We strengthen communities

- Housing
- Homelessness
- Infrastructure
- Planning
- Community facilities
- Business assistance
- Crime victims & public safety
- Energy
- Community services
Office of Economic Development and Competitiveness (OEDC)

Chris Green
Assistant Director

Business Development, Radi Simeonova

Industry Sector Leads

Small Business Export Assistance, Isabelle De Wulf
Washington’s Key Sectors

- Aerospace
- Agriculture and Food Manufacturing
- Clean Technology
- Forest Products
- Information and Communications Technology
- Life Science/Global Health
- Maritime
- Military and Defense
Department of Commerce: Supporting business investment

- No-cost, confidential assistance for overseas investors to do business in Washington State
- Identify sites for expansion or location
- Research new markets
- Locate strategic partners
- Coordinate workforce training
- Regulatory and permitting assistance
Partners

• Associate Development Organizations – all 39 counties
• State Agencies
  • Ecology, Department of Natural Resources, Agriculture, Revenue
• Governor’s Office
  • ORIA
• Industry Clusters and Associations
• Federal Agencies
• Consulates
• And many more...
Why Choose Washington?

- Growth-oriented economy
- Educated workforce
- Global hub for exports
- Culture of entrepreneurship
- Pro-business environment
- Low-cost energy
Commitment to a 100% clean economy

100% clean electricity by 2035
100% clean new vehicles by 2030
100% clean new buildings by 2030
Washington’s Pro-business Environment

- No state corporate income tax
- No state personal income tax
- No sales tax on equipment
- No inventory tax
- No tax on interest or dividends

Washington State does have a Business & Occupation (B&O) tax. The B&O tax is based on gross receipts. B&O tax rate for manufacturing is 0.00484. For every $1M in gross receipts the B&O tax is $4,840.
<table>
<thead>
<tr>
<th>INCENTIVE</th>
<th>SAVINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Sales and Use Tax Exemption for Manufacturing Machinery &amp; Equipment</strong></td>
<td>6.5% + local rate</td>
</tr>
<tr>
<td>Purchases of machinery and equipment used directly in a manufacturing operation. The City of Moses Lake has a current total sales tax rate of 8.4%</td>
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<tr>
<td><strong>2. Business &amp; Occupation Credit for New Employees in Manufacturing and Research &amp; Development in Rural County</strong></td>
<td>Example: For 750 new jobs, the savings could range from $1.5 - $3 million depending on their annual wages.</td>
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<tr>
<td>Manufacturers, R&amp;D laboratories, and commercial testing facilities located in rural counties or within a Community Empowerment Zone (CEZ). $2,000 credit/position with annual wages/benefits of $40,000 or less, or $4,000 credit/position with wages/benefits of more than $40,000 annually.</td>
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<tr>
<td><strong>3. Community Economic Revitalization Board (CERB)/Committed Private Partner Program</strong></td>
<td>2 million loan max. Up to $150,000 grant or 50% of CERB request, whichever is less.</td>
</tr>
<tr>
<td>Loans and grants for construction of public infrastructure necessary for private business expansion. The Committed Private Partner (CPP) Program requires a private business commitment as part of the public entity’s application. This competitive program is awarded based on board approval. The project must either create a significant number of permanent jobs or generate significant private capital investment.</td>
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<tr>
<td><strong>4. Job Skills Program Competitive Grant</strong></td>
<td>$900 per trainee</td>
</tr>
<tr>
<td>Customized employment training program.</td>
<td></td>
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<tr>
<td><strong>5. Strategic Reserve Fund (SRF)</strong></td>
<td>Awards are based on economic impact of the project and funds availability</td>
</tr>
<tr>
<td>The Governor’s Strategic Reserve Fund is specifically designated to assist companies with legislatively allowable expenses related to business recruitment, retention and expansion in Washington State. Funding is subject to approval and availability. SRF, a competitively awarded grant, can also help your company offset customized training or other workforce development expenses.</td>
<td></td>
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<tr>
<td><strong>6. Work Start</strong></td>
<td>Grants average $1,500 per trainee</td>
</tr>
<tr>
<td>A business-driven workforce training program using the Governor’s Strategic Reserve Funds to provide employers with flexible customized training in direct alignment with the state’s business recruitment, retention and expansion efforts. Work Start will coordinate with state and local training programs to assure the best program of training is delivered in the most efficient manner. Awards are based on availability of funds.</td>
<td></td>
</tr>
</tbody>
</table>
Clean Energy Opportunity in WA

- Energy Storage
- Solar
- Electrified Transportation (on-road, aviation and maritime)
- Hydrogen
- Energy Efficient Buildings
- Advanced Materials
- Industrial Symbiosis and Circular Economy
Thank you!

Brian Young
Governor’s Clean Technology Sector Lead
Washington State Department of Commerce
brian.young@commerce.wa.gov
+1.206.291.3275
Ranked #1 for Business

Overview of Washington

- Area: 71,301 SQ. MI.
- GDP: $613 Billion
- College Educated: 46.9%
- Population: 7,614,893
- Capital: Olympia

Washington, the only state named after a U.S. president, gained its statehood in 1889.
Washington State’s Remarkable Growth

- One of 10 largest economies in the U.S.
- Annual economic output of more than a half a trillion dollars.
- The state’s economy is bigger than the 25 smallest U.S. states combined
Washington State Connectivity

Washington State's Global Reach

12 Non-stop flights daily to Asia & Midwest from Seattle

SEATTLE
An hour closer to Asia than other West Coast cities

LONDON to ASIA
Save flight time through Seattle

Flying through Seattle
via SFO is 1000 miles longer
via LAX is 1420 miles longer
Washington’s Pro-business Environment

Top State Marginal Corporate Income Tax Rates as of January 1, 2022
Washington State: A Leader in Clean Power

- Today, utility companies get nearly 82% of their energy from hydropower. Reliable, renewable and produces almost zero greenhouse gas emissions.

- The Clean Energy Transformation Act (CETA) now requires that all WA electricity be 100% carbon free by 2030.

- A leading producer of hydroelectric electricity. Washington State produces 25% of the nation's utility-scale hydroelectricity.

- The average industrial electricity rate of 4.13¢/kWh. This is 38% less than the national average industrial rate of 6.67¢/kWh.

- Major efforts underway to electrify WA’s transportation system, with a heavy emphasis on innovation around maritime and aviation electrification, as well as the built environment.
Washington’s Climate Commitment Act

• The Climate Commitment Act (or CCA)
  • A comprehensive program to reduce carbon pollution. Effective Jan. 1, 2023.

• How does it work?
  • Caps and reduce greenhouse gas emissions from the state’s largest emitting sources and industries, allowing businesses to find the most efficient path to lower carbon emissions.

• The Cap-and-Invest Program
  Generates revenue for tackling climate change and promoting resilience. Proceeds must be used for clean energy transition and assistance.
A leader in Innovation and Education

- Washington State is the most research intensive economy in the U.S.
- Seattle is the only city in the U.S to be ranked in the top 3 US cities for both corporate and academic R&D spending.
- Seattle is ranked a top 10 energy start-up city.
- University of Washington is a top ten U.S. energy research university and a top 3 computer science research university.
- A world-class academic and research backbone across Washington:
  - University of Washington (UW)
  - Pacific Northwest National Laboratories (PNNL)
  - Washington State University (WSU)
Clean Energy Fund Programs

Working to transform and modernize the energy sector. We’re opening new markets for clean energy and low-carbon technology.