracted with shall promote and coordinate, through~~  
5 ~~local service agreements with local governments, small business~~  
6 ~~development centers, port districts, community and technical colleges,~~  
7 ~~private industry councils, and other development organizations, for the~~  
8 ~~efficient delivery of community and economic development services in~~  
9 ~~their areas.~~

10 ~~(3) The department shall consult with associate development~~  
11 ~~organizations, port districts, local governments, and other local~~  
12 ~~development organizations in the establishment of service delivery~~  
13 ~~regions throughout the state. The legislature encourages local~~  
14 ~~associate development organizations to form partnerships with other~~  
15 ~~associate development organizations in their region to combine~~  
16 ~~resources for better access to available services, to encourage~~  
17 ~~regional delivery of state services, and to build the local capacity of~~  
18 ~~communities in the region more effectively.~~

19 ~~(4) The department shall contract on a regional basis for surveys~~  
20 ~~of key sectors of the regional economy and the coordination of~~  
21 ~~technical assistance to businesses and employees within the key~~  
22 ~~sectors. The department's selection of contracting organizations or~~  
23 ~~consortiums shall be based on the sufficiency of the organization's or~~  
24 ~~consortium's proposal to examine key sectors of the local economy~~  
25 ~~within its region adequately and its ability to coordinate the delivery~~  
26 ~~of services required by businesses within the targeted sectors.~~  
27 ~~Organizations contracting with the department shall work closely with~~  
28 ~~the department to examine the local economy and to develop strategies~~  
29 ~~to focus on developing key sectors that show potential for long term~~  
30 ~~sustainable growth. The contracting organization shall survey~~  
31 ~~businesses and employees in targeted sectors on a periodic basis to~~  
32 ~~gather information on the sector's business needs, expansion plans,~~  
33 ~~relocation decisions, training needs, potential layoffs, financing~~  
34 ~~needs, availability of financing, and other appropriate information~~  
35 ~~about economic trends and specific employer and employee needs in the~~  
36 ~~region.~~

37 ~~(5) The contracting organization shall participate with the~~  
38 ~~workforce training and education coordinating board as created in~~

1 ~~chapter 28C.18 RCW, and any regional entities designated by that board,~~  
2 ~~in providing for the coordination of job skills training within its~~  
3 ~~region)) shall include:~~

4 (a) The development of a countywide economic development plan with  
5 other economic development partners, consistent with the state  
6 comprehensive plan for economic development developed by the state  
7 economic development commission;

8 (b) Responding to inquiries regarding sites available for  
9 development, and assisting businesses in site location and selection;

10 (c) Collecting and maintaining demographic, labor market, and other  
11 data for use by firms making location decision and to inform local,  
12 regional, and statewide strategic decisions and plans;

13 (d) Providing directly, or coordinating the delivery of, permit and  
14 licensing assistance and information on tax issues to businesses  
15 seeking to locate or expand in the county;

16 (e) Marketing the county and the state as an excellent location to  
17 expand or locate a business, in coordination with the department's  
18 marketing efforts;

19 (f) Identifying gaps in the delivery of business start-up  
20 assistance and coordinating efforts with local small business  
21 development centers and other assistance providers to fill the gaps;

22 (g) Providing business retention and expansion services, including  
23 business surveys and outreach efforts, early detection of potential  
24 relocations or layoffs, and identification of employers' needs;

25 (h) Partnering with local governments, workforce development  
26 organizations, port districts, export assistance providers, local  
27 colleges and universities, the Washington state quality award council,  
28 the Washington manufacturing service, small business development  
29 centers, and other programs to facilitate the alignment of planning  
30 efforts and the seamless delivery of business support services in the  
31 county;

32 (i) Collecting and maintaining data as specified by the state  
33 economic development commission for use in program and system  
34 evaluation; and

35 (j) Participating in region-wide economic development planning and  
36 research to identify customer needs, identify gaps in services, and  
37 identify methods and organizations available to meet business needs.  
38 Additional regional efforts shall include working with regional

1 partners to identify opportunities for promoting increased  
2 competitiveness of firms within the region and to coordinate and align  
3 regional workforce development and economic development efforts.

4 (2) Associate development organizations contracting with the  
5 department under this act that apply for the Washington state quality  
6 award or its equivalent shall receive a ten thousand dollar award but  
7 may not receive this award more than once every three years.

8 (3) The contracting organization shall participate with the state  
9 board for community and technical colleges as created in RCW  
10 28B.50.050, and any community or technical colleges designated by that  
11 board, in providing for the coordination of job skills training within  
12 its region.

13 NEW SECTION. Sec. 3. (1) Contracting associate development  
14 organizations shall provide the department with measures of their  
15 performance. Annual reports shall include information on the impact of  
16 the contracting organization on employment, wages, tax revenue, and  
17 capital investment. Specific measures consistent with the requirements  
18 of RCW 43.330.080(1) and the direction provided by the economic  
19 development commission shall be developed in the contracting process  
20 between the department and the contracting organization every two  
21 years. Performance measures should be consistent across regions to  
22 allow for statewide evaluation.

23 (2) The department and contracting organizations shall agree upon  
24 specific target levels for the performance measures developed as  
25 provided in subsection (1) of this section. Comparison of agreed  
26 thresholds and actual performance shall occur annually."

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27 On page 1, line 2 of the title, after "services;" strike the  
28 remainder of the title and insert "amending RCW 43.330.080; adding new  
29 sections to chapter 43.330 RCW; and creating a new section."

EFFECT: The development of countywide economic development plans is to be done with other economic development partners. The ADOs are to respond to inquiries regarding available development sites and assist businesses in site location and selection, rather than provide an inventory of sites. Demographic, labor market, and other data collected by ADOs is to be for use by firms making location decision and to inform local, regional, and statewide strategic decisions and plans. The obligation to facilitate the alignment of planning efforts and the seamless delivery of business support services is to be done with other programs, as well as those specifically listed.

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