



Department of Commerce
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Overview of Commerce Programs

Presented to the Small Business Liaison Team

September 2014

Our Mission

Grow and improve jobs in Washington State by championing thriving communities, a prosperous economy, and sustainable infrastructure.

www.commerce.wa.gov

Overview

Commerce administers a diverse portfolio of more than 100 programs and several state boards and Commissions. Customers include businesses, local government, and community-based organizations.



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Community Services and Housing Division

Primary customers: community-based organizations and local governments

Key activities:

- Community economic opportunities
- Housing assistance
- Housing finance
- Housing improvements and preservation
- Crime victims advocacy
- Vulnerable families partnership
- Community capital facilities





Child Care Facility Fund

Please contact program staff to get current information regarding the availability of funds and to discuss program criteria before beginning an application

<http://www.commerce.wa.gov/Programs/services/CapitalFacilities/Pages/Child-Care-Facility-Fund.aspx>

Loan-only program

Applicants must either be a licensed **child care center** in the state of Washington or be actively involved in the process of becoming licensed through the Department of Early Learning (DEL). Applicants may be a for-profit business or a non-profit organization. Applicants may apply for funds to either upgrade and/or expand child care services, or to start-up child care services. DEL licensed family home child care providers **are not eligible** for this program. Lending decisions are made by the CCFF Committee, a legislatively-mandated group. Maximum loan amount is \$100,000, with a maximum term of 10 years @ 5%. All commitments to lend are based on the availability of funds.

Loan funds can be used to:

- Start or expand a licensed child care facility.
- Make capital improvements in an existing DEL-licensed child care facility.
- Acquire personal property for a child care facility that is depreciable under the federal tax code.
- Purchase developmentally appropriate health and safety improvements or program equipment for child care facilities.
- Pay for operational costs for the first three months of a new child care facility.

Funds cannot be used for:

- Construction
- Refinancing projects
- Travel expenses
- Debt incurred prior to the date of project approval
- Political or religious purposes
- Organizations without proper licensing



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Office of External Relations

Primary customers: Legislature, local governments, Commerce staff, executive staff, state Office of Financial Management

Key Activities:

- Government affairs
- Regulatory reform
- Communications
- Strategic planning
- Local government fiscal notes
- Research services (industry sector, economic, competitiveness)





Local Government and Infrastructure Division

Primary customers: cities, counties, ports, special purpose districts

Key Activities:

- Growth Management services
- Technical assistance
- Community Economic Revitalization Board (CERB)
- Public Works Board
- Community development block grants (CDBG)
- Contracts administration





Office of Economic Development and Competitiveness

Primary customers: businesses, economic development professionals, Associate Development Organizations

Key Activities:

- Business recruitment and retention
- International trade
- Marketing (communications, education and outreach, and ADO support)
- Rural strategies
- Sector focus
 - Aerospace
 - Maritime
 - Military
 - Clean Energy
 - Agriculture
 - Life Science
 - Advanced manufacturing
 - Information and communication technology
- Policy development/energy strategy
- Energy emergency preparedness
- Energy company engagement



Forest Products Financial Assistance Program

Use of Funds

Support the development and expansion of forestry and agroforestry products industries.

Funds will be prioritized toward uses that facilitate development, demonstration, and deployment of clean energy technologies which make use of forestry or other agroforestry products as fuel sources or as significant inputs for energy efficiency improvements.





Forest Products Financial Assistance Program

Program Components

Project Support for Feasibility Studies

- **Competitive:** Competitively-awarded grants to public and private entities for technical, environmental, feedstock and market studies for projects with a high likelihood of completion. Recipients must demonstrate at least a one-to-one match of cash and/or in-kind services. Should project be completed, recipients must measure and report job creation and retention benefits, degree of leveraged investment, and energy production and/or conservation results.
- **Targeted:** Targeted grants for studies as described above. Same match, assessment and reporting requirements apply. This fund is reserved for projects in need of urgent assistance due to unique, time-sensitive market or technical opportunities.

Operational Assessments and Improvements

Grant(s) to conduct operational assessments of wood products manufacturers. Manufacturers will commit to adopt and contribute no less than 25% towards the cost of implementing recommended improvements. Consulting engagements with high-potential companies will focus on product diversification and process re-engineering, increased sales, new products and productivity savings.

Commerce will conduct at least one round of a competitive RFP process, to solicit and select at least one awardee of funds under this allocation.

Competitively-awarded feasibility study awards are limited to \$50,000 for any specific project during any given RFP process.

Anticipate a competitive round of feasibility study grants later this fall.

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Washington Small Business Credit Initiative

**Financing to facilitate
economic and job growth.**

<http://www.commerce.wa.gov/Programs/business/SmallBusiness/Pages/default.aspx>

A new, federally-funded initiative aimed at providing capital to spur small business growth and create jobs throughout the state. Funds will be distributed through three programs:

- Capital Access Program (CAP)
- Craft3 Fund
- W Fund

These programs can help small businesses with capital needs ranging from \$5,000 to \$5 million for a variety of business related needs. Funding will be distributed through these new programs through 2016.



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Washington Small Business Credit Initiative

Capital Access Program (CAP)

The Capital Access Program (CAP) is designed to encourage lenders to make loans to businesses that fall just short of a conventional approval criteria.

CAP borrowers will be small businesses with credit needs in the range of \$5,000 up to \$5,000,000, and may have had difficulty accessing credit since the onset of the financial crisis.

Craft3 Fund

The Craft3 Fund aims to help small businesses in underserved communities directly and through partnerships with the state's network of Community Development Financial Institutions (CDFIs).

Craft3 direct loans will primarily serve business financing needs of \$1-5 million. Its collaboration efforts with other CDFIs and lenders will target smaller loan amounts.

W Fund

The W Fund invests in early-stage life science, biotech, medical device, alternative energy, and information technology companies emerging from universities and other research centers across Washington State.

The objective is to spur company formation and job creation from Washington's significant research and development base.

Collateral Support Program

The Collateral Support Program (CSP) can help small businesses secure SBA 504 financing with their lenders when collateral support is a concern. CSP will place cash deposits with the lending institution as additional collateral support to help lenders approve the necessary bridge loan required to achieve SBA 504 approval. SBA 504 loans can provide financing for real estate as well as heavy equipment.



Washington Small Business Credit Initiative

Results

Industries served

- Childcare
- Hotel/Resort
- Construction
- Finance Services
- Software / IT
- Marine
- Healthcare and Medical
- Manufacturing
- Non-Profit
- Wholesale Trade
- Wood Product Manufacturing

Recipients by Region

- Western Washington: 21
- Eastern Washington: 4
- Central Washington: 3

Number of Loans per Program

- Capital Access Program (CAP): 4
- Craft3 Loans: 21
- W Fund Investments: 6

April 2014

Program Profile	Total
1. SSBCI Fund Loaned/Invested to Date	\$10,506,025
2. Number of Loans/Investments funded to date	31
3. SSBCI Total Project Leverage Across All Programs	6.05
- Capital Access Program (CAP)	(20.42:1)
- Craft3 Funds	(5.36:1)
- W Fund	(2.62:1)
4. Private Capital Invested	\$53,086,735
5. Total Project Capital	\$63,545,010
6. Percentage of Loans to Women Owned Business	7%
7. Percentage of Loans to Minority Owned Business	26%
8. Jobs Created/Retained	812
9. Average Jobs Created/Retained per Loan	26
10. Average SSBCI Spent per Job Created/Retained	\$12,946



Governor's Strategic Reserve Fund


RCW 43.330.250

Expenditures from the account may be made to prevent closure of a business or facility, to prevent relocation of a business or facility in the state to a location outside the state, or to recruit a business or facility to the state. Expenditures may be authorized for:


- (a) Workforce development;
- (b) Public infrastructure needed to support or sustain the operations of the business or facility;
- (c) Other lawfully provided assistance, including, but not limited to, technical assistance, environmental analysis, relocation assistance, and planning assistance. Funding may be provided for such assistance only when it is in the public interest and may only be provided under a contractual arrangement ensuring that the state will receive appropriate consideration, such as an assurance of job creation or retention; and
- (d) The joint center for aerospace technology innovation.



Work Start Training Program



A business driven workforce training program designed to provide new and existing employers with flexible customized training in direct alignment with the state's business recruitment and expansion efforts.



Work Start will target key sectors including: aerospace, clean technology, advanced materials, advanced manufacturing, maritime, forest products, agribusiness, life sciences, information, communications and technology, and locally targeted industries.





Work Start Training Program

Purpose

Work Start is an allocation of the Governor's Strategic Reserve Fund with uses outlined in RCW 43.330.250.

The Employment Security Department is a collaborative partner in Work Start.

It is anticipated that expenditures will be made to:

- prevent closure of a business or facility
- prevent relocation of a business or facility in the state to a location outside the state
- **enable significant expansion of a business in the state** rather than in an alternative location
- **recruit a business or facility to the state** or other lawfully approved activity.

Work Start allocations will coordinate with state and local business recruitment and retention efforts, other SRF commitments, loan programs, and Job Skills and Workforce Investment Act.



Work Start June 18 Press Release

Commerce grants \$100,000 for plastics industry training program to help drive more manufacturing in Washington State
Center for Advanced Manufacturing Puget Sound (CAMPS) leads public-private effort to enhance industry-driven training for small and medium-sized businesses

OLYMPIA, WA – The [Washington State Department of Commerce](#) today announced a \$100,000 Work Start grant to the not-for-profit [Center for Advanced Manufacturing Puget Sound \(CAMPS\)](#) to develop and coordinate an employer-driven plastics industry training program designed to bring more manufacturing to Washington State. Up to 100 workers will be trained, with half of those targeted as new hires.

“Anchored by global leaders such as Boeing and BMW-SGL Automotive Carbon Fibers, advanced composite materials science and manufacturing represent tremendous potential for Washington state across multiple industry sectors such as aerospace, energy, and life sciences,” said Governor Jay Inslee. “Maintaining a robust pipeline of highly-skilled workers needed by employers is critical to our state’s long-term economic success.”

Washington is home to more than 80 companies engaged in composites and advanced materials research and development, fabrication, production and tooling, creating an industry sector that generates and estimated \$3.3 billion in annual revenue.

Commerce’s Work Start program focuses on employer-driven training solutions to support companies who operate in multiple industry track supply chains. For advanced composite materials, these sectors include aerospace, defense, energy, transportation, marine, life science and medical devices, food processing, and more general segments such as electronics and building materials.

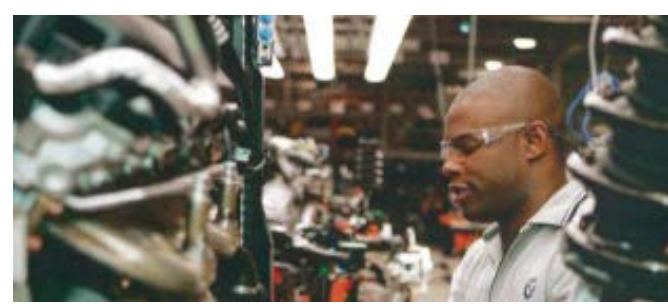
This grant will help CAMPS collaborate with community colleges and industry to provide targeted, cost-effective training programs through a public-private partnership.

Training is focused on career progression, enabling a combination of on-line, class room, and structured on-the-job training. This program will enable entry level candidates to prepare and qualify for entry level jobs and incumbents to attain stackable training to progress from entry level, to various levels of semi-skilled and skilled positions, McLaughlin explained.

(Note: edited for space)



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Export Assistance

Services

Fiscal Year 2013 Results

- \$203 million in new export sales as a direct result of Commerce assistance.
- **729 small business clients served.**
- 1,785 export assistance cases logged.

www.exportwashington.com

- Partner searches to identify new international buyers and distributors for Washington products and services.
- Arrange pre-screened business-to-business meetings between Washington businesses and potential new clients and buyers overseas.
- Organize and lead trade missions and international trade show delegations of Washington companies and leaders.
- Host and organize inbound trade delegations to Washington.
- Provide International Market Opportunity Assessments
- Provide export finance and risk mitigation counseling



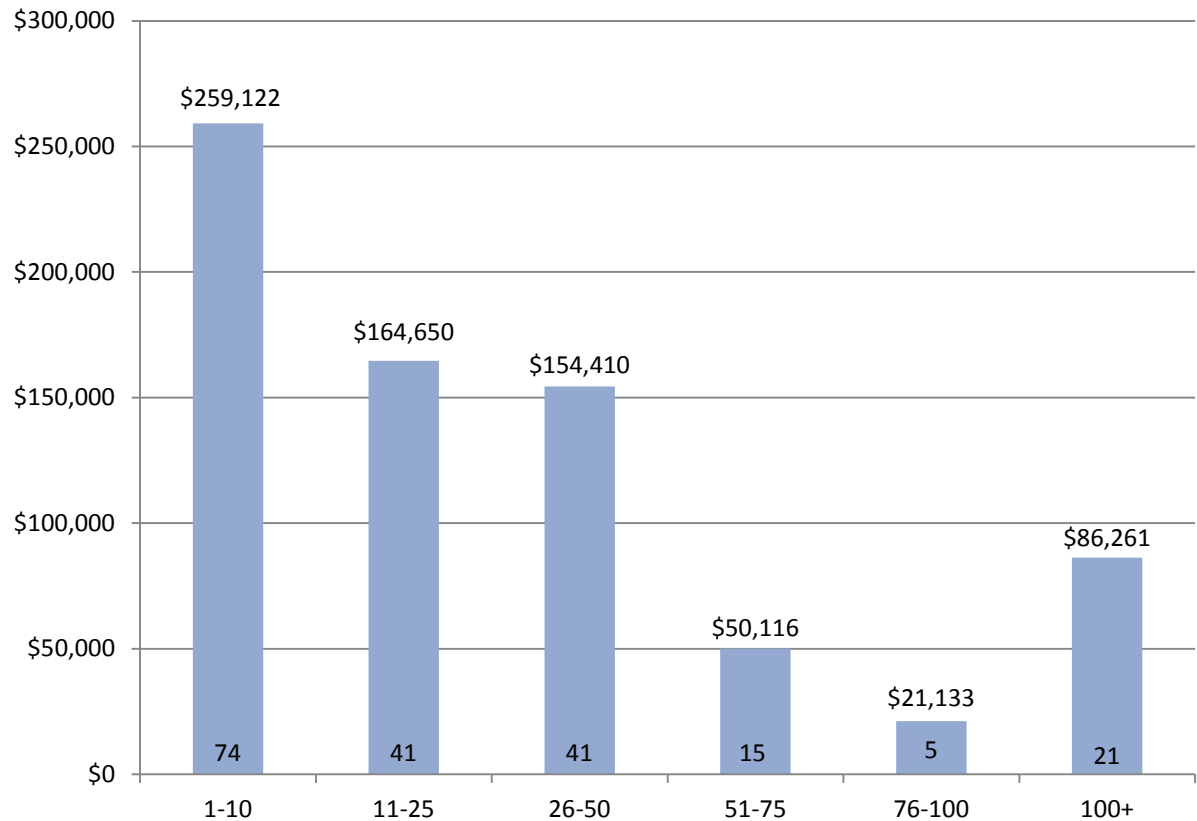
2013 STEP Grant (State Trade Export Promotion) Funding by Number of Employees

Funding was awarded to 197 companies. A total of \$725,690 was awarded. Of that:

- 80% (\$578,182) was awarded to companies with 50 or less employees.
- 156 companies had 50 or less employees
- 16 were minority owned
- 28 were women owned
- 7 were both minority and women owned

- Commerce recently received \$494,200 for October 1, 2014 to September 30, 2015.

<http://www.exportwashington.com/pr/programs-and-services/export-grant-loan/export-voucher-program/Pages/default.aspx>





Business Recruitment, Retention & Expansion

Technical Assistance

Fiscal Year 2013 Results

- Supported recruitment of nine companies, retention of four companies, and expansion of 24 companies.
- Contributed directly to creating and retaining 2200 jobs.
- Capital investment from private business will exceed \$391 million.

<http://choosewashingtonstate.com/>

- Promote Washington State as a competitive place to do business.
- Partner with local economic development councils, ports, private sector representatives and local governments to gather resources that help maximize private sector job creation and investment opportunities.
- Provide access to financing to support business growth and development.
- Conduct research to support sustainable economic growth in Washington.
- Provide technical and financial assistance to local economic development organizations for business retention and expansion activities.

