



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



## **Military & Defense Sector**

April | 2014

# How We Got Here...

2010

- Puget Sound Regional Council Report
- Washington State Economic Development Council Report

2012

- Military sector highlighted in jobs-based economic development strategy
- Washington Military Alliance (WMA) formed
- WMA Report provided a list of recommendations to the state

2013

- “Office of Military Affairs” created within the Department of Commerce

2014

- “Office of Military Affairs” director hired
- State level support group for military & defense sector work established in first 100 days



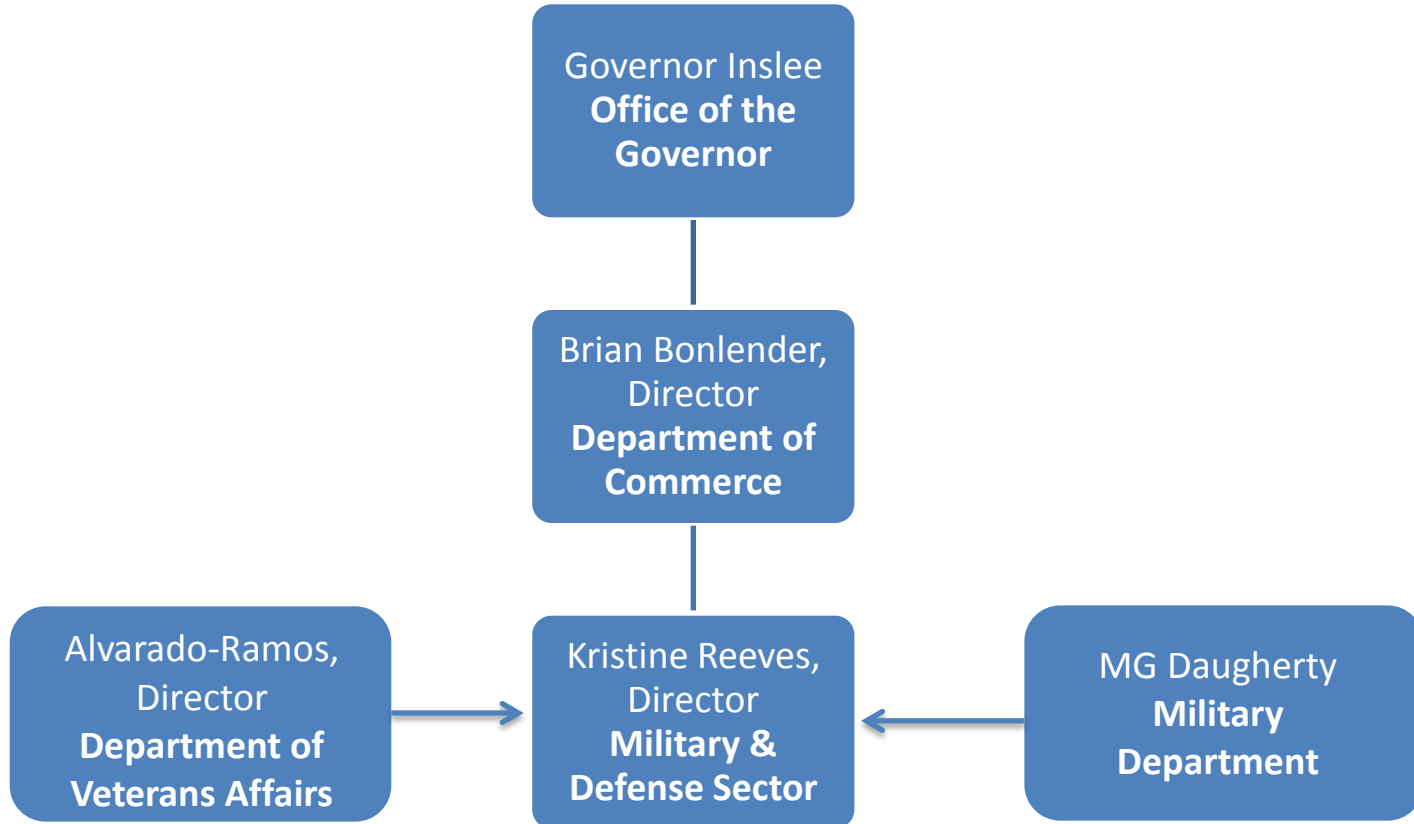
# Why A Military & Defense Sector?

The **Military and Defense sector** cuts across many industry sectors in Washington, helps create the **backbone for a strong economy** through:

- **Diverse Defense Missions**
- **Military Installations**
- **Pioneering Defense Companies**
- **Military-friendly Communities**



# Washington's Military & Defense Sector: A State Priority



# Washington's Military & Defense Industry Contributions

- **2<sup>nd</sup> largest** public employer
- **136,000** active duty, reserve, guard & civilian personnel
- **607,000** veterans including:
  - **75,000** retirees
  - **91,000** military families
- **\$16 billion dollars** in annual procurement in FY12
- supported by over **1,500 businesses** across the state
- nearly **4% of the state's GDP**

- *1 Statistical Report on the Military Retirement System. (2012 Demographic Report) DoD Office of the Actuary May 2013.*
- *2 Retaining and Expanding Military Missions, Increasing Defense Spending and Investment: Washington State's Importance and Opportunities for the Department of Defense in Achieving its Strategic Initiatives. (WMA Report) Denny Miller Associates, Hyjek & Fix, Inc. Nov. 2012.*



# The Challenges

## INDUSTRY

- Supportive Business Climate
- Contract Facilitation Support
- Minority Contracting Metrics
- Commercialization
- Increased Support for Veteran-owned Businesses
- Need for Venture Capital
- Employment/Workforce Transitions Pipeline Support
- Education/Training Certification Needs

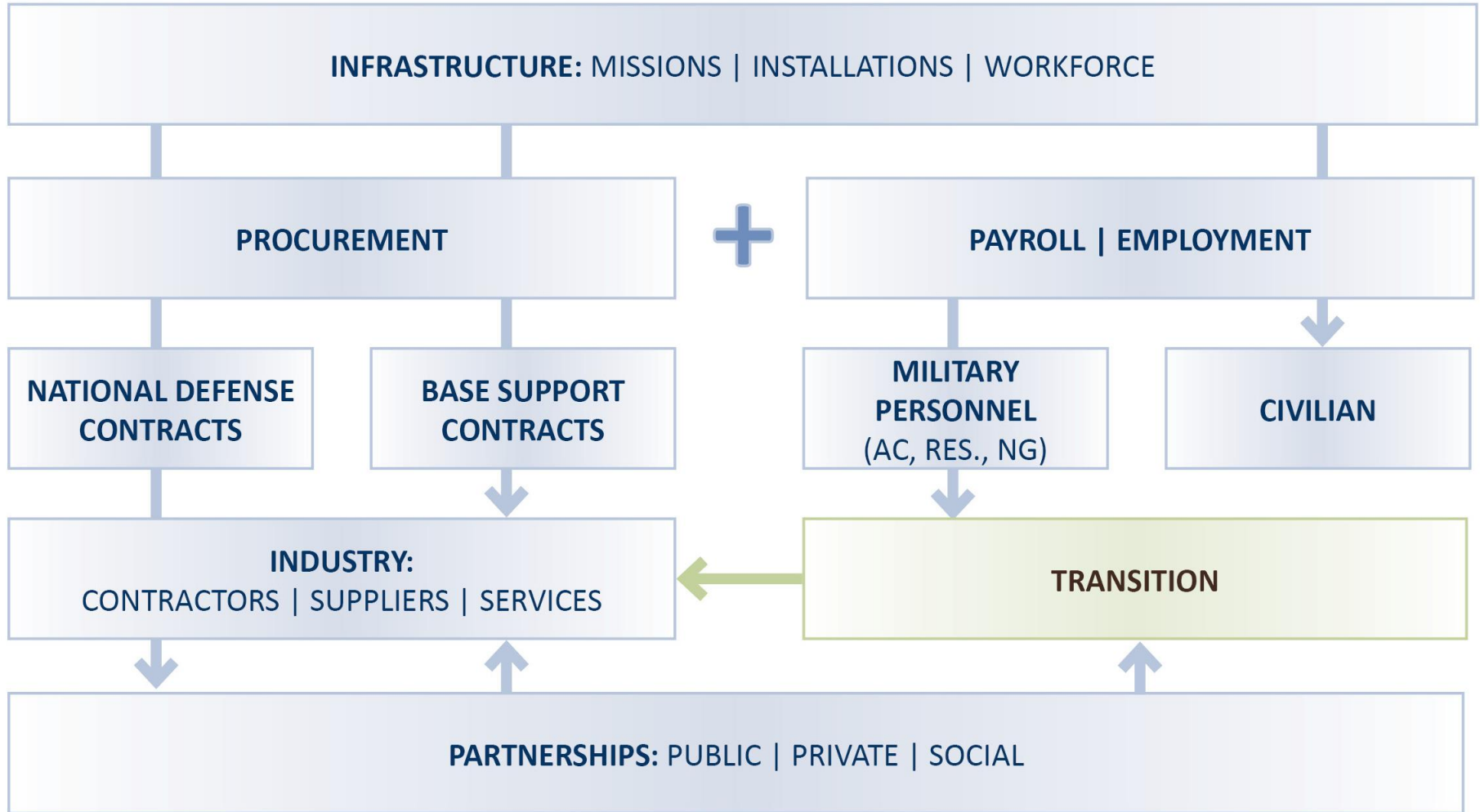
## INFRASTRUCTURE

- Encroachment/Land Use Compatibility
- Maintenance of Public Infrastructure that Supports Military & Defense Infrastructure
- Need for Continued Enhancement to Readiness
- Need for Supportive Public Policy

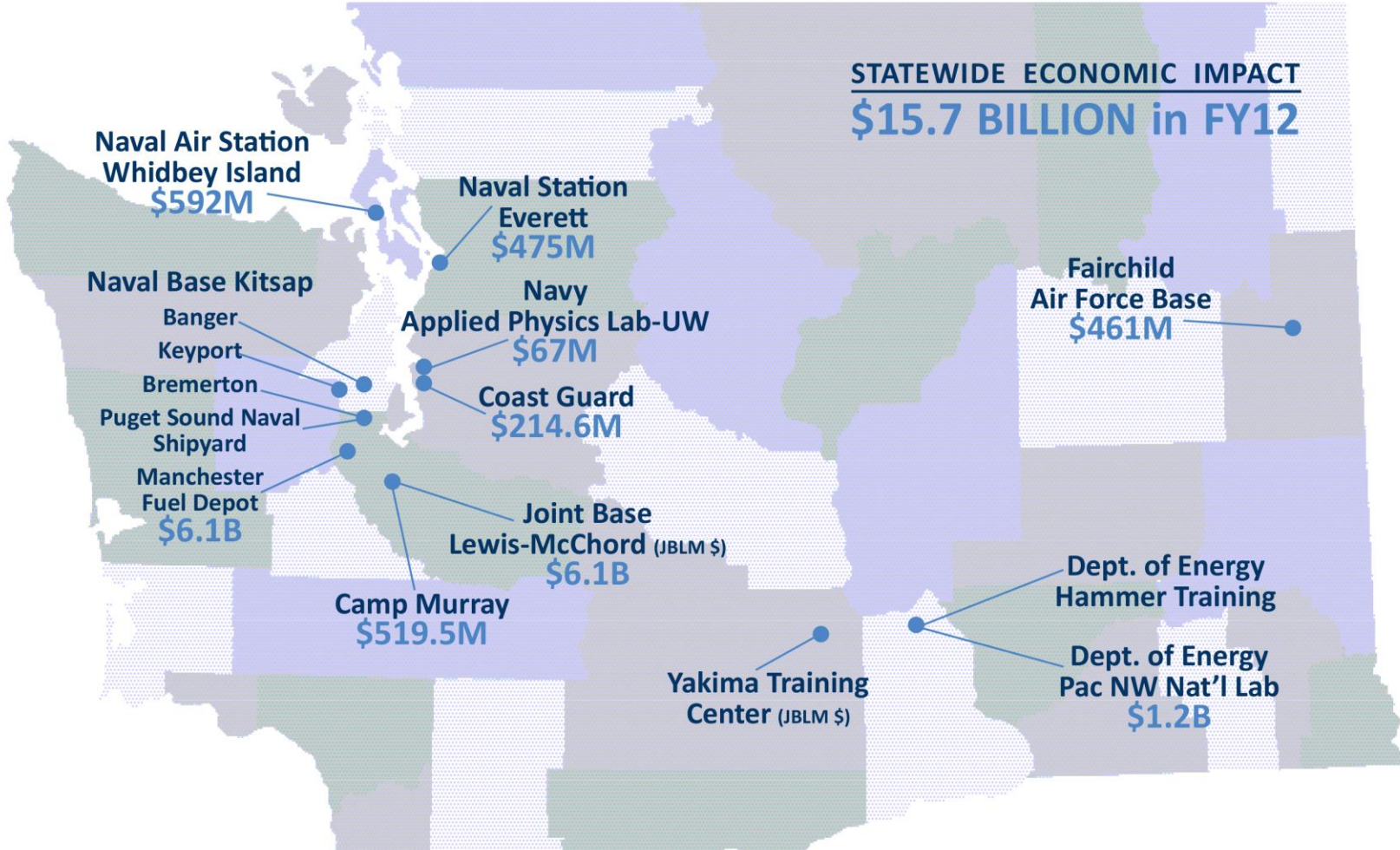
## PARTNERSHIP

- Lack of Formalized Sector Support Workgroup
- Inability to Speak with One-voice
- “Sea of Goodwill” is Overwhelming
- Promote Enhanced Quality of Life for Military Communities
- Spousal Employment Needs
- Veteran Employment Needs

# How We Define the Sector



# Statewide Impacts of the Military & Defense Sector



## People Impacts

Active Duty	Reserve	National Guard	Civilian Workforce	Family Members	Retirees	Survivors	Total
69,124	19,474	8,000	39,355	90,246	71,451	10,901	308,551



# Defense Industry Top Ten:

## Contractors Located in WA in FY12

<b>The Boeing Company</b>	\$9.9 B	Seattle
<b>The Boeing Company - Insitu</b>	\$280 M	Bingen
<b>Manson Construction</b>	\$231 M	Seattle
<b>Pacific Medical Center Clinic</b>	\$210 M	Seattle
<b>U.S. Oil Trading LLC</b>	\$206 M	Tacoma
<b>Microsoft Corporation</b>	\$203 M	Redmond
<b>Vigor Industries</b>	\$155 M	Seattle
<b>Dakota Creek Industries Inc</b>	\$151 M	Anacortes
<b>Skookum Educational Programs Inc</b>	\$129 M	Port Townsend
<b>Cubic Corporation</b>	\$104 M	Lacey

## Doing Business in FY12

<b>The Boeing Company</b>	\$7.5 M	Seattle, WA
<b>BP PLC</b>	\$766 M	California
<b>Pacific Medical Center Clinic</b>	\$698 M	Seattle, WA
<b>EHW Constructors a Joint Venture</b>	\$256 M	Virginia
<b>Pacific Medical Center Clinic</b>	\$210 M	Seattle, WA
<b>U.S. Oil Trading LLC</b>	\$206 M	Tacoma, WA
<b>Dakota Creek Industries Inc</b>	\$151 M	Anacortes
<b>The Geo Group</b>	\$120 M	Florida
<b>EJB Facilities Services</b>	\$101 M	Virginia
<b>Vigor Industries</b>	\$77 M	Seattle, WA

# The Partnerships (to name a few)



# Mission Statement

---

Support and inform statewide sector specific **economic development** efforts by strengthening state and federal collaborations that support **military & defense infrastructure, military & defense industry** and **public, private and social sector partnerships** in all communities across the state.



# Promote Opportunity, Address Challenges

- Bring all the sector stakeholders to the table representing infrastructure, industry and partnerships to:
  - **Promote Infrastructure Stability;**
  - **Encourage Industry Vitality; and**
  - **Develop and Promote Strong Partnerships.**
- **Identify** common opportunities and challenges to the sector and offer suggested paths forward; and
- **Promote** a common message on sector priorities.



# Communicate with One Voice

---

- **Provide Strategic Focus:**

Raise general awareness of the value of the sector internal to the state

- **Promote Competitive Advantage:**

- Encourage continued investment by the military & defense sector
- Position the state as military-friendly location

- **Support a common message** to the federal delegation and agency partners regarding sector priorities.



# Grow with Strong Public / Private Partnerships

## Focus Infrastructure Growth to Maximizing Efficiencies through public-private partnerships:

- Assess installation specific challenges in Washington with emphasis on infrastructure needs that have not been resolved previously where public-private partnerships may be helpful
  - Encroachment/urban growth
  - Sec. 331 - shared services



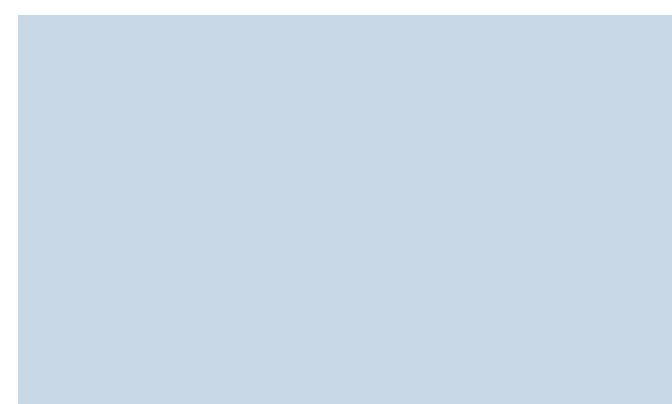
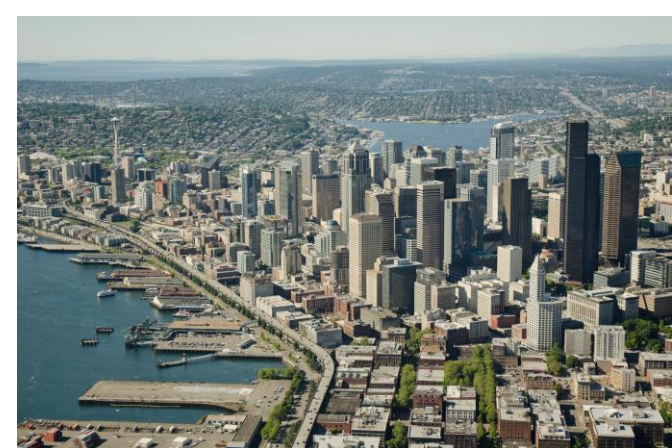
# Washington's Industry Partnerships Encourage Innovation

- Identify opportunities to support the military's needs by attracting future missions where the state's unique public and private industry interests fill a gap for the military:
  - **Cyber/Tech** (ICT Sector)
  - **Renewables/Energy Independence** (Energy Sector)
  - **Defense Health** (Life Sciences/Global Health Sector)
  - **Arctic/Coast Guard/UUV** (Maritime Sector)
  - **UAV/Space** (Aerospace Sector)



# Choose Washington, Invest in the Military & Defense Sector

- Create state **directed investments** and interest in solving **military specific challenges** that may be met through the newly identified P4 process or other opportunities for **public-private partnerships** that meet the military's needs.
  - Spokane Shooting Range Example
- Utilizing previous reports highlighting state opportunities to better support the military and promote WA as an attractive location for the military to continue to do business.







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

Mrs. Kristiné M. Reeves  
Director, Military & Defense Sector  
State of Washington  
Department of Commerce  
2001 Sixth Ave, Suite 2600  
Seattle, WA 98121

[Kristine.reeves@commerce.wa.gov](mailto:Kristine.reeves@commerce.wa.gov)

Direct: 206-256-6105

Cell: 206-910-1624

## QUESTIONS?

Additional Resources Available:  
**[www.commerce.wa.gov](http://www.commerce.wa.gov)**

[www.commerce.wa.gov](http://www.commerce.wa.gov)

facebook

twitter