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COMMISSION

AGENDA MEMORANDUM Item No. 10a

ACTION ITEM Date of Meeting February 13, 2024

DATE: January 23, 2024

TO: Stephen P. Metruck, Executive Director

FROM: David McFadden, Managing Director

Annie Tran, Economic Development Manager

SUBJECT: Review of Economic Development Partnership Program and 2024 Authorization
Request

Amount of this request: \$900,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute contract agreements and implement the 2024 Economic Development Partnership program with King County cities in an amount not to exceed \$900,000. Commission also authorizes Executive Director to execute contracts using unutilized program funding to advance regional initiatives to further equitable and small business recovery.

EXECUTIVE SUMMARY

The Economic Development Partnership (EDP) program builds alliances with King County cities to advance economic development broadly across the region. Currently, the program is funded by the Port property tax levy, which provides cities \$5,000 - \$60,000 grants to implement economic development projects that tie to the Port's business interests. The Port requires a 50% match (up to 25% monetary match and 25% in-kind resources match) to ensure cities are also committed to project success.

The Port of Seattle Commission created the EDP program in 2016 to advance local economic development in partnership with cities in King County. Over the past seven grant cycles (2016 – 2023), city grant partners have implemented projects that advanced economic diversification, local business development, company attraction, planning and feasibility studies, tourism, and workforce development.

For 2024, staff is requesting Commission to authorize funding not to exceed \$900,000 to implement the EDP program. These funds would be used to support one-year contracts with participating cities. Our municipal partners recommended we move to one-year contracts to better align with their biennial budget timelines.

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2022-2023 YEAR IN REVIEW: CITY PARTNERS FOCUS ON RELIEF/RECOVERY EFFORTS

In 2022-2023, 27 cities used Port grant funding to advance economic relief and recovery initiatives. The following table shows significant investments were made to support small business, promote buy local campaigns, advance responsible tourism, and support impacted workers.

Economic Development Partnership Awards by Project Category

Total

% of Port Investment

City Size Port Award City Match

Award (Port Award +

Match)

Small Business Assistance \$593,820 42% \$859,685 \$1,453,505

Buy Local/ Placemaking \$351,911 25% \$279,052 \$630,964

Tourism \$300,876 21.3% \$417,237 \$718,114

Plans/Custom Projects \$114,680 8% \$60,239 \$174,919

Workforce Development \$54,000 3.7% \$61,700 \$115,700

Total \$1,415,287 100% \$1,677,915 \$3,093,203

Participating cities contributed \$1,677,915 in matching resources. About \$1,246,607 (88.1 percent) of Port grant awards were used to provide small business assistance, promote buy local/ placemaking, and advance tourism development projects.

During 2022-2023, the Port convened eight quarterly (virtual and in-person) meetings with cities to share resources to support small businesses, best practices, and developed regional

partnerships between Greater Seattle Partners and the Seattle Metropolitan Chamber of Commerce.

CUMULATIVE IMPACTS

Participating cities had the discretion to select their projects and initiatives with the advice and review from Port staff. The 27 cities implemented economic relief and recovery initiatives. Below represents the aggregated data for cumulative impacts for reach of the project categories.

Small Business Assistance:

- 1,279 businesses surveyed.
- 661 businesses received assistance.
- 791 hours of 1:1 business consultation provided.
- 77 events hosted with attendance from 1,698 business owners.
- \$938,849 of business grants and funding distributed to businesses.

Promote Buy Local/Placemaking:

- 102,000 people attended events.
- 29 events hosted.

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- 1.1 million marketing impressions
- 155 local merchants promoted.

Tourism:

- Events generated 156,000 attendees.
- 6,700 hotel room nights reserved.
- 9.5 million marketing impressions.
- 4,000 trips.
- \$200,000 increase in admission ticket sales.

Plans/Custom COVID-19 Projects:

- Issaquah and Sammamish used a portion of their funding to support economic analysis and planning for the comprehensive plans.

Workforce Development:

- Kirkland connected job seekers with local employers, to create jobs, enhance skills, provided trainings, and aimed to close workforce gaps.

BENEFITS

As a result of the funding opportunities for cities, this grant has furthered positive relationships with cities throughout King County over the last seven years. During COVID-19, grants provided key and critical resources to cities during the pandemic and funding often helped anchor assistance to local businesses during challenging times.

Additionally, this program convenes our city partners four times a year around local and regional economic development initiatives to foster ongoing collaborative efforts. All in all, the Program has led to tangible small business development, tourism and placemaking outcomes across King County.

LOOKING FORWARD

The future of the program relies on being able to tell a collective story about the regional economic development initiatives conducted in collaboration with our city partners. In efforts to sync up better with the city partners' biennial budgets, we recommend authorizing the program for one-year in 2024.

Equity Considerations and Defined Metrics

As continued improvements are made to the program, program staff look forward to establishing more defined and tighter metrics for the program that highlight and support inclusion of WBME businesses. Additionally, the program application will be refined to include more of an emphasis on diversity, equity, and inclusion and define which metrics to collect to reflect these outcomes.

Support for Small Cities

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<https://www.startup425.org/>

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Continued support will be provided to cities without economic development staff to support projects. Additionally, we are recommending an increased minimum funding from \$5k to \$10k

for the smallest cities. Small cities will also receive additional time and attention they need to formulate projects, applications, etc.

DETAILED INFORMATION ON CITY PROJECTS

Projects Descriptions by City and Regional Partnership

Regional Partnerships

Bellevue, Issaquah, Kirkland, Redmond and Renton

- Startup 425 Revamped the Startup425 Program with Bellevue serving as the administrator for the program and partnership. (startup425.org)
- Hosted 10 events on the Eastside with 216 cumulative attendees. Topics included: Eastside Venture Capital Panel during Seattle Tech Week, CoWorking, and a "How to Start a Business" resource specific to each participating city.
- Hired 2 entrepreneurs in residence to help run the program and trainings.

Individual City Projects

Auburn - \$120,000

- Small Business Assistance with Green River College SBDC - Contracted with Green River College's Small Business Development center to provide technical assistance.
- Digital Marketing Campaign for Tourism – Created an online marketing campaign to increase tourism in Auburn focused on "Explore Auburn."

Bellevue - \$120,000

- Downtown Bellevue "Hello Again" and "Buy Local" - Partnered with the Bellevue Downtown Association to host a downtown marketing and activation campaign. The program promoted outdoor dining, Main Street businesses with outdoor dining, and wayfinding of the Grand Connection pedestrian mall.
- BelRed Arts District Formation - The Cultural and Economic Development team organized stakeholders to form a BelRed Arts District organization.
- Administered the Startup425 regional partnership to support small and startup businesses.

Black Diamond - \$5,950

- Marketing Video - Developed a marketing video to promote local businesses in Black Diamond.
- Welcoming Packet - Produced a resource for new businesses to easily access and streamline the process of opening a business in the city.

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Bothell - \$25,000

- Street Fair Buy Local Business Expo - Used targeted marketing and outreach to identify and recruit 100 businesses to participate in the expo.

Burien- \$74,125

- Small Business Assistance: Business Survey - Conducted a city-wide business survey to understand what Burien businesses need moving forward to recover.
- ShopLocalBurien – Developed a "Shop Local Burien" marketing campaign in partnership with local business groups to encourage residents to shop locally with Burien businesses.
- 'It's a Wonderful Burien' Program Support – Supported small businesses, retail shops, and restaurants during the shopping season. Hosted a marketplace development concept for entrepreneurs through pop-up retail opportunities in the plaza in coordination with Small Business Saturday and economic development partners.
- Small Business Development Center and Soundside Alliance - Supported Burien's membership in the Soundside Alliance to further coordination and collaboration of small business assistance, pandemic recovery, and funding for the Small Business Development Center at Highline College to provide small business technical assistance.

Carnation - \$10,000

- Small Business Summit, Survey, Business Directory - Hosted a Small Business Summit and surveyed businesses to discover needs and opportunities. Results from the summit and survey were used to create a business directory, which were mailed to all households within city limits and distributed to local businesses to further promote small businesses.

Covington - \$13,333

- Small Business Assistance Center Partnership with Green River College SBDC - Contracted with the Green River College Small Business Center to provide direct 1:1

business assistance to small businesses based in Covington.

Des Moines - \$66,200

- EATS program - EATS (Emergency Assistance to Seniors) provide d \$2,500 each week to a different restaurant/ food service provider, who then provided meals to 125 seniors and veterans in our community. The economic development program helped provide cashflow to local businesses.
- Marketing Campaign for Small Business Grant Program - Promoted small business grants that were available for our local small businesses.
- Food Truck Pilot Program - Developed food truck pilot program to provide guidance and recommendations for best practices for food truck hosting. Established a map that provides current and future locations for food trucks.

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Enumclaw - \$25,660

- Enumclaw Expo Center Tourism Promotion - Marketing campaign focused on attracting regional tourism to the events held at the Enumclaw Expo Center and the Plateau.
- Federal Way - \$18,733
- Business Outreach and Survey – Conducted survey and outreach to businesses to measure how businesses are doing and the resources they need.

Issaquah - \$81,280

- Regional Business Summit with Chamber of Commerce - Hosted a Regional Business Summit to discuss regional issues and peer learning on business topics.
- #IssaquahLoyal – Supported local businesses through the #IssaquahLoyal shop local campaign, created seasonal marketing campaigns focused on highlighting existing businesses via videos, electronic news articles, and Shop Small Saturday activities.
- Economic Analysis and Planning - Conducted strategic planning efforts to understand new opportunities to serve "office workers" working from home as well as business retention and expansion.
- Participated in Startup425 regional partnership.

Kenmore - \$41,800

- Business Acceleration Training – Hosted a 5–6 week business training series to accelerate businesses and offer 1:1 consultations to small businesses.
- Back Our Businesses and Tourism Promotion – Designed a marketing and social media campaign using professional photos to promote local businesses, business districts, and home-based businesses.
- Competitive Analysis of Downtown Kenmore - Analyzed downtown Kenmore's ability to draw talent and investment compared to other communities in the subregion.

Kent - \$40,440

- Food Business Acceleration & Partnership Development in Food Ecosystem – Conducted a study on business incubation, private market services, and developed more explicit connections between CDFIs looking to create business acceleration services for BIPOC business owners in the food industry.

Kirkland - \$120,000

- Shop, Local Kirkland/Explore Kirkland Campaign – Updated functionality of ShopLocalKirkland.com website to expand business opportunities locally. Integrated this with ExploreKirkland.com to promote tourism and "All Things Kirkland."
- Workforce Development Procurement – Developed regional workforce development strategies and provided recovery help for businesses struggling with worker attraction, hiring and retention, and connecting those seeking employment with employers requesting certain skillsets in the marketplace.

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- Home-based Business Survey and Pop-Up Expo – Surveyed 3,800 home-based businesses to better understand the needs of this large business population to inform design and deployment of resources, programs, and services the city proposes. Hosted a

Pop-Up Business Expo and invited businesses to vend their products.

- Participated in Startup425 regional partnership.

Maple Valley - \$53,000

- Business Leakage Study – Conducted a business leakage study to analyze commerce data and trends from 2017 to current, with special attention to COVID-19 economic issues. The study informed how the city can support local businesses, including small businesses and women-and-minority-owned businesses.
- Business Marketing Video – Produced a marketing video using the data and analysis from the business survey and business leakage study to target small businesses and retain them.

Mercer Island - \$51,280

- Outdoor Seating – Partnered with local businesses to design attractive outdoor seating areas to expand dining capacity and create “eating destinations” in the Island’s central eating business districts.
- MInext Buy Local Campaign – Designed and implemented a summer campaign under the MInext Buy Local marketing program to promote outdoor experiences, including dining al fresco, visiting the Farmers’ Market, and attending socially distanced community events.

North Bend - \$10,004

- Downtown Business Marketing Buy Local Campaign – Partnered with the North Bend Downtown Foundation (NBDF) for “buy local” marketing campaigns to support, plan, and manage cherished downtown events.
- SnoValley App – Partnered with the chamber to develop the SnoValley app to highlight and promote local businesses to residents and tourists.
- Business & Outreach Assistance - Partnered with the SnoValley Innovation Center and SnoValley Chamber of Commerce to develop business-focused surveys and focus groups to better understand issues.

Normandy Park - \$11,667

- Small Business Mixers and SBDC Referrals – Hosted five Business Mixers with the Southside Chamber of Commerce. Topics included business assistance and support, arts and culture, nonprofits, innovation, and hospitality. Emphasis on offering support for home-businesses and making referrals to the SBDC.

Pacific - \$7,125

- Veterans Memorial along Interurban Trail - Supported pre-construction, site development, and groundbreaking of three additional war memorials along a

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prominent location along the Interurban trail to honor veterans from World War I through the Afghanistan War to promote tourism along the Pacific section of trail.

Redmond - \$120,000

- Small Business Walk Program - Visited small businesses to learn about their challenges and concerns. Targeted businesses who are being impacted by redevelopment and those who were in high displacement areas.
- Local Small Business Resiliency Support Program - Offered tailored one-on-one advising to small businesses in the areas of marketing, business management, cashflow analysis, buying and selling the business, international trade, expansion and relocation needs, accounting/tax advising and more.
- Participated in Startup425 regional partnership.

Renton - \$120,000

- Geolocation Marketing Campaign – Promoted Renton as a destination for tourism, recreation, business opportunity and investment using geolocation technology to determine who visits Renton, where they are coming from and what is driving their visit.
- Film Competition – Worked in partnership with the Renton Municipal Arts Commission and REELRenton, the City hosted a filmmaking challenge designed to support local filmmakers to create short promotional videos that highlighted local businesses and built a name for Renton as a leader in the film industry.
- Arts and Culture Incubator – Activated a creative hub with local artists and art programming and create a toolkit with resources and testimonials about the creative economy in Renton, including links for how to get involved.
- Main Street Workshop and Pitch Competition – Hosted an entrepreneurial pitch

competition that educated start-ups how to pitch their business and work through their business plans. Awards were given at the end with the potential for a business to receive a grant to locate their business downtown.

- Participated in Startup425 regional partnership.

Sammamish - \$38,400

- Developed an Economic Profile and SWOT Analysis - Completed economic development data analysis to understand the impacts of the pandemic, including business activity, economic characteristics of residents, etc. The City engaged the community at the annual Block Party to receive feedback and formed a Community Advisory Group to inform the study.

SeaTac - \$60,125

- Business Retention Outreach Program and COVID-19 Referrals – Conducted an outreach and business climate survey to local businesses focusing on hospitality and airport related businesses, while making referrals for businesses to seek resources.

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<https://experiencetukwila.com/>

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Shoreline - \$118,000

- Music Industry Recovery, Incubation, & Tourism – Hosted Fourth Annual Shoreline Music Summit + Showcase to include a new Shoreline Music Summit that offered live music at multiple locations to support the recovery of highly vulnerable live-music venue businesses as well as promotion of emerging and BIPOC artists.
- Glass Art Festival Tourism and Local Business Support – Hosted a national tourism attraction by hosting live-demonstrations of glassmaking with Shoreline's "Friday Glass Studio" artwork. Also promoted the neighborhood commercial center Downtown Ridgecrest as an emerging as a creative district.
- Shoreline Place Farmers Market - Increased awareness of the Farmers' Market as an essential business, retain customers during period of disruption, due to a new location due to construction and physical distancing requirements due to COVID-19.
- Juneteenth Music and Marketplace - Hosted Shoreline's first-ever official Juneteenth celebration including live music, mural, video production, and vendor fair featuring local Black-owned food vendors and Black-owned small businesses.

Snoqualmie - \$25,695

- Trail Map - Created a trail map highlighting trails and businesses for visitors to explore in the area.
- Outdoor Seating/Furniture – Installed outdoor seating and tables for visitors to stay a while and dine out after shopping in downtown Snoqualmie.
- Snoqualmie Winter Lights Marketing – Supported a marketing campaign for the Snoqualmie Winter Lights event in downtown Snoqualmie.
- Wedding Venue Guide – Partnered with SnoValley Chamber of Commerce to produce a wedding venue guide highlighting local wedding industry businesses in the SnoValley region.

Tukwila - \$44,000

- Experience Tukwila – Produced high-quality videos and photography for small, consumer facing businesses to promote the businesses on Experience Tukwila and other platforms. (experiencetukwila.com)
- Economic Development Update - Updated the city's economic development data and created the city's first economic development plan. This data was synthesized into onepagers the city used for promotional and businesses information needs. The city also created a video to promote the city to tourism groups and business groups.

Woodinville - \$26,000

- "2-Days in Woodinville" Tourism Promotion - Partnered with the Woodinville Chamber of Commerce and developed a "Stay in Woodinville" tourism and buy-local campaign focused on keeping Woodinville visitors in Woodinville longer.

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FINANCIAL IMPLICATIONS

Annual Budget Status and Source of Funds

The Port of Seattle Economic Development Partnership program is an initiative that will cost approximately \$900,000 to implement in 2024. The Port property tax levy will be used to support this grant program.

ATTACHMENTS TO THIS REQUEST

(1) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

February 8, 2022 - The Commission authorized the Executive Director to execute contracts supporting the 2022-23 Port of Seattle Economic Development Partnership Program in an amount not to exceed \$1,860,000.

February 9, 2021 – The Commission authorized the Executive Director to execute contract agreements and implement the 2021 Economic Development Partnership program with King County cities in an amount not to exceed \$930,000.

July 10, 2020 – The Commission heard a briefing on how the 2020 Economic Development Partnership Program funding was being used to respond to COVID-19.

December 10, 2019 – The Commission authorized the Executive Director to execute contract agreements and implement the 2020 Economic Development Partnership program with King County cities in an amount not to exceed \$965,000.

July 23, 2019 – The Commission heard a briefing on the 2019 Economic Development Partnership program.

January 8, 2019 – The Commission authorized the Executive Director to execute contracts supporting the 2019 Port of Seattle Economic Development Partnership Program in an amount not to exceed \$960,000.

December 11, 2018 – Presentation to the Commission on the results of the 2017-2018 Economic Development Partnership Program and the findings of a draft program evaluation report completed by Community Attributes Inc.

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