



STATE OF WASHINGTON  
**DEPARTMENT OF COMMERCE**

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May 1, 2015

The Honorable David Madore, Chair  
Clark County Board of Councilors  
P. O. Box 5000  
Vancouver, WA 98666-5000

Dear Chairman Madore:

Every two years, the Department of Commerce begins the process of contracting with Associate Development Organizations (ADOs) by sending a letter to the Board of County Commissioners or County Executive in each county requesting designation of an ADO.

Commerce is directed by RCW 43.330.080 to contract with county-designated ADOs to increase the support for and coordination of community and economic development services in communities or regional areas.

As part of the contracting process, please complete the enclosed ADO Certification/Designation Form for the 2015-17 Biennium, returning to Commerce by June 15, 2015. Your county can choose to re-designate the current ADO or make a new designation. Please see the enclosed Eligibility and Designation Guidelines.

Thank you for your consideration in helping to move the contracting process forward in a quick manner. I look forward to working with our ADO partners during the next biennium.

Sincerely,



Brian Bonlender  
Director

Enclosures

cc w/enclosures: Columbia River Economic Development Association



# Associate Development Organization Certification/Designation Form

(For use by County officials.)

\_\_\_\_\_ affirms/ designates the \_\_\_\_\_  
(Name of County) (Name of ADO)

as the Associate Development Organization to coordinate economic development services for the county under contract with the Washington State Department of Commerce. Consistent with statutory requirements:

1.  The prospective ADO is a **non-profit** organization.

**OR**

A **public entity** that has formed an authority or committee with full operating authority to carry out the duties of the ADO. It is important to recognize that this group would have its own authority and budget, not just the power to recommend actions/plans/expenses.

2. Economic development is the **primary mission** of the prospective ADO, and not just a secondary activity. This can be demonstrated with a written mission statement in a brochure, web-page, newsletter, etc. It may also be documented in the organization's by-laws.

3. For economic interests in the county, this organization serves as a networking tool and resource hub for business retention, expansion, and relocation in Washington.

4. This organization has/will have the capacity during the period under contract with Commerce to carryout work activities as detailed in RCW 43.330.080

***This designation is effective on the date signed below, and shall remain in effect for the 2015-2017 biennium.***

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**PLEASE SUBMIT TO:**

Kathy Carlson, Contracts Coordinator  
Business Services Division  
Washington State Department of Commerce  
Post Office Box 42525  
Olympia, WA 98504-2525

# Associate Development Organizations

## Eligibility & Designation Guidelines



**Department of Commerce**  
Innovation is in our nature.

## Overview

Washington's Department of Commerce (Commerce) maintains a contracted partnership with 34 Associate Development Organizations (ADOs), serving 39 counties, through both technical assistance and funding for local economic development activities. Each county in the state has designated an organization as their ADO to partner with Commerce and serve as the lead on local economic development activities in their county.

This guide is provided to assist county leaders in the process of designating the most effective organization to serve as the ADO for their county. The criteria that Commerce uses to approve and negotiate a contract with a county-designated ADO is also covered.

The origins of ADOs date back to Governor Booth Gardner's Team Washington strategy that was initiated in 1985 to develop a public-private, state-local partnerships across the state. At first the Local Economic Development Assistance Program (LEDA) provided administrative grants to 33 ADOs that served the state's 39 counties. ADOs were to become the principal contact for the department and all county economic development elements (chambers, towns, ports, businesses, etc.) would coordinate their efforts through their local ADO.

## Expectations of ADOs

The broad role of an Associate Development Organization is that of advocacy and leadership, serving as the point of contact for local economic activities, recruiting/hosting new businesses, and coordinating business retention and expansion efforts within its service area. The ADO serves as the principal contact for Commerce regarding economic activity in their area. ADOs help Commerce gather data about community profiles, industrial sites, plans for business development and retention, reports on business activities, and proposals for other economic activities in their service areas.

ADOs are described in more detail in RCW 43.330.080, and a copy of that code is provided in the reference section of this guide.

Specific expectations of the ADO, as assessed by Commerce for contracting purposes include:

1. Partner with Commerce: The designated ADO organizations shall partner with Commerce as the lead local economic development organization in their service area to deliver economic development services at the local level. Through a contracted partnership, Commerce determines the scope of services delivered under the ADO grant/contract in collaboration with the ADO. The ADO works closely with Commerce to develop and carry out strategies and show potential for long-term sustainable growth.
2. Contracting Organizations (ADOs) in each Community or Regional Area Must Be "broadly representative of community and economic interests... capable of identifying key problems... and mobilizing broad support for recommended initiatives."

The code lists key players as:

- local governments
- chambers of commerce
- workforce development councils
- port districts
- labor groups
- institutions of higher education
- community action programs
- other appropriate private, public, or nonprofit community and economic development groups.

Best Practice Sharing: ADOs must meet and share best practices with other ADOs at least two times a year.

3. Resources and Services Provided to Local Businesses: ADOs shall provide direct assistance, including business planning, to companies throughout the county who need support to stay in business, expand, or relocate to Washington from out of state or other countries. Assistance must comply with business recruitment and retention protocols established in RCW 43.330.062.
4. Regional Planning: Support for regional economic research and regional planning efforts to implement target industry sector strategies and other economic development strategies including cluster-based strategies.
5. Reports to Commerce: ADOs report quarterly on activity outcomes; i.e., Business Retention and Expansion assistance; Business Recruitment, Entrepreneurial Business Start-ups, etc. They also provide information on how they coordinate and collaborate with other organizations and jurisdictions in their counties, as well as other significant accomplishments. Timelines for reporting are in each grant/contract.
6. Formal designation by County: The County's Board of Commissioners must formally designate an organization to serve as its ADO, providing Commerce with a signed statement of designation along with a certification of eligibility.

# References

## **RCW 43.330.080**

### **Coordination of community and economic development services — Contracts with county-designated associate development organizations — Scope of services — Business services training.**

(1)(a) The department must contract with county-designated associate development organizations to increase the support for and coordination of community and economic development services in communities or regional areas. The contracting organizations in each community or regional area must:

(i) Be broadly representative of community and economic interests;

(ii) Be capable of identifying key economic and community development problems, developing appropriate solutions, and mobilizing broad support for recommended initiatives;

(iii) Work closely with the department to carry out state-identified economic development priorities;

(iv) Work with and include local governments, local chambers of commerce, workforce development councils, port districts, labor groups, institutions of higher education, community action programs, and other appropriate private, public, or nonprofit community and economic development groups; and

(v) Meet and share best practices with other associate development organizations at least two times each year.

(b) The scope of services delivered under the contracts required in (a) of this subsection must include two broad areas of work:

(i) Direct assistance, including business planning, to companies throughout the county who need support to stay in business, expand, or relocate to Washington from out of state or other countries. Assistance must comply with business recruitment and retention protocols established in RCW [43.330.062](#), and includes:

(A) Working with the appropriate partners throughout the county including, but not limited to, local governments, workforce development councils, port districts, community and technical colleges and higher education institutions, export assistance providers, impact Washington, the Washington state quality award council, small business assistance programs, innovation partnership zones, and other federal, state, and local programs to facilitate the alignment of planning efforts and the seamless delivery of business support services within the entire county;

(B) Providing information on state and local permitting processes, tax issues, export assistance, and other essential information for operating, expanding, or locating a business in Washington;

(C) Marketing Washington and local areas as excellent locations to expand or relocate a business and positioning Washington as a globally competitive place to grow business, which may include developing and executing regional plans to attract companies from out of state;

(D) Working with businesses on site location and selection assistance;

(E) Providing business retention and expansion services throughout the county. Such services must include, but are not limited to, business outreach and monitoring efforts to identify and address challenges and opportunities faced by businesses, assistance to trade impacted businesses in applying for grants from the

federal trade adjustment assistance for firms program, and the provision of information to businesses on:

(I) Resources available for microenterprise development;

(II) Resources available on the revitalization of commercial districts; and

(III) The opportunity to maintain jobs through shared work programs authorized under chapter [50.60](#) RCW;

(F) Participating in economic development system-wide discussions regarding gaps in business start-up assistance in Washington;

(G) Providing or facilitating the provision of export assistance through workshops or one-on-one assistance; and

(H) Using a web-based information system to track data on business recruitment, retention, expansion, and trade; and

(ii) Support for regional economic research and regional planning efforts to implement target industry sector strategies and other economic development strategies, including cluster-based strategies. Research and planning efforts should support increased living standards and increased foreign direct investment, and be aligned with the statewide economic development strategy. Regional associate development organizations retain their independence to address local concerns and goals. Activities include:

(A) Participating in regional planning efforts with workforce development councils involving coordinated strategies around workforce development and economic development policies and programs. Coordinated planning efforts must include, but not be limited to, assistance to industry clusters in the region;

(B) Participating with the state board for community and technical colleges as created in RCW [28B.50.050](#), and any community and technical colleges in the coordination of the job skills training program and the customized training program within its region;

(C) Collecting and reporting data as specified by the contract with the department for statewide systemic analysis. In cooperation with other local, regional, and state planning efforts, contracting organizations may provide insight into the needs of target industry clusters, business expansion plans, early detection of potential relocations or layoffs, training needs, and other appropriate economic information;

(D) In conjunction with other governmental jurisdictions and institutions, participating in the development of a countywide economic development plan.

(2) The department must provide business services training to the contracting organizations, including but not limited to:

(a) Training in the fundamentals of export assistance and the services available from private and public export assistance providers in the state; and

(b) Training in the provision of business retention and expansion services as required by subsection (1)(b)(i)(E) of this section.

[2014 c 112 § 111; 2012 c 195 § 1; 2011 c 286 § 2; 2009 c 151 § 10; 2007 c 249 § 2; 1997 c 60 § 1; 1993 c 280 § 11.]

#### **Notes:**

**Findings -- Intent -- 2007 c 249:** "The legislature finds that economic development success requires coordinated state and local efforts. The legislature further finds that economic development happens at the

local level. County-designated associate development organizations serve as a networking tool and resource hub for business retention, expansion, and relocation in Washington. Economic development success requires an adequately funded and coordinated state effort and an adequately funded and coordinated local effort. The legislature intends to bolster the partnership between state and local economic development efforts, provide increased funding for local economic development services, and increase local economic development service effectiveness, efficiency, and outcomes." [2007 c 249 § 1.]

## **RCW 43.330.082**

### **Contracting associate development organizations — Performance measures and summary of best practices — Remediation plans — Reports — Information for the comprehensive statewide economic development strategy and progress report.**

1)(a) Contracting associate development organizations must provide the department with measures of their performance and a summary of best practices shared and implemented by the contracting organizations. Annual reports must include the following information to show the contracting organization's impact on employment and overall changes in employment: Current employment and economic information for the community or regional area produced by the employment security department; the net change from the previous year's employment and economic information using data produced by the employment security department; other relevant information on the community or regional area; the amount of funds received by the contracting organization through its contract with the department; the amount of funds received by the contracting organization through all sources; and the contracting organization's impact on employment through all funding sources. Annual reports may include the impact of the contracting organization on wages, exports, tax revenue, small business creation, foreign direct investment, business relocations, expansions, terminations, and capital investment. Data must be input into a common web-based business information system managed by the department. Specific measures, data standards, and data definitions must be developed in the contracting process between the department and the contracting organization every two years. Except as provided in (b) of this subsection, performance measures should be consistent across regions to allow for statewide evaluation.

(b) In addition to the measures required in (a) of this subsection, contracting associate development organizations in counties with a population greater than one million five hundred thousand persons must include the following measures in reports to the department:

(i) The number of small businesses that received retention and expansion services, and the outcome of those services;

(ii) The number of businesses located outside of the boundaries of the largest city within the contracting associate development organization's region that received recruitment, retention, and expansion services, and the outcome of those services.

(2)(a) The department and contracting associate development organizations must agree upon specific target levels for the performance measures in subsection (1) of this section. Comparison of agreed thresholds and actual performance must occur annually.

(b) Contracting organizations that fail to achieve the agreed performance targets in more than one-half of the agreed measures must develop remediation plans to address performance gaps. The remediation plans must include revised performance thresholds specifically chosen to provide evidence of progress in making the identified service changes.

(c) Contracts and state funding must be terminated for one year for organizations that fail to achieve the

agreed upon progress toward improved performance defined under (b) of this subsection. During the year in which termination for nonperformance is in effect, organizations must review alternative delivery strategies to include reorganization of the contracting organization, merging of previous efforts with existing regional partners, and other specific steps toward improved performance. At the end of the period of termination, the department may contract with the associate development organization or its successor as it deems appropriate.

(3) The department must submit a final report to the legislature by December 31st of each even-numbered year on the performance results of the contracts with associate development organizations.

[2014 c 112 § 112; 2012 c 195 § 2; 2011 c 286 § 3; 2009 c 518 § 15; 2007 c 249 § 3.]

**Notes:**

**Findings -- Intent -- 2007 c 249:** See note following RCW [43.330.080](#).