3. Regional Economic Strategy

Vision

Worldwide competition is not focused on countries, but on regions that function as single economic units. Companies don't just choose between the United States and China, Mexico or Canada. They think of Silicon Valley versus Mumbai, or Shanghai versus Stockholm.

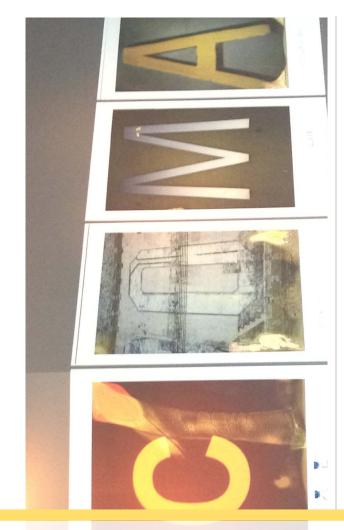
Around the world, regions are pooling their public and private talent and resources to pursue common economic goals. Since 2005, with the development of the central Puget Sound's first economic strategy, the Prosperity Partnership has been the unbiased table where all the region's business, labor, education, government and non-profit leaders come together to create a unified economic agenda.

And although the economic circumstances have changed since that first strategy was developed, the commitment to a regional, inclusive strategy is even stronger than before. Therefore, the vision for this strategy is to ensure the entire region's long term sustainable economic prosperity by:

- Ensuring residents have access to family wage jobs, and employers have access to world class talent
- Fostering a regional business climate that supports new high quality investment and job creation
- Harnessing the entrepreneurship and technology innovation assets in the region
- Advancing the region's infrastructure to meet the demands of a globally connected modern economy
- Ensuring a healthy and beautiful environment, vibrant and thriving communities and a high quality of life for all the region's residents

The goals, strategies and action initiatives in the Regional Economic Strategy reflect and reinforce this vision.





Strategy Framework

The Regional Economic Strategy is structured in the following manner:

GOALS & STRATEGIES: This chapter presents the goals and strategies of the Regional Economic Strategy and introduces some of the actions that may be a part of implementing each strategy. The goal statements are what the Prosperity Partnership hopes to achieve in the five "foundation" areas of the economy: education and workforce development, business climate, entrepreneurship and innovation, infrastructure, and quality of life. Each goal has a set of strategies - the methods the region will take to achieve those goals. In addition, in recognition of their importance to the growth of the regional economy, the industry clusters most profoundly impacted by each strategy are identified.

IMPLEMENTATION: The next chapter on implementation presents a broad five-year implementation matrix, and a more specific action plan for the first year of implementation. Subsequent annual updates to this Regional Economic Strategy will include updated annual action initiatives.

PERFORMANCE MEASURING: The development of specific metrics for measuring the performance of the Regional Economic Strategy will be a subsequent effort of the Prosperity Partnership after implementation of the strategy has begun. Perfor-

mance measuring will be appropriately coordinated with PSRC's Monitoring Program.

In addition, the Prosperity Partnership periodically publishes a report on 21 regional economic competitiveness indicators central to the performance of the Regional Economic Strategy.

The Role of County Economic Development Organizations in Regional Economic Development

Fundamental to the success of the Regional Economic Strategy is the ability to recruit, retain and expand firms into the market. In the central Puget Sound region, this role is served by enterpriseSeattle (King County), Kitsap Economic Development Alliance (KEDA), the Economic Development Board (EDB) for Ta-coma–Pierce County, and Economic Alliance Snohomish County (EASC). These four county economic development organizations serve as the primary partner in local economic development activities. They have a proven track record of recruiting and retaining primary high-wage employers and are integral to the success of implementing a Regional Economic Strategy. Not only did their lead-ership help develop the strategy, their strategic plans are consistent with and included in this strategy.



Goals & Strategies

FOUNDATION #1. Education & Workforce Development

GOAL

Ensure residents have access to family wage jobs, and employers have access to world class talent.

The central finding of the Regional Economic Strategy is the need to develop, attract, and retain a skilled workforce. If an understanding of cluster development was central to the 2005 Regional Economic Strategy, talent is at the heart of this one. This theme was echoed by both the business and economic development communities. The presence of a skilled workforce continues to be a critical site location issue. Current economic conditions have further underscored the importance of talent to economic vitality.

This is a challenge faced by many of Puget Sound's clusters. For example, aerospace, life sciences, information technology and other sectors are requiring workers with more advanced education and skills, especially in the fields of science, technology, engineering, and math (STEM). Input from regional industry representatives and various studies suggest, however, that the region lacks sufficient higher education capacity to meet these needs. At the same time, the maritime, trade, transportation and logistics, and aerospace industries are facing shortages of workers with the appropriate vocational and technical training. In fact, a growing mismatch between secondary education capacity and employer needs is one of the single greatest economic development challenges facing the region. State cuts to higher education only compound the problem, and resulting higher tuition costs make it increasingly difficult to ensure that quality secondary education is accessible for all segments of the region's diverse population. Ensuring access to all residents is not only the right thing to do, it also makes good economic sense.

- 1.1 Increase higher education enrollment capacity for degrees in high demand by established and growing industries. This strategy focuses on raising awareness and support for a more sustainable and accountable higher education system. In particular, there is a need to increase science, technology, engineering and math (STEM) degree capacity at the state's higher education institutions to meet the current and future needs of employers both within the region and globally.
 - ➤ All clusters are affected by this strategy, especially aerospace, clean tech, IT and life sciences and global health.
- 1.2 Support regional initiatives that advance career development and planning, such as those called out in the Harvard Graduate School of Education's Pathways to Prosperity Report, to ensure that all students are on a pathway towards career-readiness through post-secondary education (defined as all types of education and training past high school). In a competitive economy, young people need a strong foundation built at the K-12 level that leads them on a path towards fulfilling careers in family-wage jobs. This strategy aims to support and strengthen existing efforts to improve our K-12 system so that all students will leave high school prepared for success in further education and work.
 - ► All clusters are affected by this strategy.
- **1.3 Engage and collaborate with industries to identify and develop opportunities and better alignment between education and workforce training programs and the skills needed for high demand occupations.** High demand occupations, almost by definition, require up-to-the-minute skills. This strategy targets increased collaboration between industries and education and workforce training programs, such as through the development of new K-12 STEM courses and curricula, and identifying specific vocational and technical training and apprenticeship programs that meet the needs of high demand fields. With an aging workforce in industries such as aerospace and maritime, the specific challenge is attracting and training the next generation of workers.

- ➤ All clusters are affected by this strategy, especially aerospace, IT, life sciences and global health, maritime, and transportation and logistics.
- **1.4** Promote the central Puget Sound region as an attractive place for workers in high demand occupations to live and work. Although the region has been fairly fortunate in attracting top talent, competition for skilled workers is becoming increasingly intense. Unlike many competing regions, the Puget Sound region lacks a true concerted effort to market and promote the region. The inclusion of this strategy is recognition of the fact that the region cannot take things for granted and assume the region will continue to "sell itself."
 - The clusters affected by this strategy include aerospace, IT, and life sciences and global health.
- **1.5** Improve the ability to retain existing talent studying in the region's educational institutions, serving at military installations, or visiting the region. This strategy addresses retention of talent already in the region, such as retired military personnel, foreign students studying and graduating from universities, and foreign nationals working in businesses. In terms of the military, the Prosperity Partnership will continue its efforts to improve the transferability of skills learned in the military into jobs in the region.
 - ➤ All clusters are affected by this strategy, especially IT, aerospace, life sciences and global health, and military.
- **1.6** Analyze economic impact of education as an industry cluster. Education is clearly a key economic driver of future prosperity and a top priority of this strategy. The Prosperity Partnership believes it would be valuable to explore the potential of establishing education as an industry cluster. This would enable the region to assess how this cluster stacks up against education clusters throughout the country and the world, and provide the platform to grow educational institutions in this region.

FOUNDATION #2. Business Climate

GOAL

Foster a regional business climate that supports new high quality investment and job creation.

There are a number of studies and rankings that, depending on the methodology and indicators used, will give a wide-ranging assessment of how competitive Puget Sound and Washington state are for retaining and attracting business. Most agree that the region's business climate needs to be supportive of business growth and expansion, conducive to start-ups, and in touch with environmental regulation.

A principal goal of the Regional Economic Strategy is to ensure that central Puget Sound remains competitive for new high quality investment and job creation. This requires a business climate that allows existing businesses to operate in a less constrained and more fluid manner, while at the same time preserving the region's development standards and social values.

- **2.1 Explore and educate about tools to support new economic development projects that attract and grow new business and investment.** Compared to competing regions in other states, the Puget Sound region is challenged by a lack of economic development tools. Continuing to explore new tools will put the region in a much better position to continue to grow new business and investment.
 - ► All clusters are affected by this strategy.
- **2.2 Continue to support and strengthen the mission of military bases in the region.** The military cluster in the region represents a significant asset that can be harnessed for mutual benefit of active duty military, civilians employed at the bases, and military contractors in the region. Actions that involve establishing a state level military office to serve as a liaison between the state and the military, increasing the number of local companies obtaining federal contracts, and ensuring encroachment and Base Realignment and Closure are addressed are part of this strategy.

- ► All clusters are affected by this strategy, especially aerospace and military.
- **2.3** Market and brand the region as an industry leader in aerospace and IT, and an emerging leader in clean tech, life sciences, and global health. A coordinated and regional approach to marketing key industries is an essential piece of economic strategy. Just as we cannot assume the region sells itself to talented workers from outside the region, we also cannot assume businesses and investors understand the region's strengths as well as we do locally. Marketing and branding activities coordinated by the industries themselves, through state trade associations and industry alliances such as the Washington Technology Industry Association (WTIA), Washington Global Health Alliance (WGHA) and Washington Aerospace Partnership (WAP), among others, are the most effective vehicles through which to communicate the region's strengths to both domestic and global markets around the world.
 - The clusters affected by this strategy include aerospace, clean tech, IT, and life sciences and global health.
- **2.4 Leverage international connections around the globe to learn best practices that can be adapted to the Puget Sound region.** The Puget Sound's strong relationships with other metropolitan regions around the world are assets that can and should be leveraged. The ability to both share and learn best practices from our counterparts around the world improves our competitiveness and allows the region to serve as a model for other innovative regions.
 - \blacktriangleright All clusters are affected by this strategy.
- **2.5** Position the Puget Sound region as a premiere international logistics hub, business gateway and tourist destination. The Puget Sound region must be strategic in leveraging its position as a logistics hub and international gateway to the West Coast, for both businesses and tourists. This includes working collaboratively with regional ports to implement their strategic plans, developing and implementing an international competitiveness strategy, and addressing the Harbor Maintenance Tax, which creates an unintended incentive for international importers to divert cargo to non-U.S. ports. This strategy also includes working with regional Destination Marketing Organizations, as well as the Washington Tourism Alliance, to leverage tourism marketing strategies and tourism initiatives; recruiting business and talent; and streamlining barriers to international travel.
 - All clusters are affected by this strategy, especially aerospace, business services, maritime, tourism and visitors, and transportation and logistics.
- 2.6 Expand and improve the programs and tools that help more firms export internationally, with a special emphasis on small, minority-owned, women-owned and other underrepresented businesses. Companies that export grow faster and are more resilient to economic fluctuations than those that do not. This strategy is focused on encouraging more businesses to export their products and services by promoting the global opportunities and financial incentives of exporting.
 - All clusters are affected by this strategy, especially aerospace, business services, clean tech, IT, life sciences and global health, and maritime.
- **2.7** Improve coordination of government services and regulations relating to business and economic development. Government services and regulations relating to business and economic development must be more coordinated and streamlined across the region.
 - ► All clusters are affected by this strategy.
- **2.8** Support programs and tools that help small business and women-and minority-owned businesses thrive. To ensure a healthy economy and to be able to compete for the jobs and economy of the future, it is important to ensure access to opportunities and prosperity for all the region's citizens.
 - ➤ All clusters are affected by this strategy.

FOUNDATION #3. Entrepreneurship & Innovation

GOAL

Harness the entrepreneurship and technology innovation assets in the region.

No aspect of economic growth is more closely aligned with Puget Sound than entrepreneurship and innovation. From software and intellectual property, to e-commerce and retail, from aviation to cellular communications, the region is a hotbed of creative business models. Companies like Microsoft, Amazon, and Starbucks — unknown a generation or two ago — have quickly become American icons of business. Not only does each company represent the journey of a well-known American entrepreneur, each has also nurtured talent and borne numerous spinoffs.

Nonetheless, this success cannot be taken for granted. Some indicators and reports suggest central Puget Sound trails other peer regions in supporting new innovations and transferring them to the marketplace. For example, the region's businesses are not attracting a comparable share of Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) awards. More could also be done in the region to promote and encourage the commercialization of academic research and development.

The strategies that will help meet this goal are not about picking which technology will suddenly emerge to dominate markets. This point, made emphatically at the outset, underscores the importance of the fundamentals over "picking winners." No one predicted the explosive growth of application software during the last regional strategy, and no one can say with certainty what the next wave will encompass. What we do know is that support for the start-up and expansion of businesses and increased R&D are essential to the development of future successes.

- **3.1 Improve SBIR/STTR, Defense Advanced Research Projects Agency (DARPA), and Advanced Research Projects Agency (ARPA) support programs and services for companies in the region.** Educating potential applicants about federal funding opportunities and offering assistance with applications will support the long-term health of the regional economy. By working with regional labs, universities and R&D facilities and improving program results, the region's entrepreneurs and innovative companies will be well served.
 - The clusters affected by this strategy include IT, and life sciences and global health.
- **3.2** Increase industry-specific technical support for entrepreneurs and start-up businesses in the region. The creation and expansion of businesses is at the heart of future economic success for a region, but those activities need resources in order to happen. As it stands now, there is not a common understanding of all the resources available to entrepreneurs and start-up companies across the region. By identifying and cataloguing all the programs, initiatives, and projects relevant to innovation in the region, existing assets can be more efficiently utilized, and gaps in services can be filled without creating redundancies.
 - ➤ All clusters are affected by this strategy, especially clean tech, IT, and life sciences and global health.
- **3.3 Expand capacity of existing commercialization efforts and increase the connection between these assets and industry businesses.** The region could do a better job converting the research that is done here into commercial products and services. A strategy to build on the commercialization efforts like those at the University of Washington's Center for Commercialization (C4C) and Washington State University can help improve the economic benefits of this work. Also, the Building Energy-Efficiency Testing and Integration Center (BETI) and Demonstration Network is a good example of the region leveraging its existing assets to develop new markets.
 - The clusters affected by this strategy include aerospace, clean tech, IT, and life sciences and global health.

- **3.4** Support continuation of procurement policies that focus on desired objectives and do not mandate the use of particular technologies. Innovative and creative technologies are often developed for local, state and regional governments to address specific needs. Currently the state has no procurement restrictions or mandates that would prohibit agencies from seeking the most cost effective and efficient technology for the intended purpose. This is the best way to provide value and transparency, promoting innovation and vigorous competition among the broadest range of suppliers.
 - ► The IT cluster is affected by this strategy.
- **3.5** Analyze economic impact of innovative retail as an industry cluster. Puget Sound's innovative retailers such as REI, Nordstrom, Starbucks, Amazon and Coinstar, to name just a few have made a name for themselves internationally. The Prosperity Partnership believes it would be valuable to explore the potential of establishing innovative retail as an industry cluster.
 - Clusters affected by this strategy include IT and business services.

FOUNDATION #4. Infrastructure

GOAL

Advance the region's infrastructure to meet the demands of a globally connected modern economy.

Efficient transit, roadways and ferries and sufficient public and private broadband capacity cannot be taken for granted. Even when these are adequate, the region needs to anticipate future growth and future business needs. More than most regional planning organizations, the PSRC has moved aggressively to address transportation issues. The agency has developed a forward-looking Transportation 2040 plan, its efforts to link land use to economic development and multimodal transportation — along with an emphasis on affordable access to jobs and have put it at the forefront of the nation.

Transportation 2040 contains integrated strategies that address two of the region's most critical infrastructure challenges related to economic development: aging transportation infrastructure and congestion. Much of the region's transportation infrastructure was built many decades ago. Preserving, maintaining, and operating this infrastructure is projected to cost more than \$110 billion over the next 30 years. Congestion is another major problem affecting the mobility of both people and goods. In 2010, for example, the cost of congestion to the region's trucking industry was estimated to be \$467 million. Another infrastructure challenge that threatens the region's manufacturing and logistics base is encroachment on the region's industrial lands.

The combined effects of aging infrastructure and congestion pose a substantial threat to the economic vitality of the region. If the movement of people and goods is limited due to crowded roads or inadequate infrastructure, then businesses and residents will look elsewhere to invest and work.

- **4.1** Maintain and improve the region's physical infrastructure to support the needs of established and emerging industry clusters. To be successful, it is important for a region to continually make investments in infrastructure that meet the overall demands on the transportation system. From an economic development standpoint, thought must be given to ensure that infrastructure investments align with specific regional industry assets and job centers.
 - \rightarrow All clusters are affected by this strategy.
- **4.2 Improve methods for including economic development criteria into regional infrastructure evaluation programs.** The region's Transportation 2040 plan includes a commitment to better prioritize transportation project investments. Work is underway to develop methods for project prioritization to best meet the objectives and policies outlined in VISION 2040, the regional growth strategy. The proposed evaluation measures will include economic development considerations, including improving travel time, freight mobility and access to areas of high job concentration and economic foundations.
 - ► All clusters are affected by this strategy.

- **4.3** Improve the jobs-housing balance in the region to minimize the effects of projected growth on the transportation system. Supporting regional centers with an efficient transportation system will provide lasting benefits to the economy of the central Puget Sound region. Dollars spent are more effective if they create a jobs-housing balance that minimizes strain on the system. The region should continue its work to support investments that meet these goals.
 - \blacktriangleright All clusters are affected by this strategy.
- **4.4 Explore funding strategies for freight mobility projects.** In order to maintain regional competitiveness, long-term strategies for infrastructure investments related to freight mobility need to be pursued to support the substantial costs of preserving and maintaining the current system. The region should engage industry representatives to help identify key projects that affect the efficient movement of freight.
 - All clusters are affected by this strategy, especially transportation and logistics.
- **4.5** Support the development of information technology infrastructure to meet the continuously growing needs of consumers and businesses. Demands on information technology infrastructure by businesses, large institutions and consumers are increasing. Investments and upgrades are needed to meet the needs of future business, including the connection of major institutions such as schools, libraries and healthcare facilities.
 - ► All clusters are affected by this strategy, especially IT.
- **4.6** Preserve and protect industrial and military lands from encroachment and incompatible uses in order to support the economy's industrial base. A challenge to the region's manufacturing and logistics base is encroachment on the region's industrial and military lands. Updating PSRC's Industrial Lands Inventory and developing a regionwide strategy to preserve those lands will help ensure that future industrial land needs can be met.
 - >> The clusters affected by this strategy include aerospace, maritime, military and transportation and logistics.

Listening to Stakeholders

Through stakeholder engagement, certain transportation investments were regularly identified as having potential for economic development, particularly related to freight mobility. Some examples of these regional investments in Transportation 2040 include:

- SR 509 Providing an alternative to crowded I-5 for freight accessing the Duwamish Industrial area, and improving connections to Sea-Tac Airport from the south.
- SR 167 (Valley Freeway)/I-405 Improving connections between the Port of Tacoma employment and warehousing sites in the Green River Valley, Eastside employment centers and Snohomish County.
- U.S. 2 Improvements are needed to ensure safety, congestion relief and the quick and efficient movement of goods on this ever-growing east/west commuter and freight route.
- SR 16/SR 3 (Gorst Improvements) Improving the intersection of SR 3 and SR 16, and relieving congestion through SR 3 in the Gorst Area. These projects will improve traffic flow along the primary commercial, freight, military and recreational travel route within and through Kitsap County.
- SR 704 (Cross-Base Highway) Connecting I-5 to Frederickson Industrial area.

A multimodal approach to regional transportation investments as detailed in Transportation 2040 will enhance regional economic development opportunities through the movement of both people and goods.

FOUNDATION #5. Quality of Life

GOAL

Ensure a healthy and beautiful environment, vibrant and thriving communities and a high quality of life for all the region's residents.

The prosperity of the Puget Sound depends on providing a high quality of life for the region's businesses, workforce and families. Residents need access to skills and opportunities to participate fully in the economy and share in its prosperity. And the well-educated, highly talented employees from around the world that businesses need in order to be competitive will live here only if the region is an attractive, humane and creative place to live, work and raise a family.

This is not just a focus of the Regional Economic Strategy; it is a reflection of the values of the region's residents. A key question of VISION 2040 is, "How can the region accommodate the anticipated growth that will bring it to 5 million people and 3 million jobs by 2040 while enhancing the environment and our overall quality of life?" The focus of this strategy is not to address all factors that affect quality of life, but to address some of the items that have an economic effect on the region.

- **5.1** Protect the region's natural environment and cultural amenities as key economic assets. The Pacific Northwest is known for its natural beauty. This has a profound economic effect on both our tourism industry and the choices that people make to live here. This strategy includes supporting and participating in the work of the Regional Open Space Strategy project, a UW-led collaborative effort. It also includes supporting local jurisdictions in implementing transfer and purchase of development right programs to ensure continued preservation of important habitat, farm and forest lands.
 - ► All clusters are affected by this strategy.
- **5.2** Support the development of affordable, vibrant, healthy, and safe communities for all residents. The region's high quality of life is demonstrated in our communities. This strategy supports and is consistent with existing regional and local planning programs such as PSRC's Growing Transit Communities Partnership, updating PSRC's Regional Centers report, and encouraging regionally designated centers to develop or update their subarea plans. It also addresses ways to ensure local small and minority-owned businesses are supported within the region's diversity of communities.
 - ➤ All clusters are affected by this strategy, especially business services, IT, life sciences and global health, philanthropies, and tourism and visitors.
- **5.3** Promote scientific, cultural and philanthropic organizations as a strategic economic advantage for the region. Another key indicator of the region's high quality of life is the wide variety of arts and cultural organizations throughout the region, where the region repeatedly ranks in the top five nationally. This also has a profound economic effect on both the tourism industry and the choices that people make to live here. One initiative of this strategy is supporting legislation that would authorize regions throughout Washington to establish Cultural Access Funds to increase access to the state's scientific and cultural institutions for all state residents.
 - ► All clusters are affected by this strategy, especially tourism and visitors.

Implementation

5–Year Implementation Plan

The Regional Economic Strategy is a five-year strategy with annual updates. The five-year implementation matrix presented here represents our best estimates as to the more specific action initiatives the Prosperity Partnership will take to implement the strategies for each of the five foundational goals. The timeframe of individual action initiatives may be extended into later years due to funding and resource considerations. More specific detail on the action initiatives for the first year of implementation are in the next section.

REGIONAL ECONOMIC STRATEGY 5-YEAR IMPLEMENTATION MATRIX

FOUNDATION #1. Education & Workforce Development

GOAL

Ensure residents have access to family wage jobs, and employers have access to world-class talent.

		TIMEFRAME	
Goals, Strategies, & Action Initiatives	Year 1	Years 2–3	Years 4–5
Strategy 1.1: Increase higher education enrollment capacity for degrees in growing industries.	high de	mand by estab	lished and
ACTION: Raise awareness and support for a more sustainable and accountable higher education system.	•	•	•
ACTION: Increase high-demand degree capacity (including certain STEM degrees) at the state's two–and four–year post–secondary institutions.	•	•	•
Strategy 1.2: Support regional initiatives that advance career developmen called out in the Harvard Graduate School of Education's Pathways to Prosall students are on a pathway towards career-readiness through post-second types of education and training past high school).	sperity R	eport, to ensu	re that
ACTION: Support initiatives such as High Skills High Wages, Excellent Schools Now, Eastside Pathways, the Community Center for Education Results and other similar programs to strengthen the K-12 education system.	•	•	•
ACTION: Implement state and local high school graduation requirements that are aligned to college entrance requirements and provide a firm foundation in math and science competency.	•		•
Strategy 1.3: Engage and collaborate with industries to identify and devel alignment between education and workforce training programs and the s occupations.			
ACTION: Facilitate partnerships between regional companies, apprenticeship pro- grams, internship programs, workforce training programs, community and technical colleges and four-year institutions to support courses and curricula that meet the needs of industries for employees in high-demand fields.			•
ACTION: Identify skills needed for high-demand, non-STEM occupations in the maritime, aerospace, tourism and visitors, and transportation and logistics clusters.	•		
ACTION: Collaborate with industries facing an aging workforce, to work towards understanding and addressing the challenges of attracting and training the next generation of workers and ensuring the skills of current workers are up to date.		•	

REGIONAL ECONOMIC STRATEGY 5-YEAR IMPLEMENTATION MATRIX					
		TIMEFRAME			
Goals, Strategies, & Action Initiatives	Year 1	Years 2–3	Years 4–5		
Strategy 1.4: Promote the central Puget Sound region as an attractive place occupations to live and work.	e for wor	kers in high c	lemand		
ACTION: Develop and implement a regional talent recruitment strategy.		•			
ACTION: Include community and technical colleges and four-year education institutions in business recruitment and marketing materials and activities.		•			
Strategy 1.5: Improve the ability to retain existing talent studying in the region's educational institutions, serving at military installations, or visiting the region.					
ACTION: Investigate improving transferability of training and skills in the military to Washington higher education institutions and civilian employer needs.	•				
ACTION: Work on ways to address the high unemployment of veterans, including better connecting military bases and regional companies, creating a database of existing programs targeting employment for veterans, and seeking to connect civilian employers to resources regarding veterans in the workplace.		•			
Strategy 1.6: Analyze economic impact of education as an industry cluster.					
ACTION: Convene a working group of education, industry, labor and community members to study and then make a recommendation to the EDD Board on whether to add education as a targeted industry cluster for the region.		•			

FOUNDATION #2. Business Climate

Goal

Foster a regional business climate that supports new high-quality investment and job creation.

Strategy 2.1: Explore and educate about tools to support new economic d and grow new business and investment.	evelopment projects that attract
ACTION: Explore the formation of a new private sector regional incentive "closing fund."	•
ACTION: Convene a working group to explore, reach consensus, and develop action plans to pursue tools to support new economic development projects that attract and grow new business and investment.	•
Strategy 2.2: Continue to support and strengthen the mission of military l	bases in the region.
ACTION: Advocate for establishing a state level military office to serve as a liaison between the state and the military.	•
ACTION: Improve coordination of technical assistance to companies vying for and obtaining federal contracts.	•
астюм: Work with regional partners to ensure Washington is prepared for any upcoming Base Realignment and Closure (BRAC) rounds.	•
Strategy 2.3: Market and brand the region as an industry leader in aerosp leader in clean tech, life sciences, and global health.	ace and IT, and an emerging
астюл: Establish a regional aerospace marketing/branding consortium.	•
астюя: Improve and expand regional IT marketing/branding activities.	•
астіон: Implement the Washington Global Health Alliance work plan to establish the region as a center for global health innovation.	•

EGIONAL ECONOMIC STRATEGY 5-YEAR IMPLEMENTATION MATRIX				
oals, Strategies, & Action Initiatives	Year 1	timeframe Years 2–3	Years 4-	
trategy 2.4: Leverage international connections around the globe to lead dapted to the Puget Sound region.	rn best p	practices that ca	n be	
ACTION: Work with member regions to evaluate the International Regions Bench marking Consortium program and plan for long-term sustainability.	- •			
trategy 2.5: Position the Puget Sound region as a premiere international nd tourist destination.	logistic	s hub, business	gateway	
ACTION: Convene ports to identify key common infrastructure, funding and legislation to increase regional competitiveness and develop joint initiatives.	•			
ACTION: Convene a group of international trade stakeholders to review the upcoming Trade Development Alliance and Washington Council on International Trade's international competitiveness strategy to identify elements of regional economic significance to support.				
ACTION: Leverage the marketing strategies of regional convention and visitors' bureaus and the Washington Tourism Alliance for recruiting businesses and talent to the region.		•	•	
ACTION: Market Sea-Tac Airport as an international hub for business and travel, while supporting the Washington State Long-term Air Transportation Study.	•	•	•	
Aстіоn: Share information on the potential effects of reforming the Harbor Maintenance Tax to ensure Puget Sound competitiveness.	•			
ACTION: Discuss possible Economic Development District support for Washington Tourism Alliance legislative agenda.	n •			
trategy 2.6: Expand and improve the programs and tools that help more special emphasis on small, minority-owned, women-owned and other u				
ACTION: Convene maritime industries to ensure regional shipyards capture new shipbuilding and modification work of large catcher/processors and trawlers, in order to expand and modernize.	•			
ACTION: Conduct periodic seminars to companies in key industry clusters with test mony from companies that have been successful at and profited from exporting.	i-	•		
ACTION: Develop a mentor-protégé program where successful exporters work with small/medium-sized companies desiring to get into the export game.		٠		
ACTION: Leverage partnerships with SBA Region 10 and the Small Business Development Centers in the four-county region.		•		
ACTION: Identify and adapt best practices in export promotion from peer region: domestically and internationally.	5	٠		
trategy 2.7: Improve coordination of government services and regulation conomic development.	ns relatir	ng to business a	ind	
ACTION: Develop a best practices database of local regulations and permitting in the region.			•	
ACTION: Investigate streamlining opportunities for state SEPA and storm water regulations for upgrades, enhancements, or other intensifications of existing manufacturing facilities.			•	
ACTION: Support the renewal/continuation of tax credits for organizations involved in research and development.	٠	٠		

REGIONAL ECONOMIC STRATEGY 5-YEAR IMPLEMENTA	ATION I	MATRIX	
	Vere 1	TIMEFRAME	
Goals, Strategies, & Action Initiatives	Year 1	Years 2–3	Years 4–
Strategy 2.8: Support programs and tools that help small business and wo nesses thrive.	men–and	minority own	ned busi-
ACTION: Convene small business and women- and minority-owned business organizations to develop an action plan to support programs that will help these businesses thrive.	•		
FOUNDATION #3. Entrepreneurship & Innovation GOAL Harness the entrepreneurship and technology innovation assets in the	region.		
Strategy 3.1: Improve SBIR/STTR, Defense Advanced Research Projects Age Research Projects Agency (ARPA) support programs and services for comp			anced
ACTION: Explore the feasibility of forming an SBIR/STTR assistance center after reviewing best practices in other regions.		•	
Strategy 3.2: Increase industry-specific technical support for entreprene the region.	urs and s	tart-up busin	esses in
ACTION: Create a consumer-driven online entrepreneurship resource map and best practices database to consolidate, package, and market resources for entrepreneurs		•	
ACTION: Develop a marketing and public awareness campaign to heighten aware -ness of the benefits and opportunities connected with start-ups.		•	
ACTION: Leverage existing programs that help companies grow and succeed, by providing access to business development tools, marketing resources, and networking opportunities.		•	
Strategy 3.3: Expand capacity of existing commercialization efforts and in these assets and industry businesses.	crease the	e connection k	oetween
ACTION: Improve collaboration between businesses and the University of Washington, Washington State University and Innovate Washington Foundation to increase commercialization of university research.		•	
астюм: Execute the development of a Building Energy-Efficiency Testing and Integration (BETI) Center and Demonstration Network	•	•	•
Strategy 3.4: Support continuation of procurement policies that focus on a mandate the use of particular technologies.	desired ob	jectives and o	lo not
ACTION: Monitor relevant state and local policy discussions regarding technology procurement policies; as necessary, educate policy makers on this issue.	•	•	٠
Strategy 3.5: Analyze economic impact of innovative retail as an industry (ductor		

Strategy 3.5: Analyze economic impact of innovative retail as an industry cluster. Aстюм: The Prosperity Partnership believes it would be valuable to explore the potential of establishing innovative retail as an industry cluster. Convene a working group to study and then make a recommendation to the EDD Board on whether to add innovative retail as a targeted industry cluster for the region.

REGIONAL ECONOMIC STRATEGY 5-YEAR IMPLEMENTATION MATRIX

	TIMEFRAME		
GOALS, STRATEGIES, & ACTION INITIATIVES	Year 1	Years 2–3	Years 4–5

FOUNDATION #4. Infrastructure

GOAL

Advance the region's infrastructure to meet the demands of a globally connected modern economy.

Strategy 4.1: Maintain and improve the region's physical infrastructure to and emerging industry clusters.	support the needs of established
ACTION: Encourage and support the implementation of Transportation 2040.	• • •
ACTION: Educate leaders on the importance of a national freight strategy that meets the strategic interests of the Puget Sound region.	• •
Strategy 4.2: Improve methods for including economic development criter evaluation programs.	ia into regional infrastructure
астіон: Continue to work with regional stakeholders to refine and prioritize scoring measures as part of Transportation 2040.	•
ACTION: Research criteria and tools for evaluating and describing economic development projects under consideration for public support.	•
Strategy 4.3: Improve the jobs-housing balance in the region to minimize	the effects of projected growth.
ACTION: Support the work of the Growing Transit Communities Partnership to develop best practices that align regional transportation and land use investments and ensure governments regionwide have access to this information.	•
Strategy 4.4: Explore funding strategies for freight mobility projects.	
ACTION: Convene ports, related industries and local, regional and state governments to identify aging port infrastructure regionwide and identify funding strategies.	•
астюм: Work with partners on long—term funding for strategic freight mobility projects that ensure the efficient flow of goods from the region's ports and airpor	• ts.
ACTION: Convene a group of ports, related industries and relevant local, regional and state governments to develop an action plan to implement ESHB 1959, 2009 state legislation which identifies the ports of Seattle, Tacoma and Everett (along with Vancouver) as facilities of statewide significance that should have compatible land use zoning with its respective cities.	•
ACTION: Continue support for efforts to secure state and federal financial assistance toward the completion of strategic regional freight projects, such as SR 509, SR 167 (Valley Freeway)/I-405, U.S. 2, SR 16/SR 3 (Gorst Improvements) and SR 704 (Cross-Base Highway).	•
Strategy 4.5: Support the development of information technology infrastr growing needs of consumers and businesses.	ucture to meet the continuously
ACTION: Promote a regulatory climate that ensures continued investment and upgrades of IT infrastructure, with particular focus on connecting anchor institutions such as schools, libraries and healthcare facilities.	•
Strategy 4.6: Preserve and protect industrial and military lands from encro in order to support the economy's industrial base.	achment and incompatible uses
ACTION: Update PSRC's Industrial Lands Inventory.	•
ACTION: Develop a regionwide strategy for industrial lands.	•

	TIMEFRAME		
Goals, Strategies, & Action Initiatives	Year 1	Years 2–3	Years 4–5

FOUNDATION #5. Quality of Life

GOAL

Ensure a healthy and beautiful environment, vibrant and thriving communities and a high quality of life for all the region's residents.

Strategy 5.1: Protect the region's natural environment and cultural amenit	ies as key economic assets.
ACTION: Support and participate in the work of the Regional Open Space Strategy project, a UW-led collaborative effort.	• •
ΑCTION: Support local jurisdictions in implementing transfer and purchase of development rights programs to ensure continued preservation of important habitat, farm and forest lands.	
Strategy 5.2: Support the development of affordable, vibrant, healt all residents.	hy, and safe communities for
ACTION: Support the work of PSRC's Growing Transit Communities Partnership, which supports multijurisdictional planning to ensure jobs and opportunities are closer to where current and future residents live.	• • •
астюм: Update PSRC's Regional Centers Report to develop a framework for sub-regional centers.	•
ACTION: Encourage local jurisdictions with regionally designated centers to develop or update their subarea plans.	•
Strategy 5.3: Promote scientific, cultural and philanthropic organizations a for the region.	as a strategic economic advantage
ΑCTION: Support legislation that would authorize regions throughout Washington to establish Cultural Access Funds to increase access to the state's scientific and cultural institutions for all state residents.	•

First-Year Action Plan

The first-year action plan for implementation of the Regional Economic Strategy is presented here. This matrix identifies the foundational area each action initiative is addressing, the lead and partner organizations that will be spearheading each initiative, and the industry clusters that will be most affected. The items in the first-year action plan may be extended into later years due to funding and resource considerations.

Year On	e Action Plan Matrix	
STRATEGY #	ACTION INITIATIVE	LEAD & PARTNER ORGANIZATIONS
S1.1	Raise awareness and support for a more sustainable and account- able higher education system.	
	The decline in state funding for higher education in Washington state poses a serious threat to the economic competitiveness of the state and region. Washington currently trails many other competing states in the production of bachelor's degrees. The Higher Education Coordinating Board set a 2018 goal of increasing the number of bachelor's degrees awarded annually in the state by 6,000. In 2011, the state Legislature passed a new performance and accountability framework that is currently being implemented. The Prosperity Partnership and the region's business community will work to support expanding the state's investment in higher education.	Prosperity Partnership
S1.1	Increase high-demand degree capacity (including certain STEM degrees) at the state's two and four-year post-secondary institutions.	
	Many of central Puget Sound's high growth industries are requiring workers with more advanced education and skills, especially in the fields of science, technology, engineering, and math (STEM). The Prosperity Partnership will work to support increased high-demand degree production in the state by 2018. <i>All clusters are affected by this action initiative, especially Aerospace, Clean Tech, IT,</i> <i>Life Sciences and Global Health.</i>	Prosperity Partnership
S1.2	Support initiatives such as High Skills High Wages, Excellent Schools Now, Eastside Pathways, the Community Center for Education Results and other similar programs to strengthen the K-12 education system.	
	Organizations such as the Excellent Schools Now coalition, Eastside Pathways, the Community Center for Education Results and others aim to achieve mean- ingful education reform that increases student achievement, closes the achieve- ment gap and prepares students to be college and career-ready. The Prosperity Partnership approves and supports their endeavors and will collaborate with business, labor, workforce development boards and schools to ensure all high school students have access to multiple pathways to career success by imple- menting the goals of the High Skills, High Wages 2008-2018 initiative. <i>All clusters are affected by this action initiative</i> .	Partnership for Learning
S1.2	Implement state and local high school graduation requirements that are aligned to college entrance requirements and provide a firm foundation in math and science competency.	Partnership for Learning
	All clusters are affected by this action initiative. Partnership for Learning	

Year On	Year One Action Plan Matrix					
STRATEGY #	ACTION INITIATIVE	LEAD & PARTNER ORGANIZATIONS				
S1.3	Identify skills needed for high-demand, non-STEM occupations in the maritime, aerospace, tourism and visitors, and transportation and logistics clusters.					
	Many of the region's key industry clusters are facing a shortage of workers with skills ranging from welding to pipefitting. Prosperity Partnership will convene a working group consisting of ports, industry, vocational and technical institutions, workforce development councils and others to specifically identify these needs and develop an action plan to ensure these needs are met.	Prosperity Partnership, Ports, vocational and techni- cal institutions, workforce development councils, indus- try associations, apprentice- ship programs				
	Aerospace, Maritime, Transportation and Logistics, and Tourism and Visitors clusters are affected by this action initiative.					
S1.5	Investigate improving transferability of training and skills in the military to Washington higher education institutions and civilian employer needs.					
	Veterans are facing high levels of unemployment while our region's em- ployers are seeking a skilled and trained workforce. Improving the transfer and acceptance of skills and certifications earned in the military and align- ing them with the needs of civilian employers can help improve the employment outlook for veterans while also addressing perceived skills gaps in our region.	Washington Defense Partnership, Prosperity Partnership				
	Military cluster is affected by this action initiative.					
S2.1	Convene a working group to explore, reach consensus, and develop action plans to pursue tools to support new economic development projects that attract and grow new business and investment.	Prosperity Partnership , EDD Board, labor, municipalities, relevant industries, Association				
	Compared to competing regions in other states, the Puget Sound region is challenged by a lack of economic development tools.	of Washington Cities (AWC), Washington State Association of Counties (WSAC), economic development organizations, Growing Transit Communities Partnership – Affordable Hous-				
	All clusters are affected by this action initiative.	ing Steering Committee				
S2.2	Advocate for establishing a state level military office to serve as a liaison between the state and the military.					
	Most states with an equally high military presence have an office at the state-level to serve as a liaison between the military and state government. This office would be able to serve as a voice for the military in the state government and as a point of contact for the military when they have for the state. This office could also better prepare the state for future BRAC rounds.	Washington Defense Partnership, Prosperity Partnership				

/ear One Action Plan Matrix			
RATEGY #	ACTION INITIATIVE	LEAD & PARTNER ORGANIZATIONS	
S2.2	Improve coordination of technical assistance to companies vying for and obtaining federal contracts.		
	In an effort to increase defense contracting activity by companies in Puget Sound, the Prosperity Partnership's Military Cluster Strategy identified several strategies for coordinating technical assistance by support organiza- tions in the region. The regional Procurement Technical Assistance Centers (PTACs) and the Pacific Northwest Defense Coalition (PNDC) should part- ner together to help more local companies find and secure defense contracting opportunities.	Pacific Northwest Defense Coalition (PNDC) & Procure ment Technical Assistance Centers (PTACs), Prosperity Partnership	
	All clusters are affected by this action initiative, especially Aerospace and Military.		
S2.2	Work with regional partners to ensure Washington is prepared for any upcoming Base Realignment and Closure (BRAC) rounds.	Washington Defense Partnership	
	All clusters are affected by this action initiative.		
S2.4	Work with member regions to evaluate the International Regions Benchmarking Consortium program and plan for long-term sustainability.	Trade Development Alliance, Prosperity Partnership	
	All clusters are affected by this action initiative.		
S2.5	Convene ports to identify key common infrastructure, funding and legislation to increase regional competitiveness and develop joint initiatives.	Prosperity Partnership, Ports, related industries, Trade De velopment Alliance, Washington Council on International Trade	
	Maritime and Transportation and Logistics clusters are affected by this action initiative.		
S2.5	Discuss possible Economic Development District support for Wash- ington Tourism Alliance legislative agenda.	EDD Board, Washington Tour- ism Alliance, related industries	
	Tourism and Visitors cluster is affected by this action initiative.		
S2.5	Market Sea-Tac Airport as an international hub for business and travel, while supporting the Washington State Long-term Air Transportation Study.	Ports, Trade Development Alli- ance, Washington Tourism Allianc	
	Transportation and Logistics and Tourism and Visitors clusters are affected by this action initiative.		
S2.5	Share information on the potential effects of reforming the Harbor Maintenance Tax to ensure Puget Sound competitiveness.	Ports , Prosperity Partnership, Washington Council on Inter- national Trade	
	Maritime and Transportation and Logistics clusters are affected by this action initiative.		
S2.5	Convene group of international trade stakeholders to review the up- coming Trade Development Alliance and Washington Council on International Trade's international competitiveness strategy to	Prosperity Partnership, Trade Development Alliance, Washington Council on Interna-	
	identify elements of regional economic significance to support.	tional Trade, international trade	

	LEAD & PARTNER ORGANIZATIONS
egional shipyards capture of large catcher/processor dernize.	s
prohibition on rebuilding and any catcher/processor vessels vell positioned to capture new compete with lower-cost ship- ome regional shipyards will nee rnize. This could entail the use nfrastructure improvements ar ithin the region.	ed
are affected by this action initiative	3.
credits for organizations	
R&D) are important to the anies of all sizes to invest in ucts and expand markets.	Washington Technology Industry Association, Wash ington Biotechnology & Bio- medical Association (WBBA),
ected by this action initiative.	related industries
l minority-owned business to support programs that	Prosperity Partnership , Seattle Metropolitan Chamber of Commerce
nergy-Efficiency Testing on Network.	
gration (BETI) Center and De- ators in the energy efficiency s prior to launching them into tion with the other aspects of g the energy efficiency industry an atmosphere in which all customer base and market per wealth into the region.	National Laboratory, North- west Energy Efficiency Allia (NEEA), UW, WSU, State of
on initiative.	Washington
iscussions regarding techn- r, educate policy makers on	Washington Technology Industry Association (WTIA)
plogy for the intended purpose	
	Ild prohibit agencies from seek plogy for the intended purpose parency, promoting innovation

Year One Action Plan Matrix			
STRATEGY #	ACTION INITIATIVE	LEAD & PARTNER ORGANIZATIONS	
S4.1	Encourage and support the implementation of Transportation 2040.		
	Transportation 2040, adopted in 2010, is an action plan for transportation in the central Puget Sound region for the next 30 years. Transportation 2040 identifies multimodal investments to support our expected growth and im- prove transportation service provided to people (such as access to jobs and education) and businesses and lays out a financing plan.	PSRC	
	All clusters are affected by this action initiative.		
S4.2	Continue to work with regional stakeholders to refine and prioritize scoring measures as part of Transportation 2040.		
	Transportation 2040 includes a commitment to better prioritize transportation projects in the future. Work is underway to develop the ways projects in the plan will be prioritized to best meet the objectives of the region's growth strategy – VISION 2040.	PSRC	
	All clusters are affected by this action initiative.		
S4.3	Support the work of the Growing Transit Communities Partnership to develop best practices that align regional transportation and land use investments and ensure governments regionwide have access to this information.	PSRC , Growing Transit Com- munities Partnership	
	All clusters are affected by this action initiative.		
S4.4	Convene ports, related industries and local, regional and state gov- ernments to identify aging port infrastructure regionwide and iden- tify funding strategies.	Prosperity Partnership , Ports, local, regional and state government as appropriate,	
	Maritime and Transportation and Logistics clusters are affected by this action initiative.	related industries	
S5.1	Support and participate in the work of the Regional Open Space Strategy project, a UW-led collaborative effort.	University of WA, PSRC	
	All clusters are affected by this action initiative.		
S5.1	Support local jurisdictions in implementing transfer and purchase of development rights programs to ensure continued preservation of important habitat, farm and forest lands.	PSRC	
	All clusters are affected by this action initiative.		
S5.2	Support the work of PSRC's Growing Transit Communities Partner- ship, which supports multijurisdictional planning to ensure jobs and opportunities are closer to where current and future residents live.	PSRC , Growing Transit Com- munities Partnership	
	All clusters are affected by this action initiative.		
S5.3	Support legislation that would authorize regions throughout Washington to establish Cultural Access Funds to increase access to the state's scientific and cultural institutions for all state residents. All clusters are affected by this action initiative, especially Tourism and Visitors.	Education and Arts Access Fund (EAAF) , Prosperity Partnership	
	או משזנרים שר מדרכנובע אין עדום מכנוסד ודוונומנועל, פטרכומווין דטעווטודו מדוע עוטונטו.		