



## The Coalition Represents

9 Chambers of Commerce  
Over 4,050 businesses  
with over 231,750 employees  
in 11 state legislative districts

Total Population: 343,543

Total Business Establishments: 29,362

Primary Industries: Finance, Insurance, Real Estate, Service, Retail & Manufacturing

*A special thanks to our sponsors  
of the 7th Annual Legislative Breakfast*

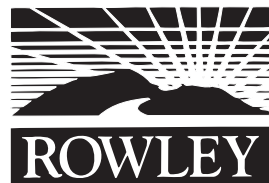


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## *The Coalition Represents*

9 Chambers of Commerce  
Over 4,050 businesses  
with over 231,750 employees  
in 11 state legislative districts

*The East King County  
Chambers of Commerce  
Legislative Coalition is made  
up of the following  
Chambers of Commerce:*

**Bellevue**

**Issaquah**

**Kirkland**

**Mercer Island**

**Northshore**

**Redmond**

**Renton**

**Snoqualmie Valley**

**Woodinville**



East King County  
**Chambers of Commerce**  
Legislative Coalition

# 2004 Legislative Agenda



**East King County Chambers of Commerce  
LEGISLATIVE COALITION**

Bellevue • Issaquah • Kirkland • Mercer Island • Northshore • Redmond • Renton • Snoqualmie Valley • Woodinville



To Our Legislative Delegation:

On behalf of the East King County Chambers of Commerce Legislative Coalition, we appreciate your willingness to listen and support the concerns and interests of our business community.

The Coalition is now over 10 years old, and this year we welcomed a new member, the Greater Renton Chamber of Commerce. Our organization now spans 11 legislative districts and represents over 4,050 member businesses employing over 231,750 people.

As Chambers of Commerce, we speak with a unified voice on behalf of all business sectors, from professional services to manufacturing and distribution to retail and high-tech. Improving our economy and striving to become a more business-friendly state are the core values that connect us. A thriving economy directly impacts the quality of life we all cherish.

The Coalition's 2004 Legislative Agenda reflects these key issues and core values and focuses on competitiveness issues, economic recovery, and the prosperity of our state and region. We continue to advocate in three key issue areas: Economic Vitality, Infrastructure, and Education. We ask that you use these positions as a guide when dealing with legislation and as an opportunity to seek our support for legislation that comes before you.

We have had a number of opportunities to meet with you to discuss issues that are important to the East King County business community and we strongly believe that the success of the Coalition has been dependent on your willingness to sit down and talk with us and support our positions.

Thank you for your thoughtful consideration of our 2004 Legislative Agenda and we look forward to working with you in the coming session.

Will Einstein, Chair  
East King County Chambers of Commerce Legislative Coalition

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**2004 Legislative Delegation**

*District 37*



Sen. Adam Kline  
360-786-7688  
kline\_ad@leg.wa.gov



Rep. Eric Pettigrew  
360-786-7838  
pettigre\_er@leg.wa.gov



Rep. Sharon Tomiko Santos  
360-786-7944  
santos\_sh@leg.wa.gov

District 37 covers the areas of:  
**Renton, Skyway,  
and Seattle**

*District 41*



Sen. Jim Horn  
360-786-7680  
horn\_ji@leg.wa.gov



Rep. Fred Jarrett  
360-786-7894  
jarrett\_fr@leg.wa.gov



Rep. Judy Clibborn  
360-786-7926  
clibborn\_ju@leg.wa.gov

District 41 covers the areas of:  
**Bellevue, Mercer  
Island, Issaquah,  
and Renton**

*District 45*



Sen. Bill Finkbeiner  
360-786-7672  
finkbein\_bi@leg.wa.gov



Rep. Laura Ruderman  
360-786-7822  
ruderman\_la@leg.wa.gov



Rep. Toby Nixon  
360-786-7878  
nixon\_to@leg.wa.gov

District 45 covers the areas of:  
**Kirkland, Woodinville  
Redmond, Duvall,  
Carnation, and the  
Snoqualmie Valley**

*District 48*



Sen. Luke Esser  
360-786-7694  
esser\_lu@leg.wa.gov



Rep. Ross Hunter  
360-786-7936  
hunter\_ro@leg.wa.gov



Rep. Rodney Tom  
360-786-7848  
tom\_ro@leg.wa.gov

District 48 covers the cities of:  
**Bellevue, Kirkland,  
Redmond, Medina,  
Clyde Hill, Yarrow  
Point, and Hunts  
Point**

**East King County Chambers of Commerce  
LEGISLATIVE COALITION**

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**2004 Legislative Delegation**

District 1 covers the areas of:

**Bothell, Woodinville,  
Kirkland, Kenmore,  
Mountlake Terrace,  
Brier, and Lynnwood**



Sen. Rosemary McAuliffe  
360-786-7600  
mcauliff\_ro@leg.wa.gov



Rep. Al O'Brien  
360-786-7928  
obrien\_al@leg.wa.gov



Rep. Jeanne Edwards  
360-786-7900  
edwards\_je@leg.wa.gov

*District 1*

District 5 covers the areas of:

**North Bend,  
Snoqualmie, and  
Issaquah**



Sen. Dino Rossi  
360-786-7608  
rossi\_di@leg.wa.gov



Rep. Cheryl Pflug  
360-786-7852  
pflug\_ch@leg.wa.gov



Rep. Glenn Anderson  
360-786-7876  
anderson\_gl@leg.wa.gov

*District 5*

District 11 covers the cities of:

**Renton, Tukwila,  
SeaTac, Burien, and  
South Seattle**



Sen. Margarita Prentice  
360-786-7616  
prentice\_ma@leg.wa.gov



Rep. Zack Hudgins  
360-786-7956  
hudgins\_za@leg.wa.gov



Rep. Velma Veloria  
360-786-7862  
veloria\_ve@leg.wa.gov

*District 11*

District 32 covers the cities of:

**Lake Forest Park,  
Kenmore,  
Shoreline,  
Woodway, and  
Edmonds**



Sen. Darlene Fairley  
360-786-7662  
fairley\_da@leg.wa.gov



Rep. Maralyn Chase  
360-786-7880  
chase\_ma@leg.wa.gov



Rep. Ruth Kagi  
360-786-7910  
kagi\_ru@leg.wa.gov

*District 32*

**East King County Chambers of Commerce  
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**2004 East King County Chambers of Commerce  
Legislative Coalition Delegates**

**Bellevue Chamber**

Shannon Boldizar  
Will Einstein  
Betty Nokes  
Ellen Post  
Robert Zorich

**Northshore Chamber**

Natalie Dyer  
Joshua Freed  
Marlin Gabbert  
Todd Woosley

**Issaquah Chamber**

Lynn Rehn  
Joan Probala  
Suzanne Suther  
Ellen Vaughn

**Redmond Chamber**

Diane Charles  
Bob Gregg  
Bill Garing

**Kirkland Chamber**

Linda Holman  
Brenda Nunes  
Patti Smith  
Bob Wicks

**Renton Chamber**

Suzette Cooke  
Bernie Dochnahl  
David Hale  
Sydney Johnson

**Mercer Island Chamber**

Debora Boeck  
Pat Braman  
John Ewald  
Terry Moreman

**Snoqualmie Valley Chamber**

Kevin Kalberg  
Jennifer Lynham  
Lisa Schaffer

**Woodinville Chamber**

Amanda Busby  
Jim Davis  
Karen Hergert  
Dan Ramirez

## **Economic Vitality Position**

Washington State has one of the highest unemployment rates in the nation, the second-highest minimum wage rate, one of the highest tax burdens for business, and some of the most onerous business regulations. From these statistics, it would seem that our state’s approach to attracting and retaining businesses is rolling out the red tape while other states are rolling out the red carpet.

In order to recruit and retain businesses that employ our citizens, contribute to our communities, and fund state and local governments, the state must make it easier and less expensive to do business here.

Western Washington has an excellent opportunity to become a hub of the life sciences industry, but to attract as many of those businesses here as possible, the state needs to prove that Washington offers more than just a great way of life. It needs to show entrepreneurs and established companies alike that Washington’s approach to encouraging business and industry is proactive, efficient, and reasonably priced.

State government needs to take a common-sense approach that helps businesses not just survive, but thrive. Specifically, consideration is necessary in these categories:

### **Competitive Strategies**

- Develop a long-term economic improvement plan.
- Duplicate efforts like those made during the 7E7 bid process, which proactively reach out to business and provide incentives to maintain and grow the economy.
- Include flexibility and room for creative solutions in all state economic development actions, such as the life sciences and aerospace industries.

### **Efficiencies**

- Streamline processes, such as permitting and licensing, to eliminate burdens on small business.
- Ensure that small businesses can access reasonably priced health insurance.
- Continue to support the private, market-driven health insurance system.
- Emphasize outcomes when drafting and implementing regulations.

### **Financial Strategies**

- Continue to implement the “Priorities of Government” model.
- Develop a fair and consistent business and property tax structure to regain economic vitality.
- Cut unnecessary spending and increase efficiencies rather than implementing new business-specific taxes and fees or other measures that will impede economic recovery.
- Help businesses create living-wage jobs, defined as “consisting of at least the average county wage, full-time work, and health care coverage”.
- Maximize the cost-effectiveness of existing programs and decrease the processing time for departmental and agency delivery systems.

### **Liability**

- Implement comprehensive liability reform to drive down insurance costs for all businesses.

## **Education Priorities**

Improve the state education system to provide the Eastside with effective education for all residents, and a qualified, skilled workforce. Develop integrated legislation, over a number of sessions, to ensure adequate, predictable funding, clarify spending priorities, strengthen accountability, simplify funding formulas, and streamline oversight, administrative, and regulatory compliance processes.

### **Accountability and Performance**

- Continue implementing the recommendations of The Washington State Academic Achievement and Accountability Commission (A+ Commission). Hold all parties, teachers, parents, students, and communities accountable for collaborating to achieve steady improvement and measurable results. Apply necessary budgetary incentives or penalties to achieve goals.
- Retain the performance accountability system for Washington’s public four-year colleges and universities and the benchmarks for the graduation efficiency index, five-year graduation rates, and overall student retention. Continue the Student Outcomes planning process and accountability goals for state two-year colleges. Apply necessary budgetary incentives or penalties to achieve goals.

### **Funding**

- Develop an adequate and predictable level of state K-12 and higher education funding.
- Enable local school districts to collect 100% of the levy funds approved by voters; eliminate the mandated rollback to these funds if state and/or federal funding is reduced after the levy is passed.

### **Operating Efficiencies**

- Ensure that greater percentages of state education funds are spent on classroom learning. Require that spending on local and state-level education administrative functions is cost effective.
- Improve articulation among four-year universities and colleges and community and technical colleges based on national best practices.
- Simplify state financial aid application, assessment, and qualification processes for colleges, universities, and worker retraining programs.

### **Spending**

- Allocate K-12 spending to help students and schools achieve the standards of The Washington State Academic Achievement and Accountability Commission (A+ Commission) and the federal No Child Left Behind law.
- Expand capacity at colleges and universities. Focus expansion in the strategically important fields of science, engineering, technology, and education. Integrate capital allocation review processes to maximize benefits statewide, place facilities near population growth centers, fully utilize existing facilities, and avoid duplication.
- Expand capacity in worker-retraining programs at all state institutions of higher education.
- Develop methods to attract and retain quality educators, especially in science and technology, and mathematics disciplines. Consider funding stability, salary, working environment, security, and safety issues in creating such methods.
- Allow students to include non-credit and online courses in their worker retraining programs of study.
- Develop guidelines for higher education institutions to receive state funding for the ongoing maintenance and operation for facilities built with private funds.

## Education Position

Washington State's education system is not fully meeting the needs of Eastside businesses for educated and skilled workers. To enhance the state's economic health, the Legislature should develop adequate and predictable funding for education, clarify priorities, and strengthen accountability. Efficiencies should be enacted and funding formulas and regulatory processes simplified.

The search for funding and legislation to address issues critical to particular institutions or levels of education has created intense competition among them. The result is convoluted funding formulas designed to address scores of specific needs, yet broadly applied. Education regulations have become next to incomprehensible, legislation has been piecemeal, and funding mechanisms patchwork.

Our education system is multifaceted, with 2 major research universities, WSU and the UW with two branch campuses, 4 regional four-year colleges, 34 community and technical colleges, and 296 school districts. Each has a governing board. State departments, boards, commissions, agencies, and Educational Service Districts provide other services and issue additional regulations and policies. The result is further complexity, a critical obstacle to accountability, performance, and efficiency.

The education system needs to be viewed holistically, be fully articulated, and provide opportunities for every student to learn and succeed. The first step is establishing adequate, dedicated funding. Efficiencies must also be implemented. The challenge we face is reforming a complex education system while balancing increased demand for capacity, the state's need for standardized basic education, accountability, and performance measures, and the strong traditions of local control in education.

### In seeking solutions the following principles are paramount:

- Target public education to meet the ever-changing needs of business, industry, and the community.
- Involvement of the local community in its educational system enriches both the community and the quality of education. In particular, local communities need ways to work with school districts to devise the best ways to meet and exceed state standards for academic performance.
- Across the state, many school districts face challenges exacerbated by local or regional constraints, such as cost of living or technology infrastructure differences, or highly concentrated areas of poor or special needs students. Rather than address each of these with individual funding legislation, develop a separate and distinct funding mechanism that allows flexibility for school districts to fund their specific needs.
- The levy equalization formula, to ensure that regional differences in property values do not disadvantage students who live in less wealthy communities, should be simplified and used only for this purpose.
- Community and technical colleges should provide new and incumbent workers with the specific skills that they seek and businesses need. When workers learn new skills, state assistance expenses are reduced and a workforce is developed for jobs in high-demand fields, such as computer technology, information systems, teaching, and health care.
- Science and technology from our research institutions is necessary to revitalize current industrial clusters and support new business formation. Colleges and universities need to produce quality bachelor, master, and doctoral graduates required to sustain existing businesses and attract and create new business enterprises.
- The integrity of the Education Reform Act of 1993 and regular scrutiny of education standards should be retained. Raising the bar for academic performance requires statewide efficiencies, adequate funding, tools and resources to meet these higher standards and ensure students' success.
- All levels of state education should fully embrace distance and online learning, and other new technologies that provide cost effective enhancements to traditional teaching methods.
- Programs such as Tech-Prep, Running-Start, and special alternative high schools innovatively meet student needs. They combine with traditional secondary schools, home schooling, private high schools, and excellent GED programs to provide a competitive mix of secondary options. Charter Schools could be a positive addition, providing: 1) they meet the same state academic performance standards, 2) a new, adequate, and stable funding source is secured for them, and 3) they demonstrate annually to the local school board that all state mandates are met.
- A thorough study of all salary levels of our state's education system should be undertaken, with clear direction given by legislators regarding priorities and criteria to be used in devising an integrated, holistic approach to compensation.

## Economic Vitality Priorities

### Attract and Retain Business

- Actively promote Washington State as a desirable location for business by considering ways to develop and use tax incentives and by proactively reaching out and duplicating efforts similar to those implemented during the 7E7 bid.
- Bring minimum wage rates back in line with Federal standards, and support tips as wages reform.
- Create a regulatory climate allowing housing affordability for workers at all income levels to achieve a balance between salaries and the cost of housing.
- Create an "economy" health insurance plan: a new, more affordable mechanism for employers to provide health care insurance coverage for workers. To achieve this, reduce mandates and expand risk evaluation criteria.

### Business Taxes and Fees

- Support companies' efforts to recover from the economic downturn by leaving business tax rates at their current level.
- Implement Economic Development For a Growing Economy (EDGE), a tax increment financing tool, so municipalities can issue bonds to finance infrastructure improvements and revitalize their communities.
- Restrict access to unemployment insurance (UI) benefits for part-time, per diem, temporarily-disabled, or seasonal employees.
- Maintain new UI calculations passed in 2003.
- Remove expiration dates on business-related tax credits and incentives that have helped support Washington's reputation as a premier technology region. In particular, extend Business and Occupation (B&O) credits for software development and help-desk operations in rural areas, and B&O credits and sales-tax deferral for Research and Development.
- Establish easily obtainable and verifiable performance measures to periodically review the success and validity of tax incentives and credits to eliminate those that are outdated, invalid, or non-performing and to retain those that are effective. This will also provide guidelines for future incentives and credits.

### Business Regulations and Rule Making

- Strengthen executive oversight of rulemaking by passing legislation requiring gubernatorial approval of rules and regulations.
- Establish a state-level model regulatory flexibility act which would require state agencies to attach a cost-benefit analysis to every piece of legislation.
- Require a best-available science justification be included with appropriate legislation.
- Ensure that any proposed rule is linked to its enabling legislation by citation.

### State Government Efficiencies

- Encourage more contracting-out to allow private sector businesses to bid on government projects, to promote competitive pricing, and efficient project management.
- Retain and strengthen the rainy day fund and its appropriate use in times of economic downturns.
- Eliminate state worker collective bargaining which promotes inefficiencies in government personnel structures and discourages market-driven compensation packages.

### Liability Reform

- Limit lawsuit abuse, reduce costs for defending lawsuits, and encourage tort reform to reduce the practice of using courts to regulate business.
- Continue to advance proposals to help resolve cases faster and increase the fairness, certainty, and predictability of the civil justice system.
- When a reward is warranted, make the reward proportional to the defendant's fault, consider the larger economic effects of disabling the business, and maximize compensation for the plaintiff versus the lawyers.
- Continue to support legislation that encourages rather than prohibits builders and subcontractors from successfully providing housing affordability.

## Physical Infrastructure, Land Use & Environmental Regulations

### Position

Energy, water, transportation, and housing are the underpinnings of our economy. Without assurances of affordable supplies, the Eastside will not be able to meet its future needs and growth assumptions. Infrastructure and land-use matters are critical to improving the Eastside economy.

To start resolving these issues, the State Legislature must take into account the following principles and solutions:

- Continue to set policies that support the development of additional energy and water infrastructure and ensure appropriate supplies of these critical resources into the future.
- Continue the commitment to the housing and transportation goals of the Growth Management Act, and collaboratively and innovatively translate those goals into an integrated approach to the implementation of rules and regulations regarding physical infrastructure and natural resources.
- Ensure housing options are available to residents from all income levels in order to meet housing densities mandated by the Growth Management Act (GMA). Consistency and predictability of permitting processes is also needed to reduce development and housing costs.
- Continue to evaluate the state's ongoing transportation needs. Even though the Legislature passed a significant transportation funding package in 2003, this funding will not be enough to alleviate transportation congestion in the Puget Sound region and in other parts of the state. The Legislature must not wait another decade to address funding for the state's additional transportation needs.
- Provide and increase greater incentives for government-provided infrastructure financing, which needs to be more directly tied to meeting infrastructure requirements in the state's Growth Management Act.
- Make streamlining regulatory processes an ongoing mission of state government. Unwieldy rules and regulations, and burdensome regulatory compliance processes place our economic future at risk. Clearly defining and integrating rules and regulations is a necessary foundation for a strong state economy.
- Address the needs of insurance providers, developers, builders, owners, and owners' associations in ways that minimize the use of the court system to provide remedies due to inequities in state insurance, construction, and condominium rules and regulations.

## Physical Infrastructure, Land Use & Environmental Regulations

### Priorities

#### Land Use

- Ensure that impact and mitigation fees designed to finance capital transportation projects, public school construction, and parks, within local jurisdictions, remain restricted to those uses.
- Maintain the current deadlines by which these funds must be either expended or refunded. Encourage local jurisdictions to raise required matching funds in a timely manner.
- Provide improved financing mechanisms and increased incentives that focus on infrastructure investment to meet GMA infrastructure requirements.
- Revise laws relating to infrastructure revenue sources to ensure funding goes to basic infrastructure (i.e. roads, sewer, water).
- Direct the infrastructure revenue portion of real estate excise taxes to fund basic infrastructure.

#### Housing

- Implement legislation to eliminate barriers to the development of single family homes, condominiums, and other individually owned multi-family housing units.
- Limit unreasonable liability to all parties involved in the development, management, insuring, financing and ownership of single family homes, condominiums, and other multi-family housing units.
- Ensure an adequate supply of housing for all income ranges by establishing effective rewards for cities and counties in compliance with housing targets, and enforce sanctions for cities and counties out of compliance.
- Ensure that data gathering required is in compliance with deadlines associated with ESHB 1451. Analyze data as soon as possible and develop, pass, and implement legislation that established time limits for the issuance of specific types of permits such as tenant improvements, remodels, single or multi-family construction, and new construction.
- Provide legislative direction for state agencies to lead efforts in collaborative and conjoined permitting processes with other levels of government.

#### Endangered Species Acts (ESA) and Shoreline Management Plans (SMP)

- Integrate GMA goals into ESA recovery plans.
- Provide state funding for Shoreline Management Plan updates prior to updates being started.
- Establish goals for land-based endangered species based on the natural range of each species.
- Establish aquatic species escapement goals by individual Water Resource Inventory Areas (WRIAs). The state should lead efforts to establish collaboration between all levels of permitting agencies for projects requiring ESA or Shoreline compliance and set time limits for the issuance of state permits.
- Make delisting of endangered species the goal of all state recovery plans, clearly defining required population numbers and characteristics to achieve delisting.

#### Transportation

- Maintain the integrity of SB 6140 and the Regional Transportation Investment Districts to ensure that work may proceed in a manner that decisions are presented to voters in 2004, and that the investment dollars are spent only as authorized to ensure cost-effective congestion relief.
- Index the gas tax to provide a hedge against inflation.
- Continue to streamline state permitting processes associated with transportation construction and provide leadership in integrating regulatory processes at all levels of government.
- Develop strong and effective incentives for local governments to accomplish Growth Management Act (GMA) transportation concurrencies in less than the six years associated with Capital Improvement Plans (CIPs), ensuring consistency with the GMA.
- Allow phased-project options for developers collaborating with local governments to accomplish transportation concurrency on an accelerated timeline.
- Provide effective incentives for local jurisdictions to collaborate to achieve GMA transportation and infrastructure concurrencies. Ensure that non-compliance by local governments incurs serious consequences and sanctions.
- Provide mechanisms for independent performance audits for all WSDOT projects.
- Insist that any measures in excess of the minimum ESA requirements must be driven by voluntary incentive-based approaches.

#### Water

- Support policies that ensure enough water for a growing economy, and provide flexibility in the use, transfer, and reuse of existing water rights.
- Reform the relinquishment policies and practices throughout the Water Code to remove barriers to water right transfers, promote economic development, and encourage water conservation.
- Support the development of effective water management techniques including banking, the trust water rights program, storage, and flow augmentation in order to meet the needs of out-of-stream uses while enhancing in-stream flows.
- Establish timelines for the State Department of Ecology (DOE) to process water rights applications.

#### Energy

- Facilitate the development of expanded infrastructure to assure sufficient energy supplies and an efficient and reliable energy delivery system to meet the needs of all Washington households and businesses.
- Encourage and support increased use of energy management technologies that will help utilities and individual consumers to achieve greater conservation and energy use efficiencies.
- Prohibit the shift of exceptional utility relocation costs from local transportation or economic development projects to utility customers.