

A Regional and Sectoral Approach Creates a Strong Economy



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Building strong communities is our mission at the Department of Commerce. We work for living-wage jobs, reliable infrastructure, affordable housing and innovation for a clean, healthy future. These attributes give Washington its unique sense of place and quality of life, and provide the framework for national and global competitiveness.

For economic development, we take a sectoral and regional approach. Washington has a diversity of vibrant industry sectors: aerospace and advanced manufacturing, agriculture, clean tech, forest products, information technology, life sciences and maritime, and others. Commerce and our regional economic development partners, including Columbia River Economic Development Council, approach business recruitment, retention and expansion strategically, through the lens of key sectors that have the greatest potential to create and sustain good middle-class jobs.

Top economic rankings pile onto Washington year after year, yet prosperity and opportunity are not reaching all parts of our state. Many Washingtonians live in small towns, on farms and ranches and in rural areas from A to Z: from Asotin to Zillah, Cathlamet to Chewelah, Forks to Friday Harbor, Kahlotus to Kittitas, Lilliwaup to La Crosse, Methow to Mossyrock, Tonasket to Trout Lake, Wilbur to Wishram. We believe infrastructure can help close this prosperity and opportunity gap.

Building internet infrastructure in rural areas

Infrastructure discussions tend to focus on roads, bridges, utilities and seaports. All are essential, but so is broadband infrastructure, and especially in rural areas. Imagine your child can't use the internet to do homework. Or the nearest doctor is 40 miles away and there's no reliable option to consult via email or teleconference. Or a small business can't sell products or provide services online.

Bridging the digital divide is one of the most important



tools we have for widespread economic development. Last year, the Washington Broadband Expansion Act established a state broadband office at Commerce and funded millions in competitive grants and loans through the Public Works Board for communities without high-speed internet. We are now working to ensure equal digital access for education, business and healthcare to every corner of our state.

Forging cross-border collaboration

Another key to regional prosperity is cross-border collaboration—local, state and global—linking the full range of public and private resources to create and sustain industry ecosystems that strengthen communities and grow living wage jobs.

In addition to cooperation on major projects, such as the I-5 bridge agreement between Governors Inslee and Brown, we've deployed tools including the economic development strategic reserve fund and WorkStart grants here in southwest Washington. CREDC has used both effectively to bring opportunities here, including Vigor's new facility to serve its U.S. Navy contract, Banfield Pet Care headquarters and training center, AbSci Biotech, RealWear and Sagetech Avionics in White Salmon.

Washington competes for businesses and jobs not just with other states and cities, but also other countries and regions of the world. Staying globally competitive requires continued investment in international market development, especially at this time of high uncertainty and volatility in federal trade policy. We cannot afford to wait for others. We must forge ahead, building on our strong state relationships in Asia, Europe, Canada, Mexico and elsewhere.

Commerce leads trade missions and numerous international business delegations every year. We also

provide direct assistance to companies looking to grow through exporting. Since 2011, Commerce has helped over four dozen Clark County companies with over 140 projects that have yielded over \$59 million in sales from international trade.

Investing in clean energy

Weaving through all of our work across the state, nation and world today is clean energy, perhaps the greatest opportunity for long-term economic development and community resilience in a generation.

Investment in clean energy is not a trade-off between the environment and jobs. Technology innovation and leadership is—and always has been—great for our state's economy. Washington is positioned to play a leading role in the global clean energy transformation, starting with our own commitment to 100% clean electricity by 2045.

Recent trade missions to Spain, China and Japan couldn't have made the point clearer. China's ambitious multi-billion-dollar commitment to clean energy is staggering. Industries actively seeking cleaner sources of renewable energy represent a tremendous opportunity for Washington companies.

Since 2013, we have invested \$152 million in the Clean Energy Fund for innovative projects in grid modernization and energy storage; wind, solar and other renewable energy, and electrification of transportation including vehicles, vessels and aircraft.

The potential of clean energy technology spans industry sectors and geography. Forest biomass jobs can lift timber communities from the Olympic Peninsula to Okanogan, including a massive proposed project in this region to manufacture wood pellets from mill

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fundamental trust and deep communication between people. So far, 180 employees from across all departments have completed this self-discovery and leadership experience. This program is just one of the facilitating factors to help Vigor evolve into the future.

Infusing our core values into Vigor has made it possible to train and retain workers. People who are highly valued, and they feel they are valued, make commitment a high priority. Even though many industrial companies are facing a significant workforce shortage in the skilled trades, Vigor's culture has been the primary reason we do better than most in filling and retaining our employment needs.



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Our successful collaboration with the Washington State Department of Corrections, supported by the Vigor Values, has given us a high success rate in hiring people recently incarcerated and making space for them to succeed. As a second-chance employer, Vigor demonstrates the value of loving the world we live in. Second-chance employees have really embraced the opportunity to create a successful career and life for themselves.

LOVE

Love means we care for the people we work with and the world we live in.

Love comes in many forms at Vigor. The safety of the human being and the environment we all live in are great places to start talking about love. If you care about your workers and the environment, you make sure no toxic

chemicals spill anywhere. When that “love” switch was flipped, that’s when Vigor became even safer, and more environmentally conscious.

Here’s how the value of love can play out at work: If you’re not affirming enough, if you berate others and yourself, love can mean learning to recognize something great someone else has done. It also can mean recognizing that you’re pretty good, too.

Infusing these core values throughout Vigor’s people, culture and how we treat each other continues to reap rewards. Hiring by these values. Retaining workers by these values. Making change if leaders aren’t living the values. That’s how we built Vigor—and it’s how Vigor will continue to evolve in the future.

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byproducts and forest biomass. Wind and solar farms dot the central Washington landscape, while grid modernization advanced through partnerships with Pacific Northwest National Labs, Bonneville Power Administration and our public and investor-owned utilities increase clean power, building energy efficiency and community resilience.

The proposed Roosevelt Landfill gas recovery project will eventually turn methane emissions into renewable natural gas. Another proposal would redevelop an old industrial site in Goldendale to produce clean, renewable energy through pumped hydro storage technology.

Washington Maritime Blue is another statewide initiative and international partnership to develop a global hub here for the low-carbon “blue economy.” Working with Norway, which is developing a long-term

policy for a low-emission future, Washington’s strategy promotes solutions that mean living-wage jobs on sustainable working waterfronts, healthy oceans and resilient communities for future generations. The goal of Washington Maritime Blue is to accelerate innovation and create the nation’s most sustainable maritime industry by 2050.

Vigor is a prime example of this leadership, working to develop electric ferries and a wave energy device built at Swan Island shipyard in Portland. No other state is doing anything like Washington Maritime Blue.

And no other state has the natural features, innovative culture and competitive advantages we have here in the Pacific Northwest. We can’t depend on Washington, D.C. for the investments needed in infrastructure, education, transportation and trade, so we must work with community and private sector partners here and around the world. Our focus at Commerce is opening doors and making connections that help every community reach its full potential, on its own terms. That is the essence of a strong community and a strong economy.

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Trade bridges rural and urban divides

We sometimes look at our Pacific Northwest states in terms of what divides us—urban versus rural, for example—but the issue of trade actually unites the region. In Oregon, nearly 11% of all jobs in high-tech Washington County are connected to trade, while nearly 7% of all jobs in rural, agriculturally rich Morrow County are supported by exports. At the same time, the associated challenges with trade—like congestion due to freight traffic or price instability—equally impact a wheat farmer in Washington and a Portland small business that makes barbecue sauce.

Our region’s future depends on trade

Economists predict our future will be tied increasingly to foreign economies. Moving into the 2020s, it is

crucial that the rules of trade with these countries are clear and fair. China, Canada, Japan and South Korea are among our region’s top export partners. We have strong trade agreements with some of them, but gaps in others, such as the aforementioned challenges in our trade relationship with China. The U.S. has legitimate reasons to challenge China’s trade practices in areas like intellectual property. However, unilateral tariffs and escalating threats won’t get us where we need to be.

At its core, trade comes down to people. Stability, trust and partnership are required for international trade to occur. It’s up to all of us to push for fair, open trade policies that provide a foundation to help advance American—and Pacific Northwest—interests. Encouraging our elected leaders, especially members of Congress, to champion stronger, deeper and more meaningful relationships around trade will help get us there.