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SENATE BILL 5329

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State of Washington

59th Legislature

2005 Regular Session

By Senators Pflug, Shin, Esser, Schoesler, Roach, Rasmussen, Rockefeller, Berkey and Mulliken

Read first time 01/20/2005. Referred to Committee on International Trade & Economic Development.

1 AN ACT Relating to cluster-based economic development; amending RCW  
2 43.330.090; and creating a new section.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The legislature finds that the use of  
5 industrial clusters as a descriptive tool can provide a clear  
6 understanding of the relationships between firms that drive the local  
7 economy. An industry cluster is a group of complementary, competing,  
8 and interdependent firms that represent the entire value chain of a  
9 broadly defined industry from suppliers to end products, including  
10 supporting services and specialized infrastructure. The legislature  
11 further finds that (1) cluster-based economic analysis is a tool for  
12 understanding industry dynamics; (2) the purpose of cluster analysis is  
13 to identify those areas of the economy in which a region has or might  
14 develop a comparative advantage and to develop short and long-term  
15 strategies for growing the regional economy; and (3) using cluster  
16 analysis in the development of economic development strategies  
17 highlights opportunities for coordination and improvement in areas of  
18 mutual concern to firms without threatening or distorting competition.  
19 It is the intent of the legislature that the department of community,

1 trade, and economic development use a cluster-based economic analysis  
2 in the development and delivery of economic development services in the  
3 state.

4 **Sec. 2.** RCW 43.330.090 and 2003 c 153 s 2 are each amended to read  
5 as follows:

6 (1) The department shall work with private sector organizations,  
7 industry and cluster associations, federal agencies, state agencies,  
8 local governments, local associate development organizations, and  
9 higher education and training institutions ~~((to assist))~~ in the  
10 development of industry cluster-based strategies to diversify the  
11 economy, facilitate technology transfer and diffusion, and increase  
12 value-added production ~~((by focusing on targeted sectors))~~. The  
13 initial industry clusters targeted ~~((sectors))~~ by the department may  
14 include, but are not limited to, software, forest products,  
15 biotechnology, environmental ~~((industries))~~ technology, recycling  
16 markets and waste reduction, aerospace, photonics, food processing,  
17 tourism, film and video, microelectronics, new materials, robotics, and  
18 machine tools. The department shall, on a continuing basis, evaluate  
19 the potential return to the state from devoting additional resources to  
20 ~~((a targeted sector's))~~ an industry cluster-based approach to economic  
21 development and ~~((including))~~ identifying and assisting additional  
22 ~~((sectors in its efforts))~~ clusters. The department shall use  
23 information gathered in each service delivery region in formulating its  
24 ~~((sectoral))~~ industry cluster-based strategies ~~((and in designating new~~  
25 ~~targeted sectors))~~.

26 (2) The department shall pursue a coordinated program to expand the  
27 tourism industry throughout the state in cooperation with the public  
28 and private tourism development organizations. The department, in  
29 operating its tourism program, shall:

30 (a) Promote Washington as a tourism destination to national and  
31 international markets to include nature-based and wildlife viewing  
32 tourism;

33 (b) Provide information to businesses and local communities on  
34 tourism opportunities that could expand local revenues;

35 (c) Assist local communities to strengthen their tourism  
36 partnerships, including their relationships with state and local  
37 agencies;

1 (d) Provide leadership training and assistance to local communities  
2 to facilitate the development and implementation of local tourism  
3 plans;

4 (e) Coordinate the development of a statewide tourism and marketing  
5 plan. The department's tourism planning efforts shall be carried out  
6 in conjunction with public and private tourism development  
7 organizations including the department of fish and wildlife and other  
8 appropriate agencies. The plan shall specifically address mechanisms  
9 for: (i) Funding national and international marketing and nature-based  
10 tourism efforts; (ii) interagency cooperation; and (iii) integrating  
11 the state plan with local tourism plans.

12 (3) The department may, in carrying out its efforts to expand the  
13 tourism industry in the state:

14 (a) Solicit and receive gifts, grants, funds, fees, and endowments,  
15 in trust or otherwise, from tribal, local or other governmental  
16 entities, as well as private sources, and may expend the same or any  
17 income therefrom for tourism purposes. All revenue received for  
18 tourism purposes shall be deposited into the tourism development and  
19 promotion account created in RCW 43.330.094;

20 (b) Host conferences and strategic planning workshops relating to  
21 the promotion of nature-based and wildlife viewing tourism;

22 (c) Conduct or contract for tourism-related studies;

23 (d) Contract with individuals, businesses, or public entities to  
24 carry out its tourism-related activities under this section;

25 (e) Provide tourism-related organizations with marketing and other  
26 technical assistance;

27 (f) Evaluate and make recommendations on proposed tourism-related  
28 policies.

29 (4) The department shall promote, market, and encourage growth in  
30 the production of films and videos, as well as television commercials  
31 within the state; to this end the department is directed to assist in  
32 the location of a film and video production studio within the state.

33 (5) In assisting in the development of (~~(a targeted sector)~~) its  
34 industry cluster-based strategies, the department's activities may  
35 include, but are not limited to:

36 (a) Conducting focus group discussions, facilitating meetings, and  
37 conducting studies to identify (~~(members of the sector)~~) industry

1 clusters, appraise the current ~~((state of the sector))~~ information  
2 linkages within a cluster, and identify issues of common concern within  
3 ~~((the sector))~~ a cluster;

4 (b) Supporting the formation of industry and cluster associations,  
5 publications of association directories, and related efforts to create  
6 or expand the activities ~~((or))~~ of industry and cluster associations;

7 ~~((c))~~ ~~((Assisting in the formation of flexible networks by providing~~  
8 ~~(i) agency employees or private sector consultants trained to act as~~  
9 ~~flexible network brokers and (ii) funding for potential flexible~~  
10 ~~network participants for the purpose of organizing or implementing a~~  
11 ~~flexible network;~~

12 ~~((d))~~ Helping establish research consortia;

13 ~~((e))~~ (d) Facilitating joint training and education programs;

14 ~~((f))~~ (e) Promoting cooperative market development activities;

15 ~~((g))~~ (f) Analyzing the need, feasibility, and cost of  
16 establishing product certification and testing facilities and services;  
17 and

18 ~~((h))~~ (g) Providing for methods of electronic communication and  
19 information dissemination among firms and groups of firms to facilitate  
20 ~~((network))~~ industry cluster activity.

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