Economic Development & Competitiveness

Chris Green

ASSISTANT DIRECTOR, OFFICE OF ECONOMIC DEVELOPMENT & COMPETITIVENESS

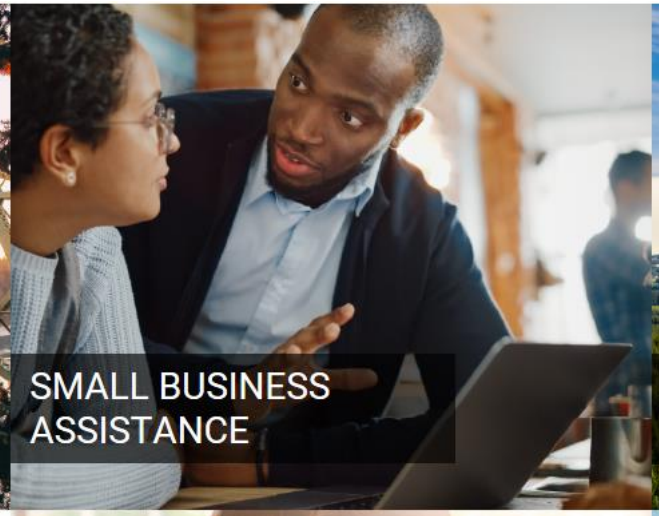
JANUARY 12, 2022

Washington State Department of Commerce

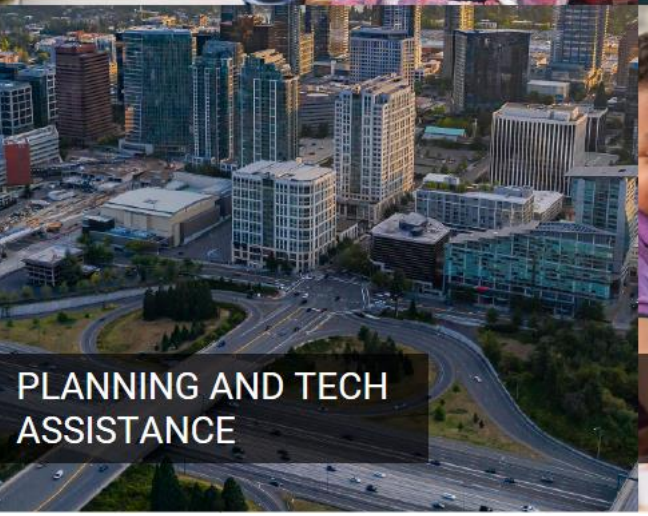
We strengthen communities

















Our role…

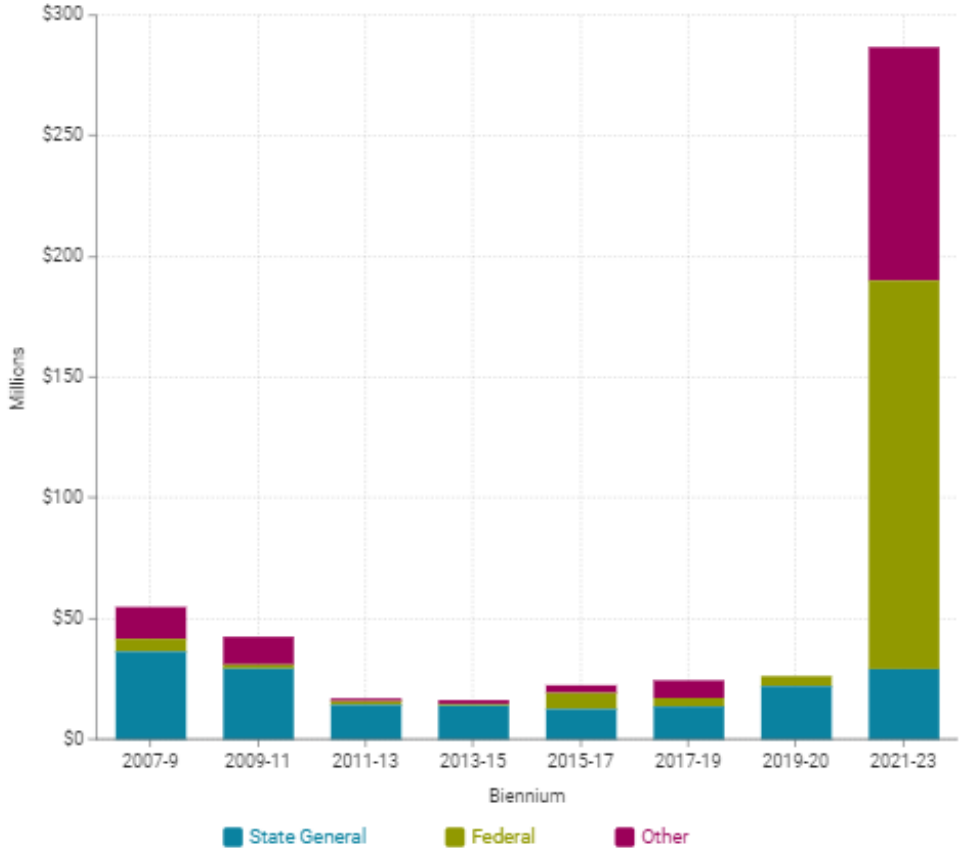
The Office of Economic Development & Competitiveness directs Washington's economic development strategy, working with stakeholders and partners statewide to strengthen local communities through a diverse, inclusive and resilient economy that creates living wage jobs.

Our small business portfolio

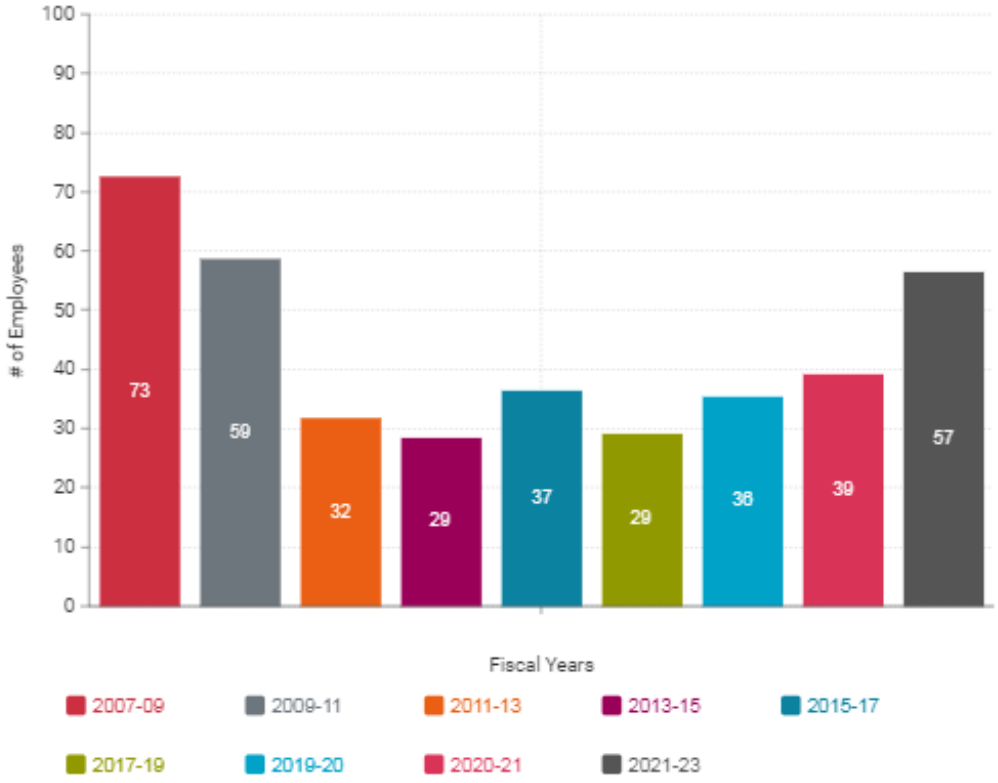
BUSINESS DEVELOPMENT	EXPORT ASSISTANCE	SMALL BUSINESS TRAINING & EDUCATION	SMALL BUSINESS FINANCE	SECTOR LEADS
Recruitment	Business Matchmaking	MyStartup365.com	State Small Business	Policy
Retention	Market Intelligence	Educational Academies	Credit Initiative (SSBCI)	Public-Private Partnerships
Expansion	Risk Mitigation	ScaleUp	Flex Fund	Workforce
Foreign Direct Investment	STEP Grants	Thrive!	Credit Worthiness	Industry Alignment
Strategic Reserve Fund	Trade Missions	Go Global	Community Outreach	
Opportunity Zones		Global Entrepreneurship Month		
		Technical Assistance		

OEDC funding & staffing

OEDC Budget



Full-Time Employees (FTEs)



Small business relief & recovery

2021-23 Biennium

$512 Million to distribute

47 different awards/programs

- Grants
- Loans
- Technical Assistance

Grant status update

Description	Appropriation	Status
Working Washington 5	$70 Million	Distributing
Convention Centers	$5 Million	Distributing
Working Washington – Border Businesses	$4.4 Million	Fully Distributed
Public Facility Districts	$20 Million	Fully Distributed
Hospitality Sector	$100 Million	Portal in Development
Small Business Innovation	$34.5 Million	Distributing
SSBCI Spending Authority	**$138 Million**	**Needs renewal**
Small Business Disaster Relief	$20 Million	Portal Open
Tourism	$12 Million	Fully Distributed
SBRN Support and Loan Program	$15 Million	Loan RFP Pending
Microenterprise	$4.4 Million	Contract Executed
Arts, Heritage, Science & Culture	$5 Million	Fully Distributed

The work ahead…

Challenges remain…

COVID grants, technical assistance and resources drying up

- Federal support ending
- Need for capital, TA and trusted resources at an all-time high

Economic disruptors

- Workforce shortages
- Changing customer demands
- Supply chain issues
- Inflation
- Possible recession

Small businesses struggling

89.1% of Washington businesses make it through Year 1

40.4% make it to Year 5

18.3% are still around at Year 10 (National average: 34.5%)

2022 U.S. Bureau of Labor Statistics (BLS)

Meeting their specific needs

- Increase access to capital
- Create credit building program
- Fill identified gaps in technical assistance, training and education
- Focus on historically marginalized businesses
- Leverage and deepen existing partnerships statewide
- Increase government contracting opportunities



Federal investment brings new opportunities



Community Reinvestment Account Plan

- 2022 Supplemental Operating Budget, Sec. 128 (134):
  - The Community Reinvestment Plan is intended to guide $200 million in grants “to address racial, economic, and social disparities in communities across the state created by the historical design and enforcement of state and federal criminal laws and penalties for drug possession.”
- Project milestones:
  - Consultant selected to manage community-driven process and data analysis.
  - 16-person Advisory Board offering guidance, made up of those with lived experience.
  - Interim Legislative Report submitted in December.
- Next steps:
  - Final legislative report with recommendations will be submitted in June 2023.

Small Business Flex Fund

Total Public & Private Fund Capital: **$105M**

# of Loans to date: **849**

Total amount loaned to date: **$73.8M**

Percent to Minority/Women Owned Businesses: **73%**

Average Loan Size: **$87K**

Fund Investors

WaFd
Heritage Bank
JP Morgan Chase
Umpqua Bank
Key Bank
Wells Fargo

State Small Business Credit Initiative (SSBCI)

- ✓ Capital Access Program (Small Business Flex Fund)
- ✓ Revenue Based Capital Access Program
- ✓ Venture Capital Access Program
- ✓ Commercial Lending Program
- ✓ Collateral Support Program (CSP)

State Small Business Credit Initiative (SSBCI)

Funding Details (ARPA Funds):

- Base Capital Funding: **$124,435,638**
- Additional SEDI/Incentive Funding: **$39,024,716**
- TOTAL Funding: **$163,460,354**

Allocation: Capital funds allocated in three performance-based disbursements: 33%, 33%, 34%

Status

- Commerce initiated a required competitive solicitation for program administrators – December 2021
- Treasury approved Commerce proposed SSBCI Programs – January 2023
- Executed Treasury Allocation Agreement – January 2023
- Executed Program Administrator Contracts – Q1 2023
- Program launch – Q2 2023

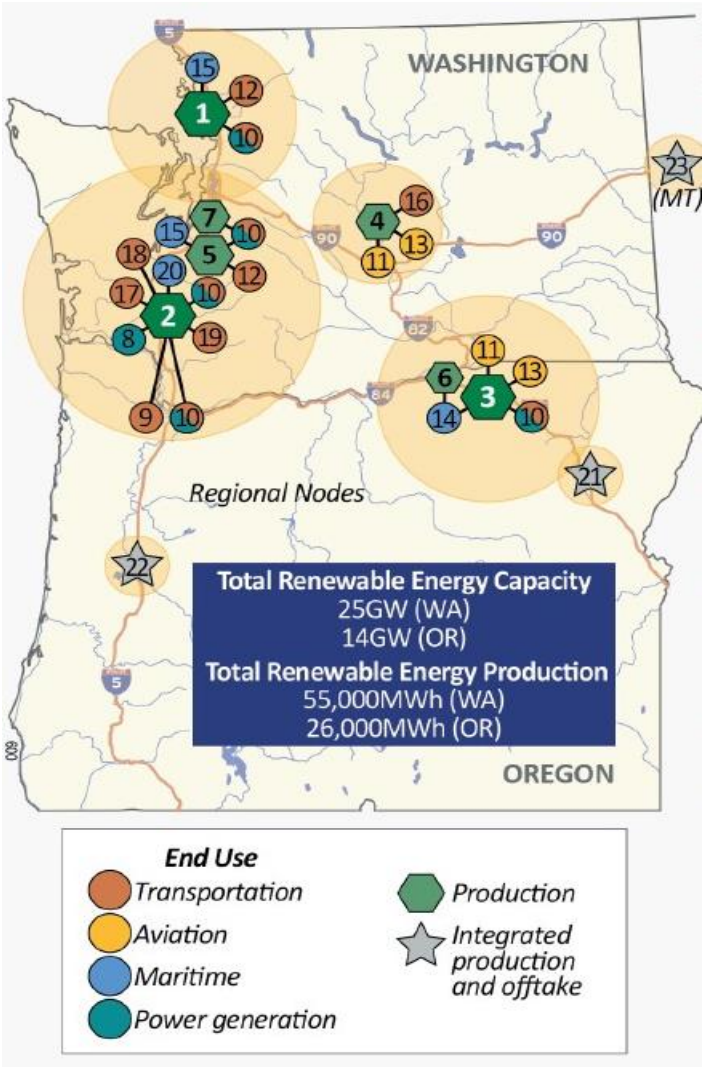
Hydrogen Hubs provide $1B opportunity



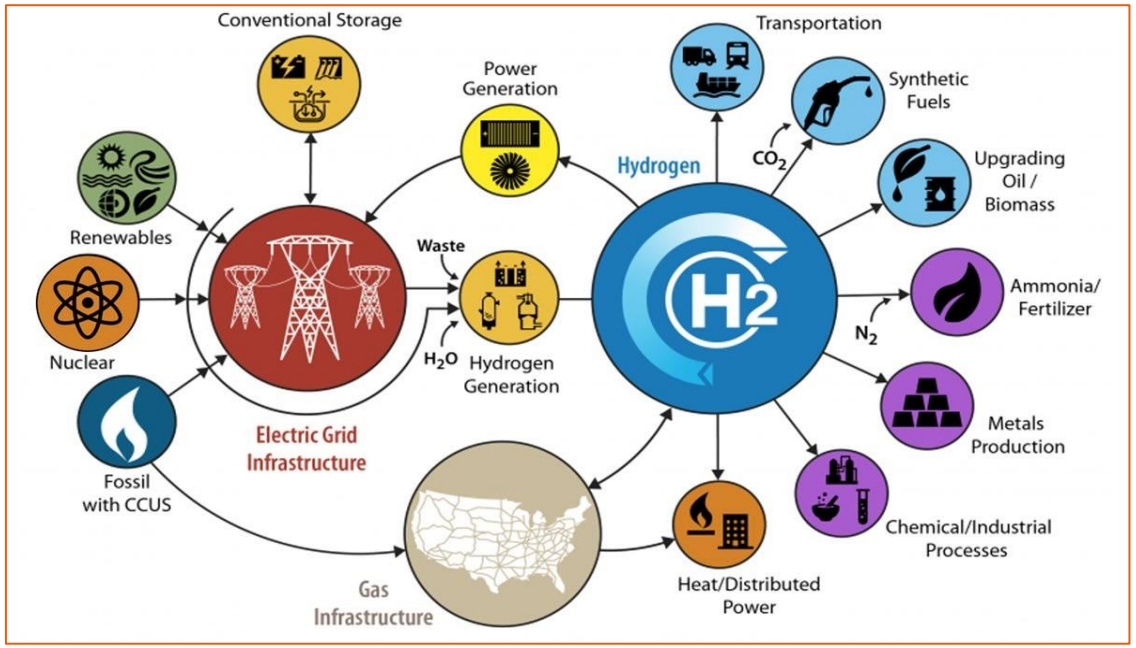


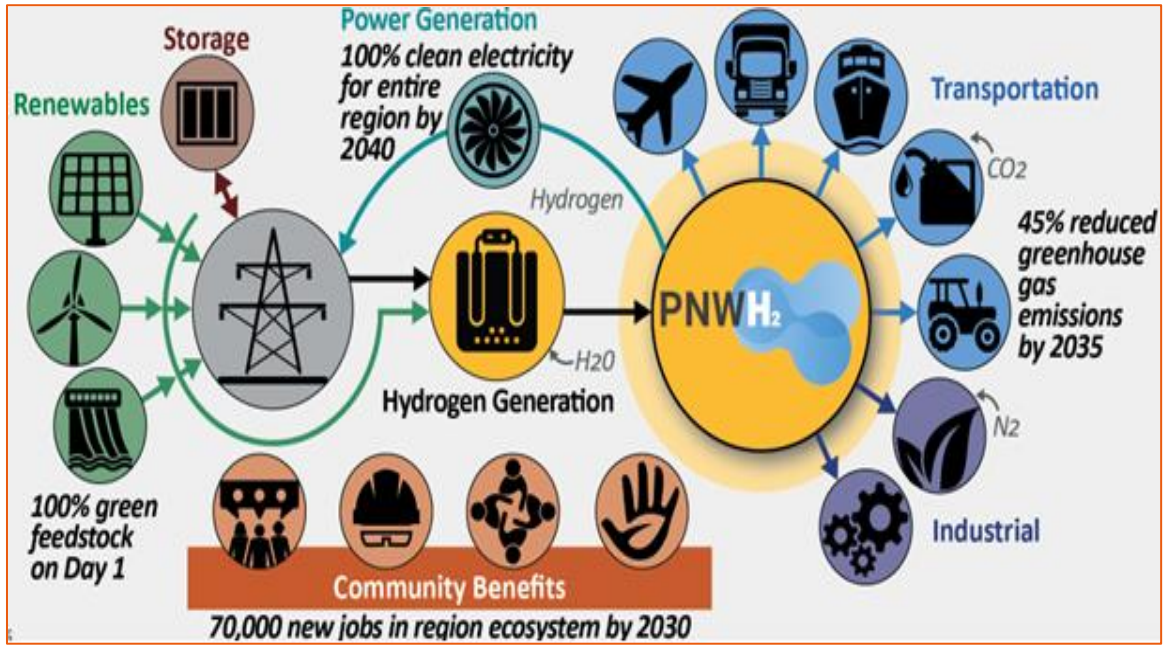
- Chair Lisa Brown, WA Commerce.
- Vice Chair Janine Benner, OR Dept. of Energy
- 18 board members representing tribes, utilities, private sector, environmental, labor, etc.

- Multiple areas of H2 activity in PNW.
- Multiple examples to make, move, use and store H2.
- April 7 full application deadline.
- PNWH2 hub proposal will create a dynamic marketplace.



PNWH2 Strategy





Consistent with DOE's vision and themes…

…tailored to reflect the Pacific Northwest region's unique strengths and resources

WA Manufacturing Cluster Strategy

SATE CLUSTER
SUSTAINABLE AVIATION TECHNOLOGIES AND ENERGIES

Advanced Technology Cluster

EDGE CLUSTER

CleanTech Alliance™

CH2ARGE
CONSORTIUM FOR HYDROGEN AND RENEWABLY GENERATED E-FUELS

WASHINGTON VERTical

EVERGREEN BIOSCIENCE INNOVATION

PACIFIC NORTHWEST AEROSPACE CLUSTER PNAA

KITSAP ECONOMIC DEVELOPMENT ALLIANCE TO DEVELOP AUTONOMOUS WATER VEHICLE CLUSTER UNDER 2-YEAR INNOVATION GRANT

SILVERDALE, WA - Washington Department of Commerce announced today the Kitsap Economic Development Alliance (KEDA) was awarded a two-year $500,000 grant to launch the Washington Autonomous Vehicle Cluster, or WAV-C.

Innovation cluster accelerator models bring key players together – business, entrepreneurs, academia, investors and government – to solve industry challenges that limit growth and innovation. Washington State piloted this approach in 2017 with its Maritime Blue initiative. Under the Washington Department of Commerce's Innovation Cluster Accelerator, **nine innovation clusters are being funded in diverse industries, including advanced computing, 5G, renewable energy, bioscience and others**. KEDA's Entrepreneurship and Innovation Work Group developed the WAV-C proposal with a focus on accelerating the industry of unmanned and autonomous vehicles, forecast as a $2 trillion global market by 2030.

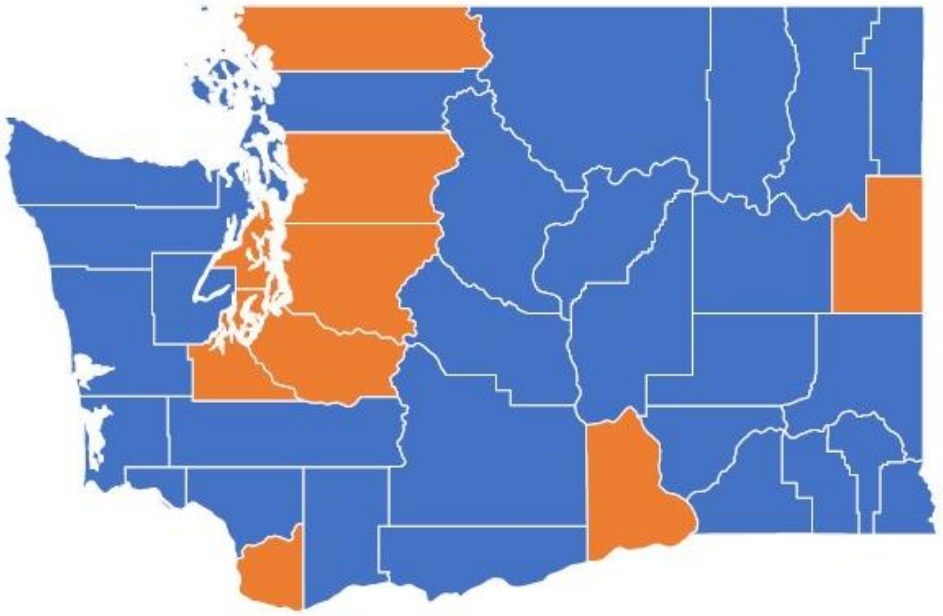


Seth Abelson



Rochelle LeMay

Manufacturing Council – HB 1170



	Urban Counties	Rural Counties	Difference
Total 2020 Wages Paid	$18.8 B	$3.0 B	$15.8 B
Annual Wage	$70,000	$54,000	$16,000
Total firms	5,916	1,753	4,163
Total Employment	215,527	49,811	165,716

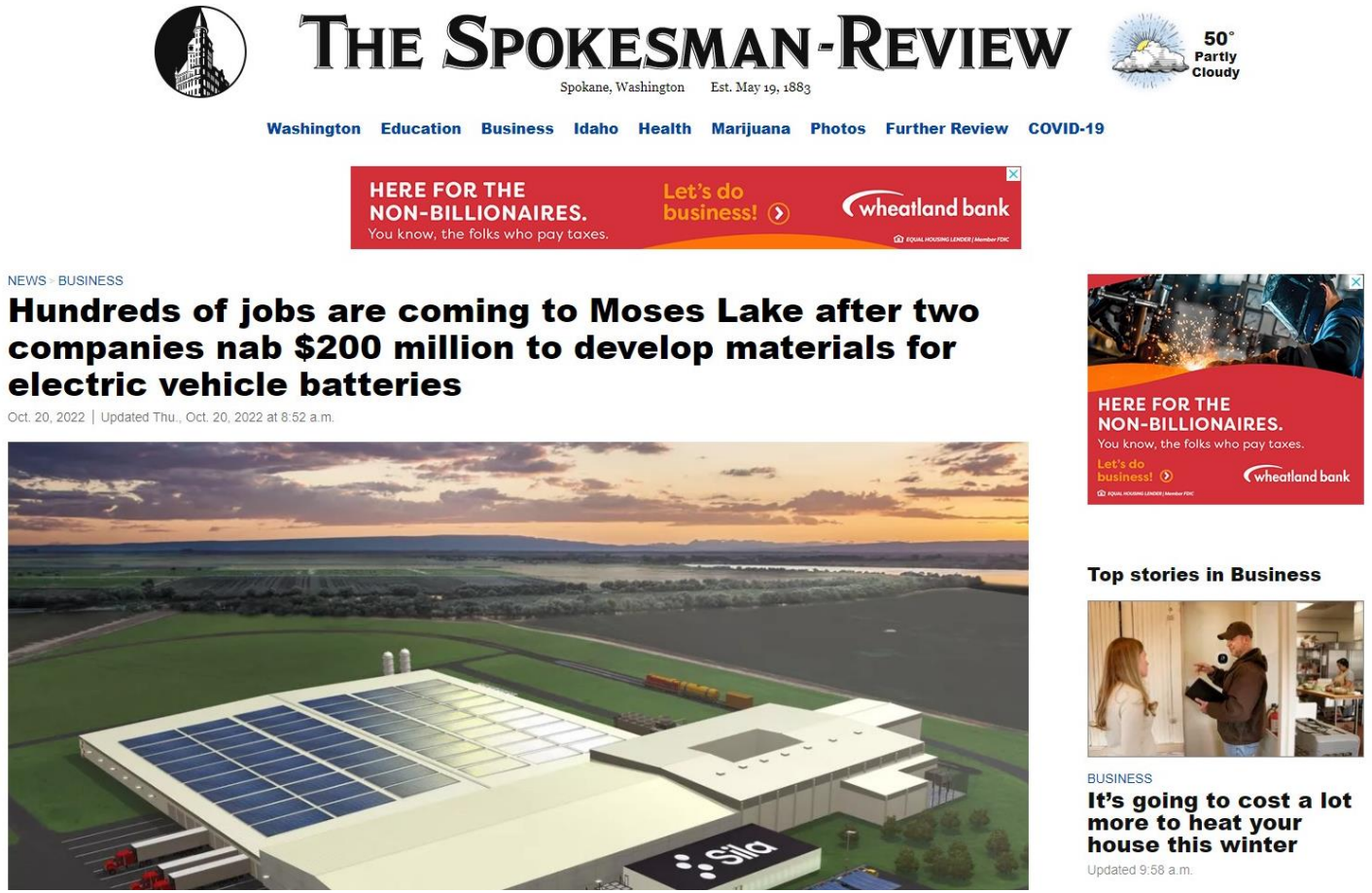
Numbers are reported as approximate annual averages

**Whitman and Ferry County employment and wages not included to avoid disclosure of data for individual employer*
Source: Employment Security Department/LMEA Covered employment classified by industry Washington State 2020 annual averages[5]

- Urban jobs concentration
- Workforce diversity reflects population
- Training demand most difficult for smaller firms
- Women, younger and rural workers underrepresented

Recent Wins – Central Washington

- Group 14 and Sila Nanotechnogies each awarded $100m for battery manufacturing facilities in Moses Lake
- Both will produce high tech new “anodes” which improve energy density of batteries



THE SPOKESMAN-REVIEW

Spokane, Washington Est. May 19, 1883

50° Partly Cloudy

Washington Education Business Idaho Health Marijuana Photos Further Review COVID-19

HERE FOR THE NON-BILLIONAIRES.
You know, the folks who pay taxes.
Let's do business!
wheatland bank

NEWS › BUSINESS

Hundreds of jobs are coming to Moses Lake after two companies nab $200 million to develop materials for electric vehicle batteries

Oct. 20, 2022 | Updated Thu., Oct. 20, 2022 at 8:52 a.m.

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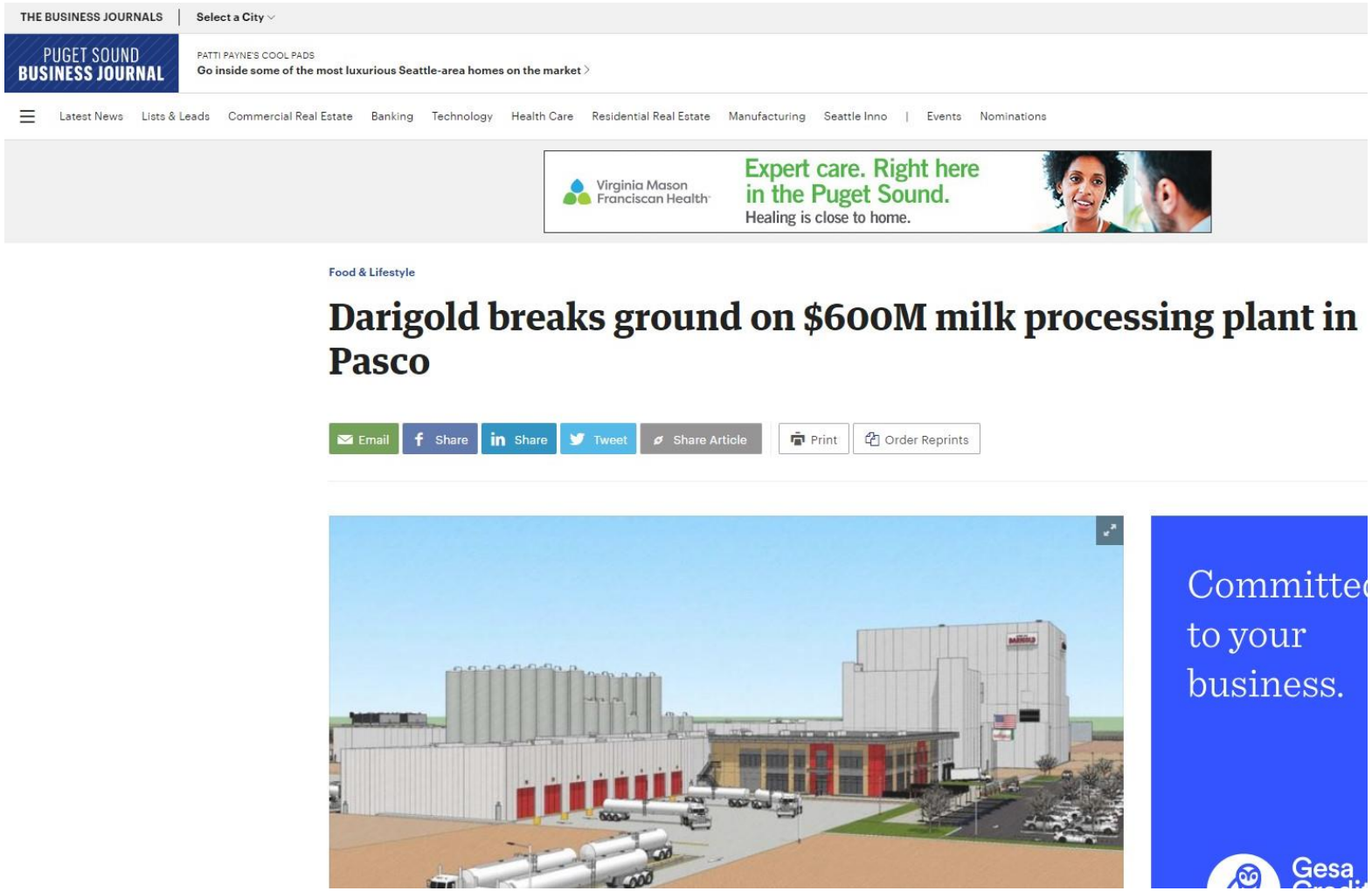
Top stories in Business

BUSINESS

It's going to cost a lot more to heat your house this winter

Updated 9:58 a.m.

Recent Wins – Tri Cities



- Estimated 200 new jobs in Pasco.
- Legislature approved and Commerce administered $7m capital budget funds to assist infrastructure development.

Recent Wins – Puget Sound



GeekWire NEWS JOBS EVENTS LISTS MEMBERSHIP ABOUT

MagniX branches out from electric aircraft propulsion to get into hydrogen as well

BY ALAN BOYLE on October 20, 2022 at 3:56 pm

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An artist's rendering shows a hydrogen-fueled Dash 8 airplane equipped with a MagniX propulsion system, highlighted in the green cutaway view. (MagniX Illustration)

MagniX has been working on electric propulsion systems for years, but now the Everett, Wash.-based venture is adding hydrogen fuel cells to its power repertoire for carbon-free flight.

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- Commerce supported MagniX expansion in Puget Sound.
- Currently developing battery and H2 fuel cell electric aircraft engines
.
- More than 100 new jobs created so far and continuing to grow
- Strategic partnership with Eviation (new electric aircraft)

Supporting this work

In the Governor's budget:

- HB 1216 – Clean Industrial Siting
- Industrial Site Readiness
- ICAP Support
- H2 Hubs
- Small Business Training Modules
- Procurement Technical Assistance
- Clean Tech Business Attraction



Thank you!

Washington State Department of Commerce

www.commerce.wa.gov

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