

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No. 3b

Date of Meeting October 11, 2016

DATE: September 29, 2016
TO: Ted Fick, Chief Executive Officer
FROM: David McFadden, Managing Director, Economic Development Division
SUBJECT: Approve Port Economic Development Partnership Applications Round 3

Amount of This Request: \$411,170
Est. Total Project Cost: \$962,435

ACTION REQUESTED

Request Commission authorization for the Chief Executive Officer to execute Economic Development Partnership Program contracts with the cities of Bothell, Burien, Carnation, Covington, Enumclaw, Kent, Maple Valley, Mercer Island, Milton, Newcastle, Renton, Sammamish, SeaTac, Tukwila, and Woodinville to implement local economic development initiatives for a total amount not to exceed \$411,170 as detailed below.

SYNOPSIS

The following cities have completed their partnership application and staff is recommending the Port execute contracts with these jurisdictions. Staff has reviewed each application and is confident each local initiative is impactful and ties to Port business interests. This round of applications brings the total of recommended partnership grants to 27 cities. There may be a small number of cities that have indicated interest but have not yet submitted an application. Staff continues to work with interested cities to encourage application submittals.

Bothell - \$25,410

Develop a vision and comprehensive plan for the Canyon Park Technology area to support business expansion and job growth.

Burien - \$48,810

Design signage that creates a walkable multi-modal downtown environment to attract visitors, new businesses and commercial development, as recommended in the city's Downtown Mobility Study.

Carnation - \$5,000

Support the "Savor Snoqualmie" marketing collaboration with cities of Snoqualmie and Duvall promoting outdoor recreation, farm and culinary experiences, cultural heritage and the work of

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local artists. Grant funds will be used for wayfinding signage and promotional materials for Bounty Week 2017.

Covington - \$18,520

Redesign city's website with an emphasis on economic development opportunities and business services.

Enumclaw - \$11,140

Provide small business workshops and training through Green River Community College for light manufacturers. Promote visitors to Mount Rainier through collaboration with Visit Rainier, Pierce County Visitors Bureau and Seattle Visitor and Convention Bureau with enhanced web content and advertising.

Kent - \$65,000

Execute a multi-level program to support and expand Kent's food entrepreneur business community, working with the Food Innovation Network and Green River Community College's Small Business Development Center. The program will provide below market rate commercial kitchen incubator space and business training for food entrepreneurs. Launch social enterprise café featuring international foods and hold 8-10 downtown pop-up dining events featuring diverse cuisines.

Maple Valley - \$24,700

Maple Valley has completed prior studies related to economic development. The Port grant will enable the City to hire a consultant to review prior work and develop recommendations which outlines and proposes roles, responsibilities and implementation strategies for economic development as associated with the City's 2017/2018 budget. The recommendations will direct the City toward a clearly defined future vision.

Mercer Island - \$23,480

The City will develop and design wayfinding signs to direct visitors using the regional bike trail to the town center which supports local business growth.

Milton - \$5,000

The City of Milton acquired a piece of the Twin Towers and is pursuing installation of a 9/11 Memorial as a downtown enhancement and tourist attraction. The Port funds will be used to mount the installation and design an interpretive exhibit.

Newcastle - \$10,940

Port funds will be used to support development of a new downtown plan, along with revised development regulations and capital improvements program for transportation and amenity improvements in the Downtown that address streets, public spaces, parking, and public facilities. Included will be a new concept plan and vision for Coal Creek Parkway as well as additional motorized and non-motorized connectivity to support the development of a pedestrian-oriented downtown with effective linkages to the other sectors in the CBC and surrounding residential

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neighborhoods. The planning process will also include an audit and a comprehensive revision of the Downtown zoning regulations and design guidelines.

Renton - \$65,000

Port funds will be used to support part of the community's overall branding and marketing campaign which includes, implementation of a new website with a searchable land and building inventory, GIS integration, economic data, and demographic profiles to promote commercial and industrial sites in Renton. Port funds will also be used to develop collateral materials through production of photography, video, print, audio and other digital media highlighting Renton's business and industry, as well as promote downtown branding, including street banners, website upgrade and utility cabinet wraps.

Sammamish - \$49,980

Port funds will be used as part of the City's Economic Development Scoping Analysis and includes updating demographic and economic data, developing a factsheet for marketing, update City's website to focus on business needs and developing recommendations and strategies to attract and retain businesses.

SeaTac - \$27,650

Design and redevelop the City's website to provide improved economic, demographic, zoning, comprehensive plan and utility information which supports business expansion and attraction.

Tukwila - \$19,300

Port funds will be used in combination with City funds and staff time to implement a business attraction, recruitment and retention program which includes, acquiring updated demographic and economic data, developing collateral materials, and updating the City's website.

Woodinville - \$11,240

Support growth and expansion of the wine industry by using surveys and focus groups to identify specific interventions which could be made to bolster the wine industry and related visitor experiences. Identify and develop case studies of other areas that have successfully developed the wine and tourism sectors as examples for Woodinville.

BACKGROUND

In June the Commission created a new economic development grant fund which provides 38 King County cities per capita funding to advance local economic development throughout the region. Annual grant funding is being provided on a \$1 per capita formula with a maximum of \$65,000 while ensuring each city receives at least \$5,000.

The new grant fund is structured to drive meaningful outcomes:

- Provide some flexibility to define local economic development projects
- Tie to economic development (ideally the Century Agenda's although, not required)
- Require a 50 percent local match to ensure cities are also committed to project success

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Port staff held three application workshops to promote the new program. Staff also connected with cities via email and responded to numerous questions from municipalities. The Port established an August 1 application deadline for cities wanting to have their partnership agreements considered at the August 23 Port Commission meeting. A September 1 deadline was established for cities wanting to have their agreements considered at the September and October Commission meetings.

PROJECT JUSTIFICATION AND DETAIL

The Port's new Port Economic Development Partnership Program grant program helps address the lack of economic development funding for local projects. The Port will also use this new program to accomplish Century Agenda goals through purposeful economic development partnerships with local cities.

Project Objectives

The Port Economic Development Partnership Program will help the Port advance regional economic vitality through focused partnerships with King County cities. Grants will be made to each city to pursue programs and projects that stimulate business development, job creation and community revitalization. Each participating city may in turn contract with local nonprofits (ex. Chamber of Commerce, Visitor Bureau, etc.) to carry out specific initiatives. Port Economic Development Partnership Programs can be used to support the following economic development activities:

- Business recruitment initiatives designed to attract new companies to a region or city
- Small business development (including incubator/accelerator projects)
- Industry retention and expansion assistance (ex. Maritime, Aerospace, etc.)
- Tourism development
- Downtown revitalization
- Commercial or industrial property development
- Other community or economic development projects that support new investment and job creation

The Revised Code of Washington article 53.08.245 authorizes the Port to engage in economic development programs. While RCW 53.08.245 specifically permits ports to engage with non-profit corporations in furtherance of such programs, it does not address Port engagement with other governmental agencies.

Another port district statute, RCW 53.08.240 (2) permits the Port to enter into contracts with other municipal corporations (as well as counties, US government and State). The Interlocal Cooperation Act, Chapter 39.34 RCW, and specifically RCW 39.34.080, also permits such joint activity. The general requirement is that in all the joint activities, the two agencies must be able to exercise the same power separately as they intend to exercise jointly. RCW 35.21.703 authorizes cities to enter into economic development programs.

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These statutes allow the Port to make funds available to King County cities for the purpose of advancing programs that are consistent with Port related/authorized activities. Contracts or interlocal agreements will identify the specific obligations of each party (and the specific use of the Port funds) to ensure that partnerships and initiatives pursued are appropriate.

Work Completed to Date

Port staff has taken multiple steps to implement the new Port Economic Development Partnership Program grant program authorized in June:

- Publicized grant fund development and purpose
- Developed a simple four-page grant application
- Publicized and conducted three application workshops for cities and their partners
- Worked with Strategic Initiatives and Legal Department to develop model agreements and resolutions each city would use to implement partnerships
- Answered numerous questions from partner cities about the program and
- Met one-on one with city staff.

Schedule

June 14	Commission Authorization
June 14	Public information about Port Economic Development Partnership Program made available
June-July	Application workshops
August through October 2016	Agreements negotiated and approved with King County Cities
June 2016 through May 2017	Project implementation
May 2017	Project evaluation

FINANCIAL IMPLICATIONS

Budget Status and Source of Funds

The Port Economic Development Partnership Program is a new initiative which is budgeted at a cost of \$962,435 to implement in 2016. The Port property tax levy will be used to support the initial 2016 grant program.

Lifecycle Cost and Savings

The Port Economic Development Partnership Program is anticipated to operate annually. It will likely cost between \$950,000 and \$1,000,000 per year unless the Commission changes or eliminates the program.

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STRATEGIES AND OBJECTIVES

The Economic Development Partnership Program supports the Port of Seattle's Century Agenda vision of adding 100,000 jobs through economic growth. Grant funds have been extended to 38 city partners in King County in order to create a larger collaborative team effort working to create middle class jobs within the region. Through purposeful contracts with local governments, the Port is able to extend its economic development reach to all parts of King County.

The Port Economic Development Partnership Program also honors the Port's commitment to create economic opportunity for all, partner with surrounding communities, and promote social responsibility. The new grant program can also help:

- Position the Puget Sound region as a premier international logistics hub
- Advance this region as a leading tourism destination and business gateway
- Promote small business growth and
- Anchor Puget Sound urban-industrial land use to prevent sprawl in less developed areas.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- September 27, 2016 – The Commission approved three city applications in the amount of \$132,350.
- August 23, 2016 – The Commission approved nine city applications in the amount of \$294,335.
- June 14, 2016 - The Commission authorized the establishment of the Economic Development Partnership Program.