



CREATING JOBS, ENSURING PROSPERITY

It is no accident that the recession that gripped the world hit Washington later than other states, in large part because we are the most trade-dependent state. Our state's rich tradition of innovation — the spirit that cultivated Boeing, Microsoft, Nordstrom, Starbucks and Costco, among a number of hugely successful companies — will lead us more quickly from the recession, as predicted by leading business publications.

Governor Chris Gregoire has introduced a number of initiatives to help state businesses keep their competitive edge. Given the challenges of these lean times, the Governor and Legislature supported a number of measures to boost jobs in the state not just to put food on the tables of Washington families, but to put our economy back on a steady course. An estimated 70,000 jobs over the next five years will result from these investments. Among those measures are the following:

Energy cost savings and Jobs Act. A new jobs program is funded to make building improvements that save energy costs in public schools and higher education facilities. The program will result in long-term cost savings to the taxpayers of the state, and in healthier schools and longer-lasting buildings. It will create 36,000 jobs across the state over the next five years. Each \$1 in state funding will be matched by at least \$3 from other sources to provide funding of at least \$2.4 billion. (\$600 million total funds: \$100 million in capital budget appropriations (House Bill 2836), plus \$500 million in general obligation bonds subject to approval by the voters this fall (Jobs Act, HB 2561).

Washington Works Housing Program. In one bill, we create an estimated 1,100 jobs over four years and make important enhancement to affordable housing in our state. This legislation sets up the Washington Works Housing Program, which is charged with boosting opportunities for nonprofit organizations and public agencies to purchase, acquire, build and own real property for affordable housing for low- and moderate-income households. It also increases the Department of Commerce's flexibility to facilitate private investment in projects with public benefits, such as job creation, economic development, and the construction or rehabilitation of affordable housing. (HB 2753)

Opportunity Express. To make sure we have workers ready to meet the demands of the 21st century economy, this bill requires that community and technical colleges give priority in awarding worker retraining funds to programs in aerospace, health care, long-term care, advanced manufacturing, construction, forest products, renewable energy industries, and to high-demand occupations in strategic industry clusters. Funding will cover more than 3,700 workers. (HB 2630)

Rural county investment projects. Nineteen of our counties have unemployment rates greater than 14 percent. The Governor has signed into law a measure that extends a sales tax incentive in these counties to spur private investment and put people to work. Under the new program, only counties with an unemployment rate that is at least 20 percent above the statewide rate, based on a three-year average, are eligible. The measure is expected to create 270 jobs. (HB 3014)

Washington State Trade and Convention Center. This bill brings King County and Seattle together as partners in the governance and operation of the Washington State Trade and Convention Center. It transfers the Convention Center from a state-operated facility to a new public facility district, which will be governed by the state, King County and Seattle. Taxing authority remains the same as is now authorized. The Convention Center will benefit by increasing the possibility of expansion, and the state will benefit from more jobs and tourism. (Senate Bill 6889)

LRF Program. Under this Local Revitalization Financing legislation, the state contribution limit for economic development projects is increased to \$6.7 million. Demonstration projects in Richland, Lacey, Mill Creek, Puyallup, Renton, and Newcastle. Estimates are a total of 700 jobs will be created in fiscal years 2013 and 2014. (SB 6609)

Data centers. This law provides a retail sales and use tax exemption for server equipment and power infrastructure required to operate the equipment for computer data centers. These companies provide jobs for Washington workers and help power the innovation that our state is renowned for. In keeping with the Governor's belief that any tax relief measures passed now should be reviewed again for efficiency and appropriateness, the exemption expires April 1, 2018. Estimates are almost 3,000 jobs will be created in the next three years. (HB 3147)

Extension of tax incentives for airline repairs. Facilities across the state perform repairs for the aircraft industry, a major driver of the state's economy and provider of good-paying jobs. These employers now are entitled to the same B&O tax incentive rate that other commercial aerospace employers receive. However, despite other incentive rates that expire in 2024, the B&O rate for repair stations expires July 1, 2011. Extending this incentive to match the expiration of other aerospace tax rates will continue the success seen in the repair sector of our aerospace industry. (SB 6712)

Aluminum smelters. This bill helps preserve up to 500 family-wage jobs in the aluminum industry by extending tax incentives to aluminum companies until 2017. (HB 2672)

Capital budget. The supplemental construction budget includes a number of important items, including the following:

- » \$100 million for energy cost savings improvements for K-12 and higher education institutions in capital budget appropriations (funding is in addition to \$500 million, subject to approval by the voters this fall, in HB 2561);

- » \$30 million for housing assistance, weatherization and affordable housing (includes \$5 million for housing for Security Lifeline clients and \$25 million to implement the Washington Works Housing Program in HB 2753);
- » \$13.8 million for local and community projects;
- » \$50 million to prevent or mitigate stormwater contamination;
- » \$38 million of toxics funding for remedial action grants; and
- » \$122.5 million total for Puget Sound projects (includes \$50 million for stormwater projects)

In total, the supplemental capital budget is expected to support an additional 9,000 jobs — above the biennial budget total — on projects that will improve services across Washington. This figure includes energy construction work described above. These investments are critical to the vitality of our communities and will help jumpstart our economic recovery. (HB 2836)

Transportation budget. A number of commitments were maintained in this budget — the largest in history — including those related to preservation, routine maintenance and signage. In addition, funding will continue for such projects as the Alaskan Way Viaduct, State Route 520 Evergreen Floating Bridge replacement, Interstate 405 corridor improvement, Interstate 5 Tacoma high occupancy vehicle lanes, Interstate 90 Snoqualmie Pass, North Spokane corridor, State Route 40 Nile Valley landslide area. Funding for three new 64-car ferries was added; their construction will mean more jobs. The first vessel will be delivered this year, the first in more than a decade. The biennial transportation budget supports an estimated 24,000 jobs annually at the peak of construction. This two-year budget includes 1,535 projects in various stages. (SB 6381)

No actions are more vital to our recovery than creating and keeping jobs. Through a combination of targeted tax incentives, investments in capital projects and funding for worker retraining, Washington will be well positioned to emerge from the recession stronger than ever to compete in the new economy of the 21st century and help our families achieve a more prosperous future.