



EASTERN WASHINGTON A RICH HERITAGE, A BRIGHT FUTURE

Washington is a uniquely diverse state, rich in history, geography, industries and most important, people. Of the more than 6.8 million individuals who call Washington home, 1.5 million, or 22 percent, reside in Eastern Washington. While they may be ranchers and farmers, teachers and students, engineers and machinists, parents and children, they share a common spirit of inventiveness, resilience and independence.



These citizens contribute to the strengths of Eastern Washington in legion ways, especially in agriculture. In 2011, the state's renowned apple crop was worth \$1.8 billion. Cherries, another choice export, comprised 62 percent of the nation's cherry harvest at 235,000 tons. Field crops such as wheat and corn were worth \$2.6 billion; wheat alone was responsible for \$1 billion of that total. Hops, a key ingredient in beer, are grown in Eastern Washington and accounted for fully 75 percent of the country's hops output. Sales of french fries grew 20 percent from 2010 to 2011, resulting in receipts of \$656 million from Asia. These and other agricultural exports account for \$3.8 billion of sales to China alone, a four-fold increase since Governor Gregoire took office in 2005.

Eastern Washingtonians work at myriad other jobs, too. They make enormous contributions to the economic vitality of the state by delivering health care; educating our students for good-paying jobs; researching new products; plying roads and waterways to get goods to market; and producing clean, reliable and affordable energy for the entire region.

While Eastern Washington has a storied past, its future is no less impressive. One harbinger is SGL Automotive Carbon Fibers LLC, a joint venture of the SGL Group and BMW, both based in Germany. The company's new Moses Lake facility employs 80 permanent workers manufacturing carbon fiber, a cutting-edge material strong enough to replace steel in some of BMW's automotive frames. SGL and BMW were drawn to Eastern Washington because of the abundance of clean, renewable hydropower. Our work with SGL and BMW shows that Washington's commitment to a greener economy is shared by some of the best companies in the world.

Washington is a remarkable place to work and live in, thanks to the contributions of all its people. Governor Gregoire knew this truth having spent part of her childhood in Eastern Washington. She was familiar with many of the region's communities, challenges and potential. She made 26 trips to Eastern Washington in the first year alone of her first term. Over the remaining seven years, the Governor visited the region many times to address issues on behalf of the state's east side residents. The following materials summarize those issues and the actions taken by Governor Gregoire.

AGRICULTURE

Agriculture accounts for about 10 percent of goods production in the state. While Washington ranks 12th in the nation in terms of total agricultural cash receipts, it is second only to California in the diversity of crops grown (about 230). At the top of the list, in order, are apples, dairy products, wheat and potatoes. The wine industry, too, has enjoyed great success: Since 2005, the number of licensed wineries in Washington has more than doubled from 360 to more than 700 in 2012. The state has also added more than 13,000 acres of vineyards during this time — from just over 30,000 acres in 2005 to more than 43,000 acres. The industry supports nearly 30,000 jobs in Washington and 70,000 jobs nationally, with wages of nearly \$1.2 billion and \$2.8 billion, respectively.

Governor Gregoire has been a vigorous promoter of **opening new markets and increasing sales**. To these ends, she has:

- » Conducted trade missions to Mexico, Asia, Europe, Australia and New Zealand to publicize Washington products and recruit new businesses to locate here.
- » Convened a work group of growers, industry association members, farm labor contractors and farmworker advocacy groups that made recommendations to help provide an adequate, stable workforce for the state's agricultural sector.
- » Met with trade and other federal officials in Washington, D.C., in 2009 to discuss national solutions to remove barriers and promote exports, among other topics.
- » Promoted farm products through funding to improve growing techniques and harvests for hops; launched a branding campaign for Washington wines; increased support to help small farmers directly sell their products



through farmers markets; and boosted funding to address farm-product trade barriers. (\$1 million)

- » Developed the Working Lands Initiative program to help keep family farms and forests productive.
- » Opened the Office of Farm Land preservation; streamlined the forest practices permitting system, including providing long-term (15 years) permits; and designed tools for development rights that allow interested farmers and ranchers to access some of the real estate value of their lands while continuing to work them.
 - » Supported the Voluntary Stewardship Program to conserve fish and wildlife species, protect water quality and preserve working farms.
 - » Provided financial incentives to cities to participate in transfer of development rights programs to conserve working farms and forests.

AEROSPACE

Securing a prosperous future

Over eight years, the Governor has worked hard to ensure that Washington's aerospace future remains robust. To this end, she initiated a number of actions that benefited Eastern Washington, including attending the **Paris Air Show** in 2005 and 2011, and the **Farnborough Air Show** in England in 2012, to meet with aerospace manufacturers to solidify awareness that Washington has the largest, most robust aerospace supply chain in the world. This is important not just to the Puget Sound region but to the entire state of Washington: The Inland Northwest is home to more than 60 manufacturers, suppliers, distributors and organizations connected to the worldwide aerospace industry.

Boosting workforce training

In 2009, the Governor invested \$1.5 million of federal **Workforce Investment Act**, or WIA, funding in aerospace training to develop industry-driven training centers; one of the two funded centers was Spokane's International Airport.

In 2011, the Governor invested an additional \$3 million in WIA funds to put more Washingtonians to work in aerospace jobs. Funds were used for a number of purposes, including recruiting and training more students at the Inland Northwest Aerospace Technology Center and buying equipment. Also in 2011, the Governor was successful in securing a three-year, \$20 million federal grant to train more students in aerospace skills.

In 2012, the Governor signed into law measures she requested to create a joint **Center for Aerospace Technology Innovation** at the University of Washington and Washington State University. The center will advance research on new technologies for aviation, aerospace and defense products.

Supporting education

Over both terms, the Governor has supported key foundational investments in K-12 and higher education that benefit the aerospace sector in schools on both sides of the Cascades:

- » Project Lead the Way courses that emphasize STEM, or science, technology, engineering and math, and problem-solving in high school (\$350,000)
- » Training hubs at skills centers; five are in Eastern Washington (\$150,000)
- » Aerospace assembler program expansion (\$300,000)
- » Regional math and science teacher trainers (\$15 million)

- » Engineering degrees for 850 more students at both Washington State University and the University of Washington (\$7.6 million)

Investing in infrastructure

To support her aerospace education objectives, the Governor was instrumental in securing funding for these projects:

- » Big Bend Community College aviation program (\$500,000)
- » Spokane International Airport for construction of a new hangar for operation of Associated Painters and Cascade Aerospace (\$4 million)
- » Spokane Area Professional-Technical Skills Center design (\$1.8 million)

Encouraging aerospace development

The Governor supported the broadening of two **aerospace tax incentives** to include companies engaged in research, design and engineering of airplanes and airplane components. The incentives include a sales-and-use tax exemption for certain computer equipment used primarily in this field, as well as a business-and-occupation (B&O) tax credit for pre-production development spending. The reduced B&O tax rate for aviation repair services set to expire in 2003 was extended.

CLEAN ENERGY

Washington produces more **clean and renewable energy** than any other state in the country, almost three-fourths of the electric power we generate. Much of that power is generated by the Columbia River, in Eastern Washington.

Eastern Washington has been the seat of an array of energy innovations. During the Governor's administration, 2,426 megawatts of wind power came online, leading to more

plentiful and cheaper energy. We are now the country's fifth-largest producer of wind power. And there's more: As of 2012, another 1,500 megawatts are under development.

Through the **American Recovery and Reinvestment Act**, Washington received \$2.6 billion from the federal Department of Energy for more than 170 projects in the fields of energy efficiency, renewable energy, electric grid and transportation. Many are located on the east side of the state.

With respect to **biodiesel**, the Governor provided a new market for Washington-grown energy crops such as canola and mustard by requiring fuel suppliers to ensure that 2 percent of the state's fuel supply comes from renewable fuel sources. Washington invested in the development of the Inland Empire Oilseeds company at Odessa, where family farmers grow canola, then crush and refine the seeds into biodiesel.

She has supported innovations in the field of other **alternative energy sources**, including:

- » Solar power in Moses Lake, where a manufacturing plant was expanded, making it one of the world's largest production facilities for polysilicon used in solar panels.
- » Bioenergy in Sunnyside, where anaerobic digesters turn cow manure into electricity.
- » Hydrogen in the Tri-Cities, where Pacific Northwest National Laboratory researchers develop new technologies.

Eastern Washington has made a name for itself, too, in pioneering the **"smart grid,"** which refers to the efficient distribution and use, at the best price, of energy. Washington is one of five states participating in a national/regional demonstration project, in collaboration with 13 utilities and the Pacific Northwest National Laboratory, to plan

how the electric system of the future should operate. The \$300 million project is funded by the federal government, utilities, high-tech companies and Northwest ratepayers.

EARLY LEARNING & K-12 EDUCATION

Serving more children

Governor Gregoire created the **Department of Early Learning** in 2007. This action consolidated more than a half-dozen child care and early learning programs to give children the best possible start in school.

In 2007, the Governor also expanded Washington's **pre-kindergarten program**, the Early Childhood Education and Assistance Program, or ECEAP, by 2,250 children and signed legislation to provide high-quality preschool programs for all ECEAP-eligible children beginning in 2018. Of the 8,387 available preschool spaces for the 2011–12 school year, 2,902 were provided to children in Eastern Washington counties.

The Governor also expanded the state-funded, **all-day kindergarten** program to serve more than 20 percent of kindergartners, focusing on the highest poverty schools. Of the 219 state-funded, full-day kindergarten schools, 102 were in Eastern Washington.

Training and supporting outstanding teachers and leaders

The Governor proposed successful legislation to create up to six **Collaborative Schools for Innovation and Success**, which are university schools of education/public elementary school partnerships. Funding will support at least three programs beginning in the fall of 2012 with the goal that at least one be in Eastern Washington. These schools have the flexibility to use proven strategies and create innovations to both improve student achievement and better prepare education professionals in low-achieving schools.

HIGHER EDUCATION

Extending access

- » Served more students in the **two-year system**. Enrollment grew by 4 percent from the 2005–06 academic year to the 2010–11 academic year for seven community and technical colleges in Eastern Washington.
- » Created **Bachelor of Arts** programs at Washington community and technical colleges to offer more students access to baccalaureate degrees, including the Bachelor of Applied Management degree at Columbia Basin College.
- » Served more students in the **four-year system**. Enrollment grew by 8 percent from the 2005–06 academic year to the 2010–11 academic year for Central Washington University, Eastern Washington University and Washington State University.
- » Expanded opportunities at the Washington State University branch campuses at **Tri-Cities and Spokane** by admitting freshmen and sophomores.
- » Expanded the **WWAMI** regional medical education program, a partnership between the University of Washington School of Medicine and the states of Washington, Wyoming, Alaska, Montana and Idaho that provides publicly supported medical education for these five states. Washington students can take their first year of studies at WSU-Spokane. The Governor helped fund the Spokane Biomedical and Health Sciences building, the first step in the establishment of a medical school in the Inland Empire.
- » Expanded **RIDE**, the Regional Initiative in Dental Education program, to include eight first-year students at WSU-Spokane.

Maintaining affordability

Trained 3,766 low-income adults in 2010–11 through **Opportunity Grants** to prepare them for jobs that local employers need to immediately fill; 1,033 grants were awarded to students in Eastern Washington.

Promoting research

- » Increased research capacity through the Bioproducts, Sciences and Engineering Laboratory at Washington State University in a unique partnership with the Pacific Northwest National Laboratory. The lab is researching how to increase the value of Washington agricultural products by using agricultural wastes to produce clean energy and high-value chemicals. (\$13 million)



- » Funded the development of the Wine Science Center at the WSU Tri-Cities campus. (\$5 million)
- » Constructed an Agricultural Technology Building to promote inter-disciplinary collaborations and develop solutions to enhance precision agriculture and ease labor shortages. (\$3 million)
- » Provided funds to hire a dozen new faculty members to develop projects to increase product quality and develop high-value uses for them — including rural economic development — through the Unified Agriculture Initiative. (\$6 million)

EDUCATION CAPITAL BUDGET

Kindergarten-12th Grade

- » Yakima Valley Skills Center: phase 1 and 2, a new facility housing architecture, engineering, auto collision repair, automotive technology, carpentry, dental and medical assistant training and other programs. (\$50 million)

Community and technical colleges

- » Columbia Basin College: Vocational Building, to replace an aging facility with updated space for automotive technology, auto body, welding and other programs. (\$22 million)
- » Spokane Community College: Technical Education Building, to construct a new facility to house manufacturing, construction and technical training programs. (\$26 million)
- » Spokane Community College: Science Building replacement, to increase capacity for science enrollments. (\$16 million)
- » Spokane Falls Community College: Chemistry and Life Science Building, to replace the building with updated classrooms and laboratories. (\$24 million)
- » Spokane Falls Community College: Business and Social Science Building, to replace three aging facilities with one new facility to house the Social Science and Business divisions. (\$20 million)
- » Spokane Falls Community College: campus classrooms, to increase classroom capacity to meet enrollment growth. (\$20 million)
- » Wenatchee Valley College: Anderson Hall and portable replacement, to consolidate nursing and allied health programs into one new facility to increase interdisciplinary interaction and instructional efficiency. (\$25 million)

Central Washington University

- » Hogue Hall renovation and addition, to add capacity for high-demand programs in construction management, industrial engineering and flight technology. (\$30 million)
- » Dean Hall renovation, to return an asset to use by removing hazardous materials and improving science classroom space. (\$27 million)

Eastern Washington University

- » Patterson Hall remodel phases 1 and 2, to provide more flexible and expanded classroom space for department-specific needs. (\$57 million)
- » Hargreaves Hall renovation, to provide more efficient use of space and improve access to technology in this historically significant library. (\$12 million)
- » Senior Hall renovation, to update a 1920 women's dormitory for the School of Social Work and the Criminal Justice Program. (\$14 million)

Washington State University

- » Spokane-Riverpoint Biomedical and Health Sciences Facility, to support programs in medicine, dentistry and pharmacy and expand research in cancer, diabetes, toxicology and other areas. (\$76 million)
- » Spokane-Riverpoint Nursing Building, to increase the production of nursing degrees, especially for rural and underserved areas. (\$35 million)
- » Pullman – Biotechnology/Life Sciences 2 Building, to expand laboratory space for programs such as cancer research, birth defects and agriculture. (\$68 million)
- » Pullman – Johnson Hall Addition/Plant Bioscience Building, to expand research

and teaching programs and upgrade labs for complex scientific research and technology. (\$35 million)

- » Spokane-Riverpoint Academic Center Building, to house teaching, research and outreach programs on the Riverpoint campus. (\$32 million)

HANFORD NUCLEAR RESERVATION

Governor Gregoire negotiated the federal/state **Tri-Party Agreement** in 1989 as director of the Department of Ecology. It was enforced as she subsequently took office as Attorney General and Governor.

Following several years of legal action, the Governor and the Attorney General successfully negotiated a **consent decree** for Hanford, the nation's most contaminated nuclear site. The consent decree requires the federal Department of Energy to begin operating the vitrification plant to encase the most highly radioactive waste into glass by 2019. This will treat up to 53 million gallons of radioactive waste now stored in leak-prone underground tanks. The plant must be fully operating by 2022. The consent decree also requires the federal government to answer directly to the court if it misses the new deadlines.

Before finalizing the consent decree, the state and federal government agreed to an aggressive containment, protection and **cleanup plan for groundwater and soil** near the Columbia River. By 2012, no chromium will be getting into the river, and by 2018, all contamination will be contained along the river as intensive work will be under way to return the groundwater to beneficial use.

With the new federal and state agreement, and with funding from the American Recovery and Reinvestment Act, significant progress has been made at Hanford:

- » Two groundwater pump and treatment plants next to the river are operational.
- » The groundwater pump and treatment plant at the center of the cleanup site is completed.
- » Contaminated soils along the river have been cleaned up.
- » The facility is almost done to pretreat high-level waste from the tanks before final vitrification is performed.
- » Decontamination and demolition of the plutonium finishing plant are under way.

TRANSPORTATION IMPROVEMENTS

The following are significant projects in Eastern Washington completed since 2005. They and other projects represent investment of \$2.1 billion and more than 29,000 jobs (direct, indirect or induced).

- » **US 2/US 97 Peshastin Interchange** – Built a new interchange at the junction of US 2 and US 97 near Wenatchee, improving safety and reducing congestion. (\$21 million)
- » **US 12 Corridor between Tri-Cities and Walla Walla** – Completed widening of major portions of US 12 to four lanes and rebuilt the US 12/US 124 intersection in Eastern Washington through a partnership among the state, businesses and local agencies. (\$122 million)
- » **SR 17 Corridor in Moses Lake** – Widened to four lanes the only remaining two-lane section of SR 17 between I-90 and the Grant County Industrial Park, providing better access to 900 acres of industrial property. (\$21 million)
- » **SR 28 in East Wenatchee** – Extended Eastmont Avenue and built improvements to the SR 28/US 2/US 97 intersection, improving safety and relieving congestion. (\$55 million)

- » **I-82/Valley Mall Boulevard Interchange in Yakima** – Improved the I-82/Valley Mall Boulevard Interchange in Yakima to provide additional capacity for freight and passengers and connect smoothly with the local road system. (\$35 million)
- » **I-90 widening in Spokane** – Completed reconstruction I-90 and added a third lane in each direction from Sullivan to Barker Road in Spokane to improve safety and reduce congestion. (\$19 million)
- » **SR 240 widening near Tri-Cities** – Added lanes and widened SR 240 near the Tri-Cities, improving safety and reducing congestion. (\$50 million)
- » **SR 24 widening in Yakima** – Widened SR 24 in Yakima and constructed a new bridge over the Yakima River, improving safety and reducing congestion. (\$50 million)
- » **SR 270 widening near Pullman** – Widened SR 270 from Pullman to the Idaho state line, improving capacity and safety. (\$31 million)
- » **US 395 North Spokane Corridor** – Completed major stages of the North Spokane Corridor in Spokane, improving access and travel times for freight and passenger traffic. (\$338 million)
- » **US 395 improvement in Kennewick** – Rebuilt the US 395/SR 240 interchange in Kennewick, reducing collisions and increasing traffic mobility. (\$15 million)

These projects were under way in 2012:

- » **SR 28/SR 285 in Wenatchee** – Constructing a bypass lane and improvements to east and west ends of the Sen. George Sellar Bridge in Wenatchee to improve safety and relieve congestion. (\$69 million)

- » **I-90 Snoqualmie Pass** – Building new bridges, replacing the snowshed, adding lanes and reconstructing this critical east-west artery to improve reliability for freight and passenger traffic. (\$423 million)
- » **I-90 between Snoqualmie Pass and Cle Elum** – Replacing old concrete to preserve and provide continued reliable linkage between Eastern and Western Washington for freight and passenger transportation. (\$39 million)

WATER

Water is a vital economic and natural resource on both sides of the Cascades. Without a reliable and clean supply of water, it's not just fish that suffer. Crops, households, industry and transportation all rely upon abundant, clean water.

Recognizing that water is the economic lifeblood of Eastern Washington, the Governor placed a high priority on improving water management. She established the **Columbia River Water Supply Program** to break the cycle of several decades of litigation and conflict on water use from the river. She allocated \$200 million in state funds for development of new water supplies through storage, conservation and other means to help meet the economic development, community growth and environmental objectives for Eastern Washington.

As part of the Columbia River Water Supply Program, the Governor negotiated historic agreements with the Colville Confederated Tribes and the Spokane Tribe. The agreements provided for mitigation of the effects of new water supplies from **Lake Roosevelt**, the reservoir behind the Grand Coulee dam. These sovereign government agreements, ratified by legislation requested and approved

in 2008, allowed the Department of Ecology to approve new water rights for cities, towns and farmers along the Columbia River.

New water rights issued from Lake Roosevelt provide nearly 380 million gallons of new water for communities along the Columbia River. Once this water is put to use, it will create 35,000 jobs and provide \$3 billion in economic benefits in return for an investment of nearly \$10.6 million.

Following a similar course, the **Yakima River Basin Integrated Water Resource Management Program** was created to address the critical needs for a reliable water supply for agriculture, new water for community growth and water management that meets the needs of fish, including passage and adequate stream flows.

A new water management program was set up for the Walla Walla River, including a unique water bank, new groundwater recharge and storage projects and funding for a new irrigation diversion system that saves water, protects fish and preserves farmers' water rights. The state funded the development and subsequent expansion of the **William A. Grant Water and Environmental Studies Center** at Walla Walla Community College. State agencies, private interests, tribal governments, environmentalists, farmers and ranchers collaborate to enhance the Walla Walla watershed for agriculture, fish and recreational uses. In 2010, the Governor joined the basin celebration, noting the return of spring Chinook salmon. They had been gone from the basin for more than a century!

Following years of backlogs, nearly 400 applications for **new water rights** were approved in Eastern Washington, meaning that more households, farmers and businesses have a more reliable source of water. In

addition, more than 1,350 changes to water rights already approved have also been authorized.

The Governor, working with the Legislature, led the nation in protecting clean water by instituting a ban on phosphorus in dishwashing detergents for areas draining into the **Spokane River**. Data collected in Spokane reveal that phosphorus levels have decreased by approximately 12 percent and nutrient levels are on a downward trend. The ban was extended statewide in 2010.

In total, more than \$480 million was invested in **water infrastructure** in Eastern Washington to help households, farms, industries and recreationists.

PUBLIC SAFETY

Keeping citizens safe in their homes and communities was one of Governor Gregoire's top priorities. Her leadership was instrumental in a number of issues germane to Eastern Washington:

- » Constructed a phase-one, medium security prison with 1,280 beds at **Coyote Ridge Corrections Center** in Franklin County. (\$179 million)
- » Increased **crime laboratory** staffing in Spokane to meet growing demand for analysis of DNA samples and toxics testing. (\$7 million)
- » Funded **anti-gang programs** in Yakima County with \$800,000 for the Violent Crimes Task Force in 2009. Since 2005, more than \$1.3 million has been invested in Yakima County gang prevention efforts.
- » Partnered with local communities to provide assistance during numerous **emergencies** caused by weather events and wildfires. Snow storms and snow melts caused significant damage to

Eastern Washington communities in 2008, 2009 and 2011, prompting the Governor to declare emergencies which provided funding to respond and rebuild. The state also provided approximately \$28 million to respond to 16 wildfires.

OTHER ACTIONS

Governor Gregoire took the initiative in a number of areas beneficial to Eastern Washington, including the following:

- » Supported tax incentives originally created in 2010 that were extended in 2012 for the construction of **data centers**. Six projects were approved, including those from Microsoft and Dell in Grant County. Each project brings 30 or more permanent direct jobs and another 45 indirect jobs through the suppliers and support firms that locate in proximity. All generate millions of dollars that support schools and other local programs through property taxes.
- » Two federal Recovery Act grants in combination with nonprofit funds have brought **high-speed Internet** access to Washington. Approximately 150 jobs were created as 1,000 miles of new broadband were installed to serve 170 communities, including 2,000 schools, hospitals, emergency response agencies, libraries and colleges. Benefits to the recently expanded broadband network in Southeastern Washington include online testing for students and online training for teachers, imaging capabilities for hospitals and surveillance of inmates at Coyote Ridge Corrections Center through linked cameras, to name a few. The U.S. Census Bureau ranks Washington among the top three wired states in the country.

- » Provided and supported grants through the federal American Reinvestment and Recovery Act to set up **e-health, telemedicine and health technology infrastructure** to support a health information exchange, care coordination, and quality measurement and reporting projects in Eastern Washington. This involved working with organizations such as Beacon Community of Inland Northwest, an Inland Northwest Health Services collaborative and the North Central Washington Health Collaborative, which includes Lake Chelan Community Hospital, as well as other rural public hospitals in Leavenworth, Brewster, Omak, Quincy and Goldendale.



- » Worked to keep **Fairchild Air Force Base** from being realigned, as recommended by the federal Base Closure and Realignment Commission.
- » Supported the ongoing **“Fairchild First”** effort, with the state’s congressional delegation, to bring new KC-46A tankers to Fairchild AFB for domestic response during emergencies and disasters.
- » Supported creation of the **State Veterans Cemetery** in Medical Lake. (\$8 million)
- » Proposed a **new facility** on the campus of the Veterans Administration Medical Center in Walla Walla. When complete, it will bring 93 permanent jobs and skilled nursing services to veterans.