

KING COUNTY – SEPTEMBER 17, 2007

Prosperity Partnership
Summer Briefing 2007



Prosperity
PARTNERSHIP



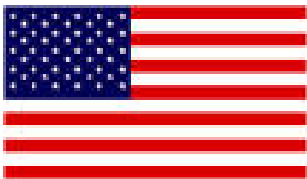
Puget Sound Regional Council

Puget Sound Regional Council

PSRC



- Regional Growth, Economic and Transportation Planning
- Federal transportation funds to priority projects
- Regional data and forecasts
- Forum for regional issues
- Prosperity Partnership



Federal MPO



State RTPO



Prosperity Partnership Co-Chairs



Mark
Emmert,
President,
University
of
Washington



Rita Ryder,
YWCA
President
Strategic
Initiatives



Tomio
Moriguchi,
Chairman
and Chief
Executive,
Uwajimaya



Brad Smith,
Senior
Vice-
President,
Microsoft
Corporation



Scott
Carson,
President
and CEO,
Boeing
Commercial
Airplanes



John
Ladenburg,
Pierce
County
Executive

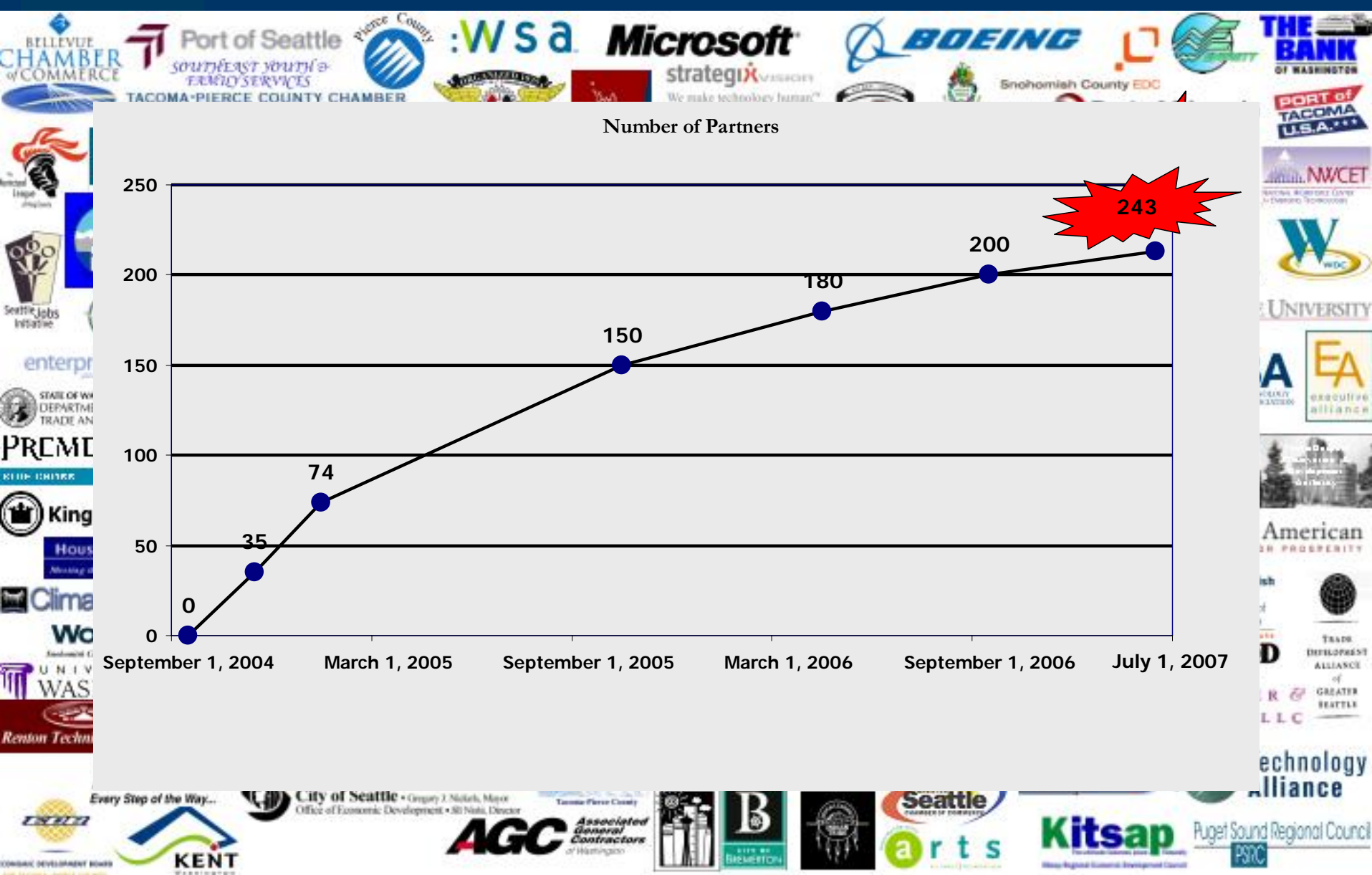
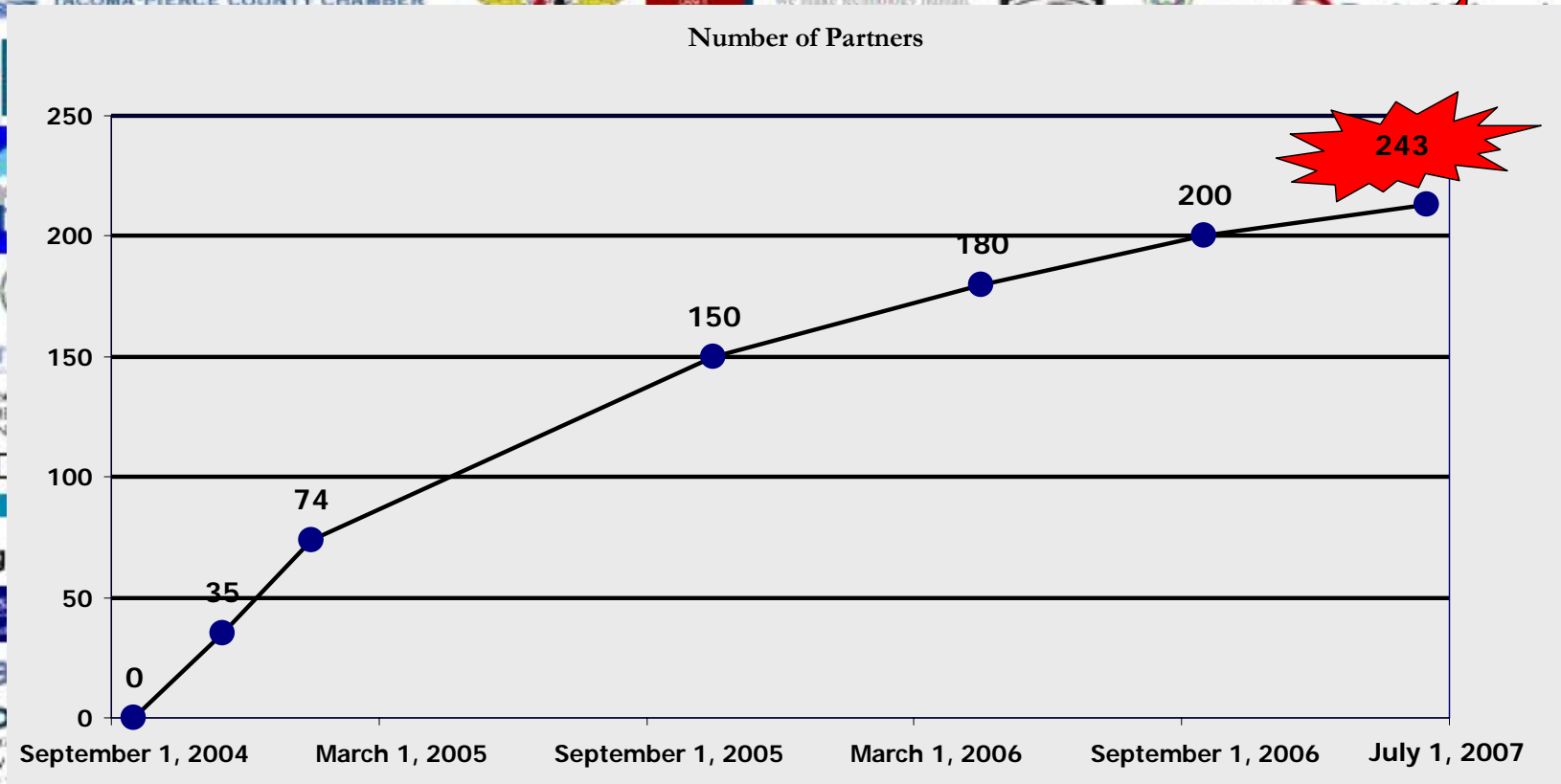


Rick
Bender,
President,
Washington
State Labor
Council
AFL-CIO



Charles
Mitchell,
Chancellor,
Seattle
Community
College
District

Prosperity Partner Growth



Two Pronged Strategy

ECONOMIC SUMMIT
11/19/05

PROSPERITY PARTNERSHIP



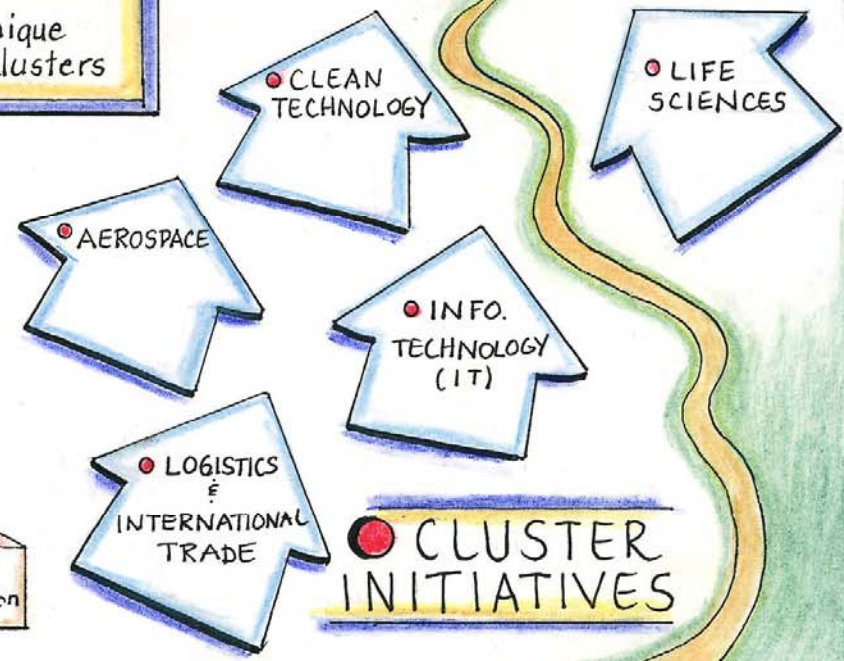
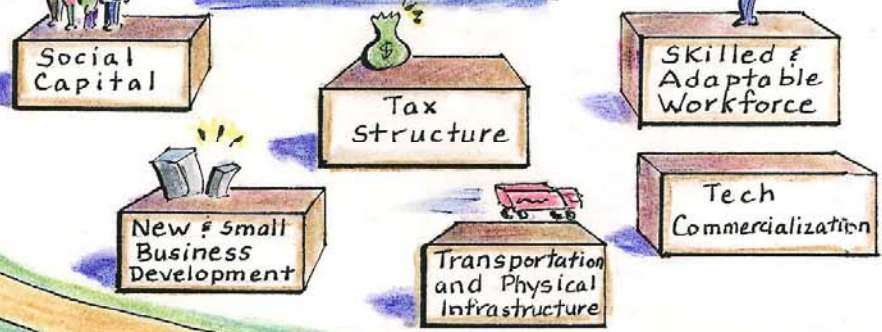
Two-Pronged Approach

- 1 Rebuild the region's economic foundations to meet the needs of the new economy
- 2 Meet the unique needs of our clusters

FIVE PILOT CLUSTERS



FOUNDATIONS of a COMPETITIVE ECONOMY



Paula Hansen



Accomplished 16 2006 Action Items



First Year Action Items

Prosperity
PARTNERSHIP

ACTION INITIATIVE	ACTION INITIATIVE AREA	ORGANIZATION	TARGET COMPLETION
1 ✓ Develop a vision for the life sciences (part of <i>Develop and enact a vision for the life sciences initiative</i>).	Life Sciences	WBBA	Sep-05
2 ✓ Work with partner organizations to create ongoing opportunities for researchers and local companies to network, exchange ideas and learn of the research taking place throughout the region.	Technology Commercialization	Prosperity Partnership	Jan-06
3 ✓ Communicate a jointly developed logistics and international trade message.	Logistics & Int'l Trade	Trade Development Alliance	Jan-06
4 ✓ Develop a strategy to celebrate and promote arts and culture as a strategic economic advantage for our region.	Social Capital	Prosperity Partnership	Jan-06
5 ✓ Develop consensus freight message that resonates with the public (part of <i>Enhance freight mobility through securing sustained funding and developing transportation chokepoint solutions initiative</i>).	Logistics & Int'l Trade	FAST Corridor Partnership	Jan-06
6 ✓ Leverage the Alliance of Angels program into high-quality entrepreneurship mentoring, to help both create and grow companies.	New & Small Business Support	Technology Alliance	May-06
7 ✓ Ensure Life Sciences Discovery Fund shows strong short term results (part of <i>Develop and enact a vision for the life sciences initiative</i>).	Life Sciences	LSDFA	May-06
8 ✓ Identify public policy boards, commissions, committees to which nonprofit leaders can bring their perspective and understanding of complex social issues and innovative solutions.	Social Capital & Quality of Life	Executive Alliance	May-06
9 ✓ Pursue the resources and regulatory changes necessary to provide adequate, affordable housing close to jobs for workers at all wage levels.	Social Capital & Quality of Life	Executive Alliance	May-06
10 ✓ Perform an assessment of the skills of the region's African-American businesses and challenges they face, and use the results to develop and implement an intervention plan to improve the success rate of those businesses.	New & Small Business Support	African American Partner for Prosperity	May-06
11 ✓ Create a domestic logistics mission.	Logistics & Int'l Trade	Trade Development Alliance	Jun-06
12 ✓ Create a statewide Aerospace Association (part of <i>Recommend short- and long-term legislative action that supports the aerospace cluster initiative</i>).	Aerospace	Prosperity Partnership	Sep-06
13 ✓ Determine the need for and feasibility of creating a clean technology advocacy organization.	Clean Technology	PSRC / CTED	Sep-06
14 ✓ Work within the region to maximize potential for success of a regional transportation investment ballot measure (part of <i>Support the Regional Transportation Investment Districts (RTID) in the development of a regional ballot measure initiative</i>).	Transportation	RTID / PSRC	Nov-06
15 ✓ Integrate Regional Economic Strategy into update of the region's long-range VISION, and the multicounty planning policies (part of <i>Engage with the broader community to ensure that growth management, economic development, transportation and land use planning continue to be integrated in a mutually supportive manner initiative</i>).	Social Capital & Quality of Life	Puget Sound Regional Council	Dec-06
16 ✓ Develop an Entrepreneurship Agenda for the state legislature and the central Puget Sound community, for 2007 session.	New & Small Business	Seattle, Tacoma, Bellevue, Everett Chambers of Com.	Dec-06
17 ✓ Develop consensus on tax reform (part of <i>Develop a balanced, pro-competitive tax-structure bill for the 2007 legislative session, and show progress toward its completion in 2006 initiative</i>).	Tax Structure	Prosperity Partnership	Dec-06
18 ✓ Develop consensus higher education reform proposal for 2007 legislative session.	Education	Prosperity Partnership	Dec-06

✓ Work within the region to maximize potential for success of a regional transportation investment ballot measure.

✓ Develop a strategy to celebrate and promote arts and culture as a strategic economic advantage

✓ Develop a vision for the life sciences.

✓ Integrate the Regional Economic Strategy into the VISION 2040 long range regional planning document.

Created New Alliances



Washington **Clean Technology** Alliance

- First statewide aerospace industry association
- Includes aerospace manufacturers, suppliers and related companies
- 100 members by the end of the year

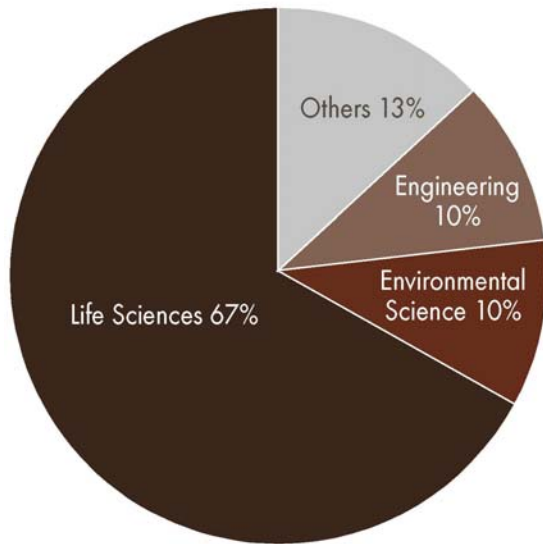
- First statewide clean technology industry association
- Includes green builders, alternative energy businesses and related companies
- Over 30 members in its first six months of existence



Published Regional Competitiveness Indicators

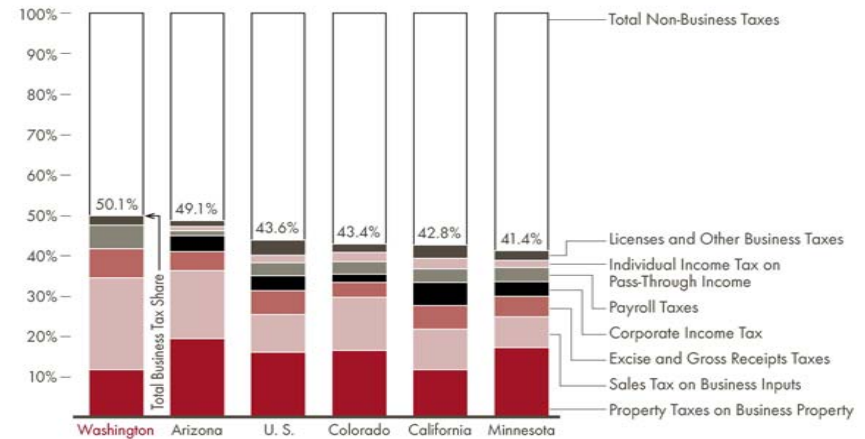
Top R&D Subjects in Washington (2003)

Source: NSF



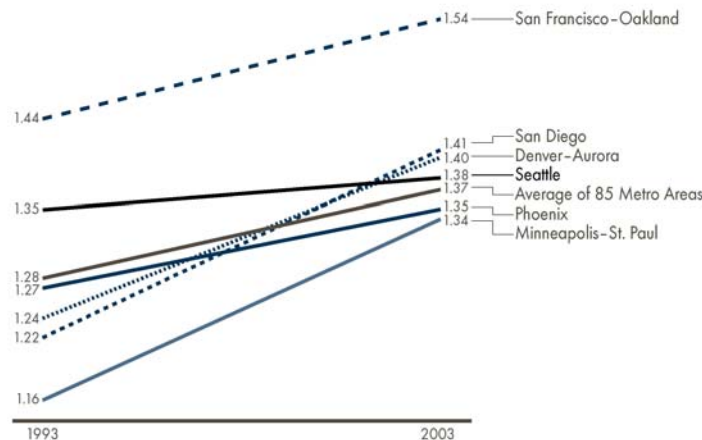
State and Local Tax Distribution (FY2005)

Source: Ernst & Young, Council on State Taxation



Travel Time Index (1993-2003)

Source: TTI

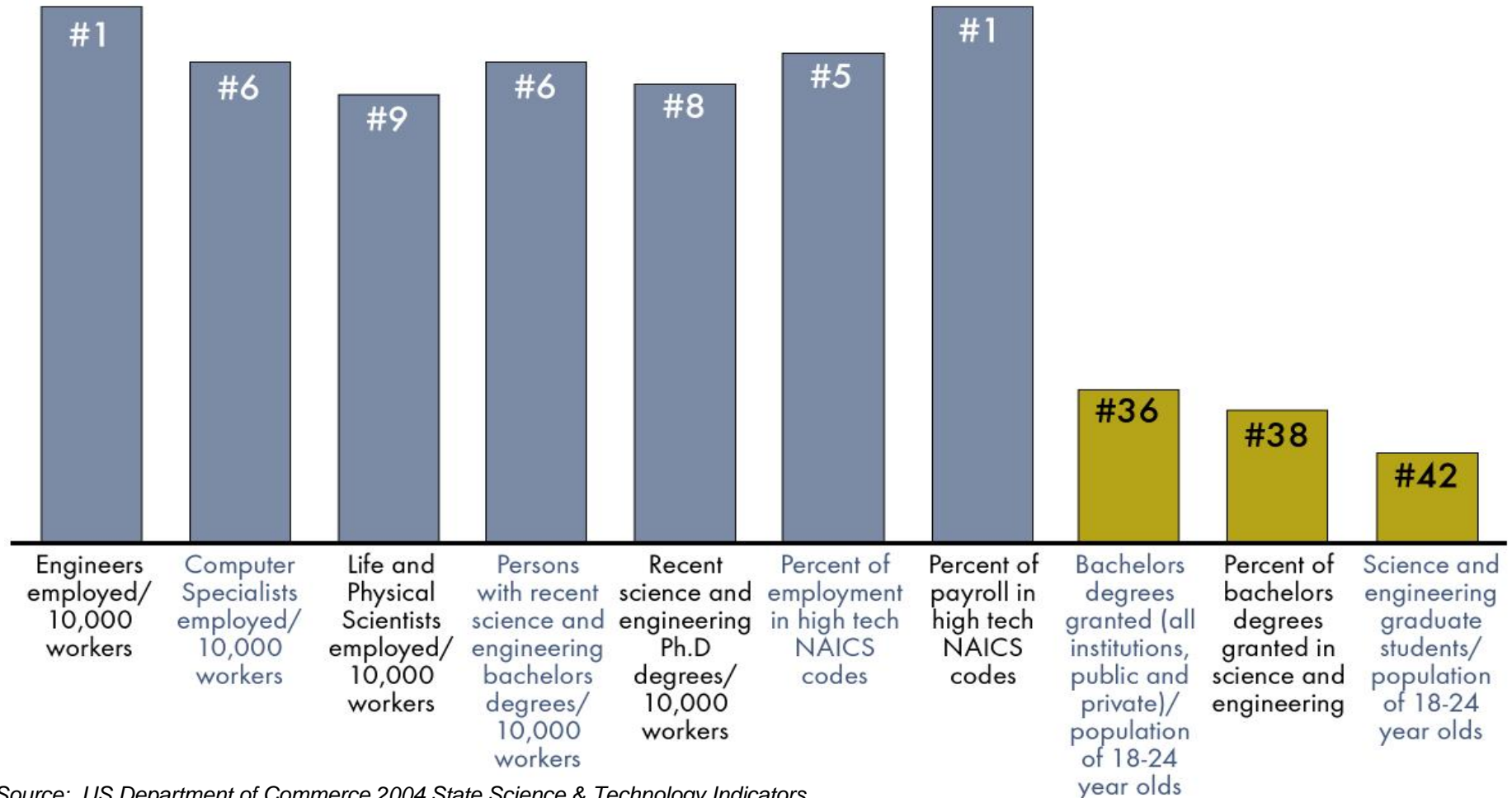




Addressed Higher Education Problem: We produce too few degrees

Washington Leads the Nation in Using Bachelor's Degrees,
But Is 36th in the Nation in the Production of Bachelor's Degrees

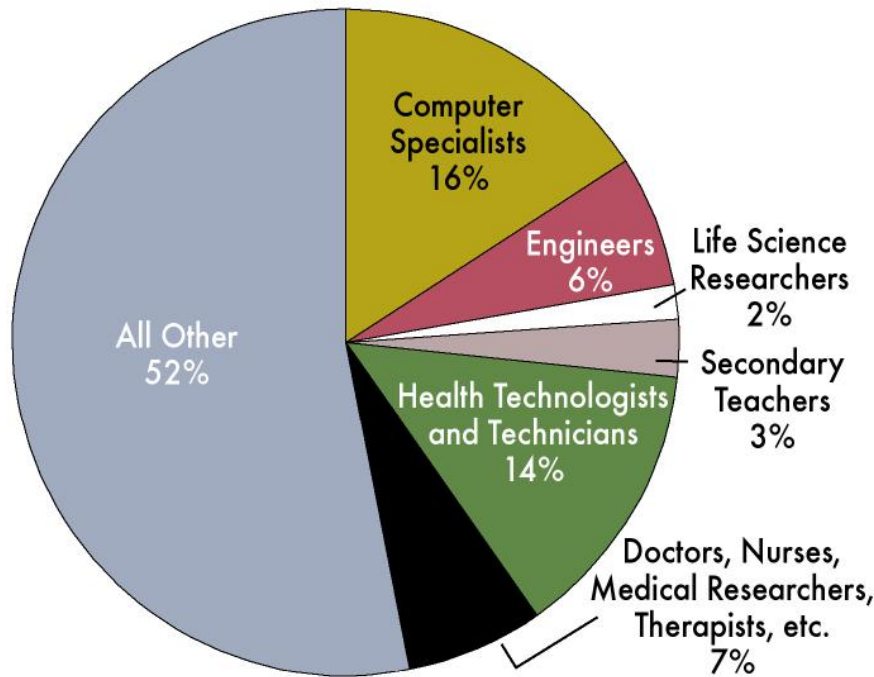
Source: U.S. Department of Commerce



Source: US Department of Commerce 2004 State Science & Technology Indicators

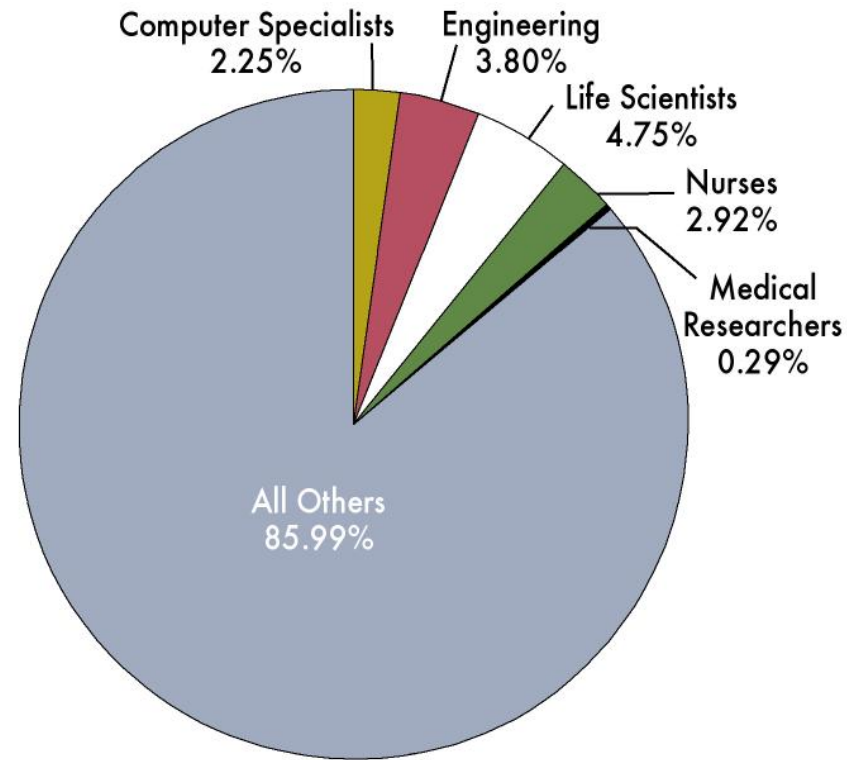


Washington's degree production is not concentrated in high demand fields



Washington Job Openings Requiring Bachelor's Degree, 2007-2012

Source: Employment Security Department



Current Degree Production in Washington's 4-Year System

Source: Integrated Postsecondary Education Data System, Washington Higher Education Coordinating Board



Higher Education Goals for our State

In order to meet the needs of our students and workforce, our state's colleges and universities need to produce:

- 36,625 total degrees by 2010 (8,000 over 2005 levels)
- 38,625 total degrees by 2020

PLUS

- Concentrate those degrees in high demand fields such as computer science, engineering, life sciences and secondary teachers in math, chemistry, physics, ESL and special education
- Add capacity in Community Colleges for accompanying two-year degrees.



Filled Existing Capacity in Higher Education



- ✓ **2007 Goal:** Fill existing capacity for degrees in high demand fields at Washington's higher education institutions.



Next Steps in Higher Education

- ✓ **Fund current capacity in high demand, high impact fields.**
- **Study capital needs beyond current capacity.**
- 3. Develop and implement a public awareness pilot project.
- 4. Provide more financial aid to encourage students to pursue degrees in high demand, high impact fields.
- 5. Fund FTEs at actual cost.
- 6. Adopt accountability standards and outcomes-based management of higher education.
- 7. Commit to a percentage of general fund budget for higher education investment.



Moving Forward: 2007 Action Items



2007 Action Items

Action Initiative	Action Initiative Area	Organization	Target Completion
1 Stage an export promotion symposium in conjunction with Trade Week 2007.	Logistics and International Trade	Trade Development Alliance	March 2007
2 Assist Aerospace Futures Alliance of Washington in filling Aerospace Skills Gap.	Aerospace	Prosperity Partnership	March 2007
3 Maintain state commitments to funding major regional projects.	Transportation	PSRC/Prosperity Partnership/Washington State Legislature/Governor Gregoire	May 2007
4 Fill existing capacity for degrees in high-demand fields at Washington's higher education institutions.	Education	PSRC/Prosperity Partnership/Washington State Legislature/Governor Gregoire	May 2007
5 Convene a taskforce on Foreign Direct Investment.	Logistics and International Trade	Trade Development Alliance/Prosperity Partnership	May 2007
6 Conduct research on Washington's business failures rate and recommend community or legislative changes to improve business success and retention.	New and Small Business Support	Prosperity Partnership	June 2007
7 Explore a domestic logistics mission to Los Angeles/Long Beach to review that region's infrastructure strategy.	Logistics and International Trade	Trade Development Alliance/PSRC	June 2007
8 Finalize a tax reform proposal, based on specific economic modeling that demonstrates the effects of the proposal on the Puget Sound region and specific industries therein.	Tax Structure	Prosperity Partnership	September 2007
9 Implement a freight and logistics communications campaign.	Logistics and International Trade	Trade Development Alliance	September 2007
10 Create a Clean Technology cluster advocacy organization.	Clean Technology	PSRC/CTED/enterpriseSeattle	September 2007
11 Create a Minority Economic Development Working Group to identify major economic development policy changes at the local and state level that benefit communities of color.	Social Capital and Quality of Life	Minority Economic Development Working Group/Prosperity Partnership	September 2007
12 Develop a Seattle International Benchmarking Consortium to benchmark regional competition against international peers.	Logistics and International Trade	Trade Development Alliance	November 2007
13 Build support to ensure success for an integrated roads and transit ballot that includes major regional corridor improvements funded by RTID and the next phase of high capacity transit implementation as reflected in the Sound Transit Phase 2 plan.	Transportation	Sound Transit/RTID/PSRC	November 2007
14 Develop broad consensus on a proposal to increase access to cultural institutions in the four-county region through the creation of a cultural funding district.	Social Capital and Quality of Life	Cultural Taskforce	December 2007
15 Enact the 2006-2007 strategies laid out in the Comprehensive Bioscience Strategy produced by the Washington Biotechnology and Biomedical Association.	Life Sciences	Prosperity Partnership/WBBA	December 2007
16 Create an ecosystem that can mix companies at different stages of development with available resources.	Life Sciences	King County Business Relations and Economic Development	December 2007
17 Pursue the incentives, resources and regulatory changes necessary to provide adequate, affordable housing close to jobs for workers at all wage levels.	Social Capital and Quality of Life	Executive Alliance/Nonprofit Partners for Prosperity	December 2007
18 Grow Aerospace Futures Alliance membership to 100 organizations.	Aerospace	Aerospace Futures Alliance	December 2007
19 Execute 100% of the four Economic Development Councils' Client-Based Business Retention, Expansion and Recruitment Action Steps.	All Clusters	enterpriseSeattle, Snohomish County EDC, EDB for Tacoma/Pierce County, Kitsap EDC	December 2007

- ✓ Research impact of Washington's business closures rate.
- Create a new Foreign Direct Investment Working Group
- Finalize efforts in Social Capital:
 - Cultural Taskforce
 - Regional Housing Strategy Working Group
 - Minority Economic Development Working Group



Starting International Benchmarking Project



Comparison to Peer International Regions:

- Barcelona, Spain
- Daejeon, South Korea
- Dublin, Ireland
- Fukuoka, Japan
- Helsinki, Finland
- Melbourne, Australia
- Munich, Germany
- Stockholm, Sweden



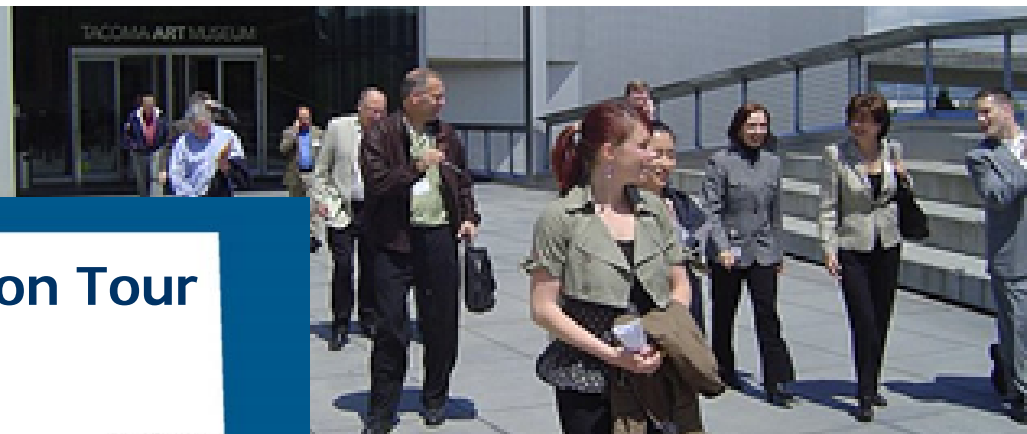


Bringing the Region and the State Together



Prosperity Partnership Roundtable Field Meetings

(Next Meeting – King County,
December 14, 2007)



Central Washington Tour June 25-27, 2006





Adding Two Additional Industry Clusters

Industry Cluster Employment by County

Cluster	King	Kitsap	Pierce	Snohomish	Total Employment
Military	7,400	13,290	23,950	7,610	52,520
Tourism	49,024	2,820	8,730	7,982	68,556

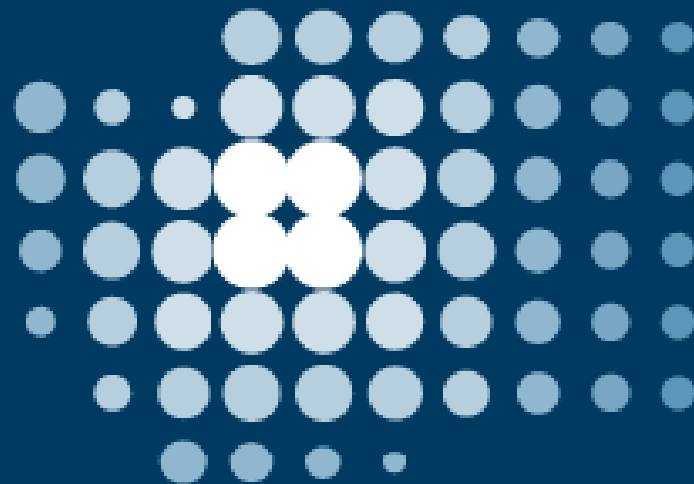
- **Tourism:** Travel spending generates an estimated \$760 million in state and local tax revenues annually.
- **Military:** Sales by Puget Sound companies to local bases total \$350 million per year. In addition, businesses in the region contract with bases in other states and countries, as well as directly with the Pentagon.



SAVE THE DATE!

**Prosperity Partnership
Fall Luncheon
Thursday, November 1, 2007
11:30 am
The Westin Hotel, Seattle**





Prosperity

P A R T N E R S H I P

www.prosperitypartnership.org