



Office of Economic Development and Competitiveness

Progress Report to the Legislature (per Section 128(21) of the 2013-15 Operating Budget)

Background

Section 128(21) of the 2013-15 operating budget appropriated \$700,000 each for fiscal years 2014 and 2015 for the Department of Commerce (Commerce) to “*identify and invest in strategic growth areas, support key sectors, and align existing economic development programs and priorities.*” Section 128(21) also required Commerce to “*electronically submit the performance metrics and performance-to-date by January 1, 2014, to the economic development committees of the legislature.*”

This report provides updates on the relevant performance metrics we have identified to date, as well as available performance under those metrics for the period covering July 1-December 1, 2013. We would be happy to discuss further our implementation and goals on strategic economic growth as requested.

Performance Milestones and Metrics

In accordance with the “Prosperous Economy” goal of *Results Washington* and the Section 128(21) directive, Commerce is devoting additional resources to eight priority economic sectors in Washington. To date we have filled five newly created positions for a “sector lead” in each priority sector (listed below).

Sector Leads

Advanced Manufacturing	[Vacant]
Aerospace	Alex Pietsch
Agriculture	[Vacant]
Clean Energy	[Vacant]
Information and Communications Technology	Wilford Saunders
Life Sciences	Maura Little
Maritime	Steve Sewell
Military	Kristiné Reeves

The sector leads work hand-in-hand with Commerce’s International Trade and Business Recruitment, Retention and Expansion (BRRE) teams, which track various performance metrics listed below. In addition, we will track gross business income and employment as measures of health and growth in each priority sector. Those measures are currently being refined as part of the interagency *Results Washington* process and are expected to be finalized in early 2014.

International Trade Metrics

- **Export Sales:** Dollar value of Commerce-assisted export sales as reported by companies.
- **Cases:** Number of new export assistance projects requested by companies.
- **Companies Assisted:** Number of unique companies assisted by Commerce.
- **Jobs Supported:** Number of jobs supported by Commerce-assisted export sales. This is determined by taking export sales and applying a multiplier from U.S. Department of Commerce.

Business Recruitment Retention, and Expansion Metrics

- **Leads:** Number of new leads generated by BRRE.
 - A lead is defined as a company with whom the Business Services Division (BSD) has made contact and which has expressed interest in locating in Washington and/or doing business in Washington. A lead is either (1) self-identified (Web contact, phone contact, site selector contact) or (2) generated by Commerce (site selector relationship, recruitment mission, trade show, targeted marketing).
 - The conversion of a lead to a case is a function of the level of resources/assistance requested/expended. A lead does not always convert to a case.
 - Leads can take anywhere from a few months to several years to convert to a case/project. A project then needs to be cultivated, won, and worked at the local level before job and investment impacts are seen.
- **Opportunities/Active Cases:** Number of projects handled by BRRE that involve active BSD staff facilitation in connection with a request for assistance centered on a specific site location and/or state funds/resources.
- **Cases Won:** Number of companies that decide to invest in Washington State.
- **Jobs Created/Retained:** Number of jobs created/retained as consequence of BRRE involvement into recruitment, expansion or retention projects.
- **Private Capital Investment:** Company dollar investment into projects successfully assisted by Commerce.

The following table shows the actual performance against these metrics for FY 2013 and the first five months of FY 2014.

International Trade		
	FY 2013	FY 2014 through 11/30/2013
Export Sales	\$203.3 million	\$120.3 million
Cases	1802	601
Companies Assisted	729	291
Jobs Supported	1099	650
Business Recruitment, Retention and Expansion		
	FY 2013	FY 2014 through 11/30/2013
Leads	83	37
Cases	28	17
Cases Won	33	5
Jobs Created or Retained	2164	1065
Private Capital Investment	\$390 million	\$24 million

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