



Evergreen Plaza Building, Suite 607
711 Capitol Way S
PO Box 48302
Olympia WA 98504-8302

Volume I, Issue I

Special points of interest:

- The Washington Innovation Economy Strategic Report was presented to Governor Gregoire and the Legislature on Feb 6th
- WEDC—Critical step to compete in the 21st Century by Bruce Kendall, WEDC Chair and Steven VanAusdle, Vice Chair
- Innovation Ecosystem Roadmap Meetings to be held in March thru May

Building the Washington Innovation Economy - WEDC Strategy Launched

The Washington Economic Development Commission took its first step in creating the “Washington Innovation Economy” on February 6th in Olympia. The strategy report, presented to Governor Gregoire and the Washington State Legislature, culminates almost a year of work by the Commission, hundreds of hours of volunteered time, research through thousands of pages of material, and input by members of the private, public and philanthropic sectors throughout the state, region and nation.



opportunity for all the state’s citizens.”

The WEDC membership is divided into three main working groups: Talent, Investment & Entrepreneurship, and Infrastructure. Each working group is chartered with conducting research, interviews, and analysis to provide the full Commission with the in-depth, informed recommendations necessary for transitioning to a “ground-up” innovation eco-system for economic development in Washington State.

The Commission’s focus concen-

trates on choosing projects that promote long-term competitiveness for the state, create good paying jobs in the private sector, and encourage innovation and entrepreneurship in new and existing companies. The choices made now will determine if Washington emerges revitalized from the current economic downturn.

During the WEDC press briefing, Governor Gregoire said, “Congratulations to the WEDC for a lot of hard work, cohesive thinking, and long range planning to make sure that when the recession we are in right now ends, Washington is well prepared for the 21st century.”

View the full report, “The Washington Innovation Economy, New Economic Strategy for Prosperity” at: www.WEDC.wa.gov

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Roadmaps to an Innovation Ecosystem

Working with local regions throughout the state, WEDC is charting Washington’s new innovation ecosystem by hosting a series of Innovation Roadmap Forums this March through May.

Last fall, while preparing the strategic report, the Commission visited eight regions listening to hundreds of business and civic leaders, determining what long-

range goals should be the focus for the state’s economic strategy. This spring the Commission is returning to these areas and others to work with individual regions as they formulate custom “roadmaps” for the innovation economy. “This is not just another report to put on a shelf,” said Egils Milbergs, Executive Director of WEDC, “we will be

working with each region to find solutions which transforms our state, builds collaborative networks, capitalizes on strengths and overcomes weaknesses.” Innovation Forums will be held in March through May. Meeting dates and venues will be posted on:

www.WEDC.wa.gov/meetings

The Innovation Way

Beyond Oil: Transforming Transportation

Short synopsis of white paper by Steve Marshall, Cascadia Institute

“No single issue is as fundamental to our future as energy. America's dependence on oil is one of the most serious threats that our nation has faced...It puts the American people at the mercy of shifting gas prices, stifles innovation and sets back our ability to compete.”

—President Obama
January 26, 2009

The Northwest is positioned to launch a federally-funded demonstration project--to build the infrastructure, test the prototypes and integrate cars into the electric power grid and the transportation system. The Northwest has a clean, low-carbon electric power grid, support from a strong Northwest congressional delegation as well as from key state and local government officials, two National Department of Energy Laboratories with experience in plug-in vehicle research, a technically strong work force, key business and utility support, and Northwest citizens ready to move beyond oil in transporta-

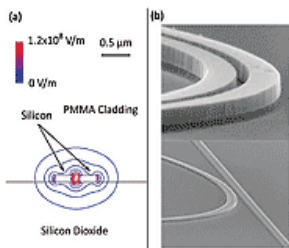
tion. We have other institutions and traditions of regional coordination exemplified by Energy Northwest, the Bonneville Power Administration, and the Northwest Power and Conservation Council. The Cascadia Institute proposes the following steps:

1. Build recharging infrastructure.
2. Build advanced transportation hubs.
3. Jump start volume of plug-in cars with federal, state and local fleet purchases.
4. Provide early incentives for corporate fleets and employees to partner with the demonstration project and connect to the transportation hubs.

5. Provide federal funding to retrofit hundreds of existing northwest Prius vehicles into plug-in cars to showcase the grid-connected transportation system.
6. Provide federal funding to launch plug-in public vehicle fleets, including school buses and U.S. Post Office delivery trucks.
7. Use Department of Defense funding.
8. Accelerate, fund and test the communication and computer systems to integrate cars with more efficient transportation systems.

Read the full white paper at: www.WEDC.wa.gov/publications

Nanophotonics—Washington's future?



Michael Hochberg is a STAR researcher at the University of Washington. One of the Commission's twenty-one recommendations requests the Legislature strengthen the STARs program.

Michael Hochberg, and his team at the University of Washington, are hard at work establishing nanophotonics as the new silicon chip replacement. Sound too futuristic to be of value? Not true. “In ten years optics will come on every desktop chipset” said Intel Communications Group VP Eric Mentzer in April, 2002. Dr. Hochberg, when speaking to the WEDC, reinforced that we are on the cusp of being able to do true all-optical logic with bandwidths greater than 1,000 times that of today's electronic circuits

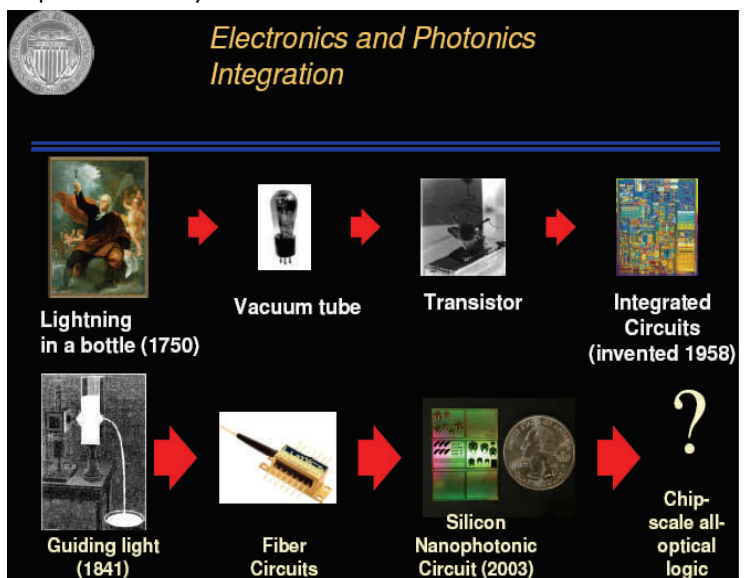
There are huge opportunities for making unique devices for applications in:

- * bio-sensing;
- * aerospace and defense;
- * digital and analog data communications;
- * and revolutionizing computer architecture.

Currently silicon is the world's premier material for making nanostructures. Billions and

billions of dollars of infrastructure for making silicon devices has been spent. Organic molecules can now be designed and synthesized the highest optical nonlinearity known to man. Silicon waveguides provide extraordinarily high mode field confinement. Taken together, these observations create an opportunity to make light interact with light in unprecedented ways.

What does this mean to Washington? We have the opportunity to create a new “Silicon Valley.” Using newly created research laboratories, Dr. Hochberg has already begun encouraging innovative uses and business models for nanophotonics, mentoring future entrepreneurs in the evolution of electronics.



Washington Economic Development Commission—Critical step to compete in the 21st Century

by Bruce Kendall, Chair of WEDC
and Steve VanAusdle, Vice Chair



Bruce Kendall, President & CEO, Economic Development Board for Tacoma Pierce County EDC is the current chair of the WEDC.

The Washington Economic Development Commission is unique. Re-created by the Governor and Legislature in 2007, the WEDC provides a statewide strategy, a mechanism to align programs throughout the state, ensuring Washingtonians, “stretch their economic-development buck.”

And, Washington state has historically spent large sums of money for Economic Development. One of the first assignments for the WEDC was doing an inventory of

state funded economic development programs. The result - we found 143 programs, over \$3 billion currently spent at the state level. If you are interested in how your nickel is working, read the analysis and program inventory at: www.WEDC.wa.gov/publications.

At the first strategy meetings held in April, 2008, the Commission declared that innovation would be the pathway for the state to compete and succeed in the 21st century. Three Working Groups—

Talent, Investment & Entrepreneurship, and Infrastructure, now meet regularly throughout the state to hear presentations, consider input from other organizations and individuals, and formulate recommendations to the Governor and Legislature.

Using its unique position to work with the regions, the WEDC is hard-at-work to deliver a credible way forward to economic recovery.



Steve VanAusdle, Ph.D, is the President of Walla Walla Community College and the current vice-chair of the WEDC.

Innovation Partnership Zones—What are they?

The Innovation Partnership Zones (IPZ) program was created in 2007 by Gov. Gregoire and the WA State Legislature. IPZs are part of the state’s efforts to stimulate growth of industry clusters within specific geographic areas, much like a research park environment. The Commission recommendations to the state legislature to strengthen Innovation Partnership Zones. The state should continue capital investment competitions for designated IPZs and additional operational funding

should be provided for IPZs to broker stronger networks and relationships within and across IPZs. To fully test the effectiveness of this locally driven process for innovation, the current designation criteria should be maintained. The Innovation Partnership Advisory committee should develop and publish a set of IPZ performance criteria and, where possible, link the STARS program and the IPZs more explicitly. IPZs help identify ways to integrate workforce and infrastructure resources

from federal, state and local economic development agencies to reinforce IPZ projects and outcomes. IPZs are encouraging growth well beyond regional markets by reaching out to global partners.

To learn more contact: Julie Anderson, Sr. Policy Advisor
Community, Trade & Economic Development
juliea@cted.wa.gov or
360.725.4029
www.WEDC.wa.gov/publications

Current Designated IPZs

- Bellingham Innovation Zone
- Bothell Bio Medical Manufacturing Corridor
- Grays Harbor Sustainable Industries
- Pullman IPZ
- Sequim North Olympia Peninsula Innovation Partnership Zone
- Snohomish Aerospace Convergence Zone
- South Lake Union Life Sciences Innovation Partnership Zone
- Spokane University District
- Tri-Cities Research District
- Vancouver Steinmuller Innovation Zone
- Walla Walla IPZ

Broadband Inclusion

Computer and Internet access, along with adequate skills, are essential for financial and educational success in Washington’s 21st century economy. The deployment and adoption of broadband (high-speed internet) services and technology advancements enhances economic development and public safety for the state’s communities, while offering improved access to health care, increased educational opportunities, and a better quality of life for the

state’s residents. Improvements in the deployment and adoption of high-speed internet services and the strategic inclusion of technology advancements are critical to ensuring that Washington remains competitive and continues to attract businesses and stimulate job growth. The state must encourage and support strategic partnerships of public, private, nonprofit, and community-based sectors in the continued growth and development of high-speed internet ser-

vices and information technology for state residents and businesses.

Inhibitors to availability include: low population density, difficult terrain, permitting delays, and low ROI. In many rural communities, there is not sufficient demand to deploy broadband infrastructure.

Availability of broadband does not always result in adoption. Barriers to adoption and utilization include: high costs, fewer service options, lack of skills to use



technologies, low perceived value of paying for and using broadband services. See the full white paper at:

www.WEDC.wa.gov/publications

WASHINGTON
economic development
COMMISSION

Evergreen Plaza Building, Suite 607
711 Capitol Way S
PO Box 48302
Olympia WA 98504-8302

Phone: 360.586.5660
Fax: 360.586.5658

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Accelerating Innovation Blog



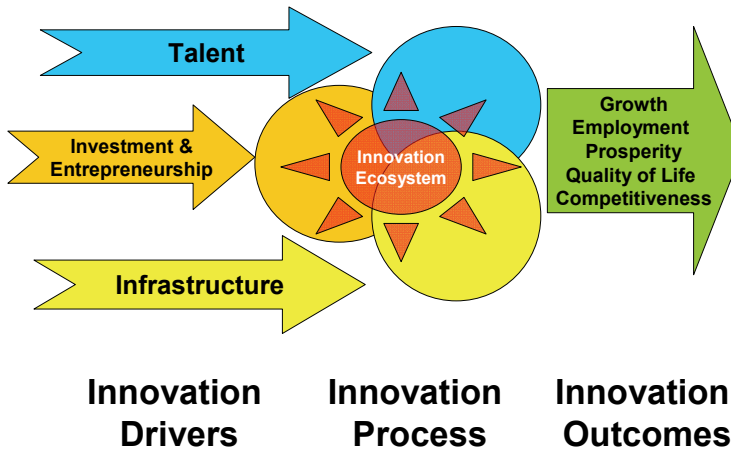
See what the Executive Director is saying about the changing nature of innovation in Washington State.

www.innovate.typepad.com

We're innovating...

The Commission strategy is based on three key drivers of an innovation economy—talent, investment and entrepreneurship, and infrastructure – and proposes specific ways to address those drivers. Over time we have an opportunity for our business, research, government, and education leadership to step forward to implement revolutionary—not incremental—change. This change will be facilitated by a new perspective and a capability of seeing the innovation system as a whole, and of collaborating across boundaries.

Innovation Economy Framework



WEDC New Website Launched

Another step to building the innovation ecosystem was taken with version 1.0 of the WEDC website. Our website went “live” on February 6th. We will add, improve, and create an interactive, fun and informative social-network site for our stakeholders. The current plan includes:

- A real-time benchmarking system to track the state’s innovation capacity and performance.
- Links and information on economic development services available at regional levels.
- A shared “network” for information exchange, sharing answers to questions, and collaborating on projects.
- Innovation Roadmaps throughout the state—Learn what’s happening with local innovation strategies which align with the WEDC’s strategic plan.
- Success stories—what’s happening in the state that should be celebrated.
- Leading practice articles on creativity, innovation, commercialization, strategies and economic development.

Creating a truly useful site means feedback. We need to hear from you, our stakeholders. We are committed to support your initiatives, your innovation. So, please let us know what will be most helpful to you.

Send your suggestions to:
noreenh@wedc.wa.gov