ID #: 12-W-09-WA

Please provide the following information, adding space as necessary:

State: Washington

Assign Program Category (applicant): Economic Development

Program Name: Innovation Partnership Zones
Administering Agency: Department of Commerce
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- How long has this program operated (month and year)? 4 yrs and 7 months (implemented in October 2007)
- Describe the program:
  Innovation Partnership Zones (IPZs) is an economic development model that accelerates the formation of regional innovation ecosystems—organically driven local partnerships among industry clusters, research, workforce development, and governmental entities. The goal is creation of commercially viable products and jobs.

The program has catalyzed 15 IPZs across a range of geographies and existing or emerging industry clusters. The focus of each IPZ is as varied as the state’s geography and economy. Some areas feature alternative energy generation or alternative fuel creation. Some industrial areas focus on worker training and sustainable manufacturing. High-density areas have biotechnology elements, agricultural areas work on water and sustainability, and all are engaged in research and development. Most feature one or more institutions of higher education, developing new R&D efforts, training or re-training workers, establishing new forms of education (new degrees or new topic areas), and addressing the economy’s challenges.

Initiating a program that promised no operational funding from the state and the state itself having no operational funding to manage the program was a huge leap of faith by the applicants to the IPZ program. The Governor and state legislature, now realizing the IPZ program is a significant game changer and offers tangible economic value, are in the process of aligning resources and various incentives to invest in these IPZs as part of an over-all state-wide economic recovery and jobs initiative.
• **Why was it created?** The intent was to stimulate regional economic growth through uniquely designed partnerships within a defined geography and industry cluster. It is an economic development model intended to encourage collaboration to advance innovation. The goal of each IPZ is to stimulate the growth of regional economies by strengthening industry clusters and intellectual capital. IPZs are intended to turbocharge the development of new technologies, marketable products, company formation, and job creation.

• **Why is it a new and creative approach or method?** Attempts to stimulate industry cluster growth is not new. But identifying and committing to partnerships—breaking down the “siloed” nature of independent focus on workforce, economic development, university research, and private sector endeavors, has spurred collaboration amongst these groups. IPZs are now collaborating around shared technology problems and solutions. IPZs are looking beyond narrow region to region competitiveness and more at the benefits that can be derived from collaboration and leveraging complementary assets.

• **What are the specific activities and operations of the program in chronological order?**
  - **Designating zones.** New designation cycles are held every two years. Eligible applicants (economic development council, port, workforce development council, city, or county) apply for an IPZ designation through a competitive application process. Designation is based on strength of the committed partnerships (through an MOU) of a research capacity, globally competitive firms, and training capacity within a defined geographic zone and strength of local leadership. A business plan is also heavily weighted. Designation is for four years. IPZs can apply for re-designation at that time.
  - **Annual meeting.** The department convenes an annual information sharing event to discuss successes and challenges, legislative outcomes related to the IPZs, etc.
  - The state’s involvement in managing the IPZs is minimal. This is due to the lack of operational funding to manage the program.

• **Is it effective? Provide tangible results and examples.** The strategy that has evolved demonstrates that no funding and no standardized economic development model are key to creating a robust portfolio of self-organizing innovation clusters from the bottom up. IPZs are intrinsically motivated to coalesce around a shared vision for investments in talent, research, innovation, infrastructure and international trade. Flexibility is the key success factor, allowing partners to react nimbly and work on a relationship basis rather than a defined structure and rigid performance metrics. There are multiple pathways possible for regions to revitalize and grow their economies. IPZs are powerful, natural experiments for the nation to learn from the diversity of the models.

Our legislature has demonstrated patience and a longer term view when it comes to results (e.g. generating jobs, patent commercialization, and investment) and a sophisticated understanding on the importance of bolstering local relationship capital as the groundwork for future growth.

Examples:
- The Global Health IPZ in Seattle has played a critical role in identifying manufacturers across the state of WA that could participate in the Global Health Industry (i.e. outdoor recreational company’s water treatment system) who otherwise would not have sold into this market.
- The Pullman IPZ, focused on clean information technology, developed and incubated a company, Ecowell, (high software concept, low carbon footprint, healthy soft drink dispenser), with engineering students from Washington State University, raising over $1 million in venture funding which led to the successful buy-out by an investor group.
The Bellingham IPZ which is involved in clean transportation, worked with Western Washington University’s Vehicle Research Institute in designing and building a light weight hybrid para-transit bus prototype in conjunction with regional transit agencies and private sector partners. The project was awarded a Federal Transit Administration grant for $730K.

The Walla Walla IPZ is focused on water management and viticulture and led by Steve VanAusdle, the President of Walla Walla Community College. Last November, at Senator Murray’s urging, Steve spoke at the Hamilton Project/Brookings Institution on Training America’s Workforce for the Future, featuring the Walla Walla IPZ. The IPZ has also been featured at National Governors Association meetings and the college was recently recognized as one of the top five in the nation by the Aspen Prize for Community College Excellence.

Did this program originate in your state? If YES, please indicate the innovator’s name, present address, telephone number, and e-mail address.
Yes, the program was developed through our Governor’s Office in 2007 however the individual who led the development of this program is no longer with the Governor’s Office.

Are you aware of similar programs in other states? If YES, which ones and how does this program differ?
No

What limitations or obstacles might other states expect to encounter when attempting to adopt this program? IPZs have put to the test a wholly new economic development model focused on bottom-up regional innovation. Programs must be flexible. Prospective IPZs will not know everything as they begin this journey nor will the states who oversee the program. What they do need to know are the challenges and how to engage the assets of their communities to address them.

Measuring outcomes/metrics such as private investment, patents filed, or jobs created are difficult. Many may find that they are not able to capture these hard metrics.

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Use these as guidelines to determine the appropriate **Program Category** for your state's submission and list that program category on page one of this application. Choose only one.

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