



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 4b

**ACTION ITEM**

**Date of Meeting** November 8, 2016

**DATE:** October 31, 2016

**TO:** Ted Fick, Chief Executive Officer

**FROM:** David McFadden, Managing Director, Economic Development Division

**SUBJECT:** Approve Port Economic Development Partnership Applications Round 4

**Amount of this request:** \$81,770

**Total estimated project cost:** \$919,625

**ACTION REQUESTED**

Request Commission authorization for Chief Executive Officer to execute Economic Development Partnership Program contracts with the cities of Black Diamond, Federal Way, Pacific, and Skykomish for a total amount not to exceed \$81,770.

**EXECUTIVE SUMMARY**

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 31 cities. This is the final round of grant applications for Commission approval.

***City Applications***

**Black Diamond \$5,000**

Install way finding signs to help direct the public to local businesses and increase customers and revenue.

**Federal Way \$65,000**

Develop and implement print and digital marketing campaign targeted at site selectors, developers and commercial property professionals to attract 10-20 new businesses to the city. Execute a business recruitment program to identify prospects and make contact with key company executives. Expand the business retention effort to contact 25 local businesses and provide business assistance tailored to the business needs.

**Pacific \$6,770**

Update city website with new data and images promoting the city to existing and new businesses.

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**Skykomish \$5,000**

Design and install a historic signage plan that would serve as a walking tour of the town and provide historic information on the town and significant buildings.

**JUSTIFICATION**

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:

- (1) Provide some flexibility to define local economic development projects
- (2) Tie to economic development (ideally the Century Agenda's although, not required)
- (3) Require a 50 percent local match to ensure cities are also committed to project success
- (4) 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's new Port Economic Development Partnership Program grant program helps address the lack of economic development funding for local projects.

The 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:

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

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**DETAILS**

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:

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

The Revised Code of Washington section 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, U.S. 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.

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.

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

- (1) Publicized grant fund development and purpose
- (2) Developed a simple four-page grant application
- (3) Publicized and conducted three application workshops for cities and their partners

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- (4) Worked with Strategic Initiatives and Legal Department to develop model agreements and resolutions each city would use to implement partnerships
- (5) Answered numerous questions from partner cities about the program and
- (6) 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 November 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.

**ATTACHMENTS TO THIS REQUEST**

None

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- October 11, 2016 – The Commission approved fifteen city applications in the amount of \$411,170.
- 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.