

Legislative Objective

# Economic Development & Infrastructure Financing

## Background:

The 2009 legislature renamed the Department of Community Economic Development and Trade to the Department of Commerce with a requirement that a proposed mission and vision be presented to the 2010 legislature for their action. The agency has held stakeholder meetings around the state to develop strategies that are designed to help pull Washington out of the recession and shape the future of the new Department of Commerce.

## Problem:

All across Washington, opportunities for development and redevelopment could invigorate stagnating economies by creating jobs, stimulating the redevelopment of blighted areas in the inner city, increasing affordable housing and promoting more efficient land use. Publicly owned infrastructure is a critical part of many economic vitality projects. Without it, private investment sometimes cannot move forward. Government must provide basic infrastructure such as water and sewer systems, sidewalks and streetlights, street and road improvements, parking and other basic services. Private sector investment is also necessary for other services such as telecommunications and internet access.

The Job Development Fund, Community Economic Revitalization Board, Local Infrastructure Financing Tool (LIFT) and many other programs exist to promote economic and infrastructure development. These are among more than 86 different programs administered by 12 different agencies, making our system very complex and difficult to access. The LIFT program is an initial step towards true tax increment financing. Greater coordination and additional investment need to occur to make sure that state and local infrastructure meet the demands for business growth.

## Solution:

In addition to addressing the specific policy goals of AWB that will improve the business climate of Washington, the 2010 legislature should:

1. Develop a strategic plan on state and local economic development and infrastructure needs including an analysis of existing programs and review of other state programs.
2. Support stable funding for existing programs with a proven record of success and eliminate those programs that are not successful.
3. Continue to expand the LIFT program to a full tax-increment-financing (TIF) program.
4. Improve the links at the state, local and federal levels for economic development and infrastructure financing tools.
5. Establish central clearinghouse for economic development and infrastructure financing tools with coordinated outreach and application assistance to employers.
6. Establish new and provide the broadest application of existing tax incentives to promote economic development and infrastructure expansion.