

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 9a

Date of Meeting September 25, 2012

DATE: September 19, 2012

TO: Tay Yoshitani, Chief Executive Officer

FROM: Dan Burke, Regional Transportation Program Planner
Luis Navarro, Director, Office of Social Responsibility

SUBJECT: Small Business Briefing and Policy Roundtable

BACKGROUND:

The purpose of the Small Business Roundtable is to provide an opportunity for the Commissioners to hear from South King County small businesses about conditions facing the small business community in South King County, and the greatest challenges small businesses face coming out of this recession. We also hope to hear about the most effective small business assistance programs and initiatives currently underway. As a backdrop to the roundtable, we will present a recently completed update to the Regional Economic Strategy (RES) developed by the Puget Sound Regional Council.

REGIONAL ECONOMIC STRATEGY UPDATE:

The Economic District Development (EDD) Board of the Puget Sound Regional Council adopted the RES Update on July 25, 2012. The Update replaced the region's first Regional Economic Strategy that was adopted in 2005. The updated RES outlines the region's initiatives for improving the five foundation areas of the economy: education and workforce development, business climate, entrepreneurship and innovation, infrastructure, and quality of life. Each foundation has a set of goals, strategies and action items to help achieve the region's economic development goals.

The RES update took 15-months to complete, and both Port staff and Commissioners took part in the process. Port staff worked to incorporate key components of the Century Agenda into the RES Update, including actions for work force development, small business development, infrastructure investment and industrial land use preservation.

The update was based on research into the nature of the Puget Sound economy, analyzing the top ten clusters identified in the region, in terms of number of jobs, employment concentration, jobs multipliers and sales revenues. Many of these industries also utilize occupations that have application across multiple sectors.

- Aerospace

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- Business Services
- Clean Technology
- Information Technology
- Life Sciences & Global Health
- Maritime
- Military
- Philanthropies
- Tourism & Visitors
- Transportation & Logistics

The last sector noted above is one particularly relevant to South King County. The scale and depth of intermodal infrastructure for facilitating trade and logistics make this sector highly important to the economic health of the Puget Sound. Seattle-Tacoma International Airport is a major transportation hub for the Northwest. It facilitates doing business in the region and provides facilities for quick shipment of many Washington exports to Asian, European and domestic markets. Additionally, the Airport supports business and employment opportunities in aviation (14,000 people work at Sea-Tac Airport alone) and tourism, two other sectors also in the top ten clusters.

The Kent Valley is the fourth-largest warehouse and distribution center in the United States and the second largest manufacturing center on the West Coast due in part to its proximity to key transportation routes, the Airport and the Ports of Seattle and Tacoma. Logistics-related employment in freight, trucking and warehousing are a big part of the local labor pool. Opportunities exist or will be created for companies of all sizes to share in expected growth. Projects are going forward for an expansion of the Airport's air cargo footprint, including two requests at this meeting for approval of the expansion or enhancement of two new cargo hardstands. The Port's Century Agenda also has ambitious targets for the growth of this type of business over the next 25 years.

Port staff believes that the PSRC strongly valued the input from the Port of Seattle and other regional ports and this was reflected in several of the RES recommendations and action items. Port concerns were highlighted in many areas of the report, but most notably in the Maritime, Tourism and Visitors, and Transportation and Logistics industry cluster discussions. Port staff helped to elevate the importance of the maritime cluster, including workforce development, by emphasizing the combined importance this sector with other key clusters when it comes to job and business growth in the region.

PORT OF SEATTLE SMALL BUSINESS PROGRAM

The office of Social Responsibility (OSR) has been assigned responsibility to manage the Port's small business program. OSR engages in outreach and support for the following small business categories:

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Disadvantaged Business Enterprise Program (DBE)

A federal program required for all federally assisted projects including; construction projects and airport concessions. OSR has liaison responsibility for the construction projects and supports the airport concessions DBE program.

Small Contractors and Suppliers Program (SCS)

This is the most important small business strategy at the Port. The Port has joined King County and Sound Transit in supporting small businesses certified by King County as SCS firms. A single certification as SCS provides incentives with these three public agencies. The Port has developed incentives for these firms to participate in Port procurement opportunities. To qualify, SCS firms cannot exceed 50% of the Small Business Administration size standard, and the owners' personal net worth cannot exceed \$750,000.

Small Business Administration 100% Size Standard

The Port also support all small business firms that meet the SBA size standard and Port staff is encouraged to utilize small businesses whenever possible, including those businesses owned by women and minorities.

Port Roster

Small businesses are encouraged to register on the Port's Procurement Management System Roster (PRMS) and provide the relevant information including their certifications such as; SCS certification, minority, woman owned and DBE, Once registered, businesses will access to information on opportunities and associated documentation.

OSR Outreach Efforts

Outreach is deployed through the use of media and direct interaction with small businesses such as; attending events organized by local chapters of chambers of commerce, business organizations and by other public agencies. OSR also coordinates events specifically created for Port vendors and paid membership in organizations that support small businesses, in addition to a strategic media campaign that includes ads on ethnic newspapers, radio, newsletters and event programs.

SMALL BUSINESS ROUNDTABLE PARTICIPANTS:

The following small business experts and representatives have agreed to participate in the roundtable (in alphabetical order):

- Randy Coplen, The Quincy Group and Board Member of the Southwest King County Chamber of Commerce

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- Danielle Ellingston, STEP Business Development Program, International Trade, Washington State Department of Commerce
- Mel Jones, Skanska, Diversity Manager for the Pacific NW Region
- Albert Shen, Shen Consulting, Inc.
- Rich Shockley, Small Business Development Center, Highline Community College
- Mike Skinner, Startzone Program Manager, Highline Community College
- Lynn Wallace, President/CEO of the Southwest King County Chamber of Commerce
- Marion Yoshino – Economic Development Manager, City of Des Moines

OTHER DOCUMENTS ASSOCIATED WITH THIS BRIEFING / ROUNDTABLE:

- PowerPoint Presentation