



# enterpriseSeattle

partnerships for regional prosperity

## KING COUNTY ECONOMIC ACTION PLAN (KCEAP)

**OBJECTIVE:** To build the job base in King County by focusing on companies in growing industry clusters; strengthening key industry clusters for global competition; and, assisting communities in King County develop those job clusters locally.

**Basic Plan:** Continue focus on top five industry clusters identified in Prosperity Partnership with emphasis on growth niches or areas of emphasis:

- (1) IT – Interactive Media, Washington Interactive Network (WIN)
- (2) Clean Tech – Energy Efficiency, Alternative Energy
- (3) Life Sciences – Medical Devices, Bio-Pharma Manufacturing, Healthcare Innovations
- (4) International Trade – Foreign Direct Investment (FDI), Foreign Trade Zone (FTZ)
- (5) Aerospace – Competitive Profile, Air Force Tanker

Based upon current funding level

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**Enhanced Plan:** In addition to Basic Plan, develop and implement an Enhanced Plan focused on both local company expansion and a California recruitment initiative to reduce statewide unemployment (9.5%) and regional office vacancy rates (20%). The Enhanced Plan focuses on additional job cluster opportunities in King County:

### **(1) Business & Financial Services**

- ✓ According to Prosperity Partnership, business services (insurance, architectural, engineering, etc) was the 4<sup>th</sup> largest job cluster in the region with 45,543 jobs
- ✓ While some of these jobs have been lost in current downturn, many of these companies do business globally and positioned for growth
- ✓ Two major financial firms – Russell Investments and JP Morgan Chase – have recently the Seattle market

- ✓ Andrew Doman, CEO of Russell, has already agreed to assist in building a international financial services cluster in Seattle
- ✓ Overlay these strengths with an opportunity to target financial services companies in San Francisco, we can build a stronger international Business & Financial services sector and fill vacant office space

## **(2) Pacific Rim Business**

- ✓ According to Prosperity Partnership, the International Trade and Logistics cluster accounts for 42,134 jobs in the region
- ✓ KCEAP is different from existing International Trade programs; it proposes focusing on recruiting Pacific Rim companies in Southern California
- ✓ The Pacific Rim sector is the largest economic cluster in California with the LA Customs District ranked first the US in two-way trade
- ✓ According to the LAEDC, there are 496,000 Pacific Rim jobs in the greater Southern California region
- ✓ Given the deteriorating business and economic climate in California, many of these companies are examining relocation options
- ✓ Other regions – Denver, Austin, Phoenix, etc – are all recruiting California now; our competitive advantage is that we are the only one actually physically located on the Pacific Rim with a long history in this sector

## **(3) Fashion and Apparel**

- ✓ According to a 2007 WSU study, State of Washington exports for mill products ranks 11<sup>th</sup> in US; apparel manufacturing exports rank 19<sup>th</sup>; and, there are 19,644 jobs in textiles and apparel manufacturing and over 100,000 jobs in apparel retail in the State
- ✓ Seattle along with New York, Los Angeles, San Francisco, Miami and Dallas are regarded as the top apparel design and manufacturing centers in the US with some of the leading companies here (REI, Eddie Bauer, etc)
- ✓ According to the study, the State also ranks 17<sup>th</sup> in retail sales with some of the leading companies (COSTCO, Nordstrom's, etc)
- ✓ Three factors are changing the “old” textile and apparels industry: computerized design, Pacific Rim market growth; and direct retailer involvement
- ✓ WSU now offers an academic curriculum in the this cluster
- ✓ With major apparel and garment districts in Los Angeles and San Francisco, this sector also offers a California recruitment opportunity

## **(4) Healthcare**

- ✓ Representing one-sixth of the US economy, this sector is undergoing significant change due to: advanced research; technical innovations; an aging population; national public policy; and, a market that is now global. Economic

development professionals across the US view it as a major economic opportunity

- ✓ According to Prosperity Partnership, there are over 23,000 direct jobs in the life science/medical device sector and another 13,000 in long-term care
- ✓ With 36,000 healthcare jobs already – plus our prominence as a global health center – we should be implementing strategies now to build this job cluster
- ✓ enterpriseSeattle is already working with communities like Bothell and Federal Way to do so
- ✓ San Diego and Orange counties have several hundred medical device/healthcare companies that can be targeted for recruitment

#### **(5) Global Philanthropy**

- ✓ With the opening of the Gates Foundation – the largest philanthropic organization in the world - in 2011, this region can become a hub for non-profit and philanthropic organizations internationally
- ✓ The Gates Foundation will serve as an “anchor” – just as Boeing has in aerospace – in attracting similar organizations
- ✓ We should be implementing a business development strategy now to take advantage of this opportunity including recruitment from other philanthropic centers like Boston and New York

#### **(6) Defense/Space and Security**

- ✓ According to a Deloitte study, defense spending over the next 20 years will be about \$6 trillion
- ✓ According to a DOD report, in FY2008-09 they awarded \$134M in contracts to 117 defense contractors in the region
- ✓ With the possibility of the Air Force Tanker project now coming to the region, we should be implementing business development strategies in this sector; particularly, in the systems applications technology transfer area
- ✓ This will open up recruitment opportunities in other aerospace markets like Texas, Colorado, Georgia and others

#### **Enhanced Plan Requirements**

- Conduct an economic baseline study identifying companies, jobs, revenues and key business issues for each new proposed cluster to be completed on a phased basis.  

TOTAL \$100,000
- Establish a business development program to support company and cluster growth while providing an expert resource for King County cities to develop these job clusters locally.  

TOTAL: \$250,000

- Hire a research analyst to identify target companies for the recruitment program that fit both in existing and enhanced industry clusters programs for King County; develop marketing collaterals; and fund recruitment missions beginning in California.

**TOTAL: \$100,000**

**TOTAL ANNUAL FUNDING: \$450,000**