



**COMMISSION
AGENDA MEMORANDUM**

Item No.

7a

BRIEFING ITEM

Date of Meeting

December 11, 2018

DATE: November 19, 2018

TO: Stephen P. Metruck, Executive Director

FROM: David McFadden, Managing Director

SUBJECT: 2017-2018 Economic Development Partnership Program Results Presentation

EXECUTIVE SUMMARY

In June 2016, the Port of Seattle Commission (POS) created the Economic Development Partnership (EDP) program to advance local economic development in partnership with cities in King County. The program, funded by the tax levy, provides cities \$1 per capita with a minimum funding amount of \$5,000 and a maximum funding amount of \$65,000.

The Commission authorized a second round of EDP program funds in 2017. POS awarded just over **\$950,000** to 30 King County cities through the EDP program during the 2017-2018 funding cycle. During this funding cycle, the Port shifted the EDP program timeline to align with the calendar year budget cycle after receiving feedback from multiple city partners. City partners were finding it difficult to secure matching funding halfway through the municipal budget cycle.

While most city initiatives will take time to show results, there were some immediate measurable outcomes.

- Kenmore won the Association of Washington Cities 2018 Municipal Excellence Award in Economic Development for the Kenmore Business Incubator and Business Accelerator training.
- Kent partnered with the Aerospace Joint Apprenticeship Committee (AJAC) to establish a manufacturing resource center helping workers find jobs and job training opportunities in the aerospace industry and facilitating pathways to family wage jobs.
- Issaquah jump-started a new, city tourism promotion organization by hiring an executive director and supporting two tourism events.

Each city project is summarized in the following pages. Additionally, the Port hired Community Attributes Inc. (CAI) to conduct an objective assessment of the EDP program's impacts on regional economies and ability to advance the Port's Century Agenda.

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CAI and Port staffs' main recommendations for the grant program are:

1. Consider alternatives for competitive grant awards and allocation
2. Provide impact measurement support to cities
3. Vary reporting requirements with grant amounts while maintaining accountability and audit requirements
4. Facilitate more countywide economic development discussions
5. Allow for longer-term funding arrangements and some assurance of program continuation

Several cities plan to attend the December 11, 2018 Commission meeting to highlight their initial results. CAI will also share their findings at the meeting.

Staff is starting to implement the 2019 EDP program. We meet with participating cities on December 13, 2018 to elicit their feedback and discuss the 2019 partnership funding cycle.

RESULTS AND ACCOMPLISHMENTS

The Port awarded just over **\$950,000** in the Economic Development Partnership (EDP) program funds to King County's cities during the 2017-2018 funding cycle. The grant fund was structured to drive meaningful outcomes while providing cities with some flexibility to define local projects. Staff worked with participating cities to develop initiatives tied to economic development, tourism development, and the Century Agenda. The Port also required a 50% match to ensure cities were also committed to project success.

City projects generally fell into the following categories:

- Business recruitment initiatives designed to attract new companies to a region or city;
- Small business development (including incubator/accelerator projects);
- Tourism development;
- Workforce development and training;
- Sector promotion, e.g., media, home-based businesses, technology, biotechnology, and sports medicine;
- Downtown or waterfront revitalization; and
- Website and wayfinding enhancements.

Collaboration among cities provided a greater return on individual city investments. Cities were able to initiate projects previously outside of their budget and the 2018 grant funds provided a foundation for moving forward on major multi-year initiatives.

Support and feedback from the cities continue to be overwhelmingly positive and they enthusiastically anticipate the continuation of the program.

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PROGRAM ASSESSMENT

As the EDP program closes the second year of funding and projects, the Port of Seattle hired Community Attributes Inc. (CAI) to conduct an objective assessment of the program's impacts on regional economies and ability to advance the Port's Century Agenda. As part of the assessment methodology, CAI interviewed program stakeholders including participating cities and compared the program to other grant programs.

The report outlines the elements of the evaluation process, criteria, and metrics used in evaluating the EDP program; summarizes the findings and recommendations from the evaluation, and provides a detailed description of the 2017-2018 EDP program projects.

CAI identified the following recommendations for potential changes to the program based on findings from the evaluation and discussions with participating cities.

1. Consider a new grant allocation approach where a \$100,000 separate, competitive pool of funds is created for cities seeking to implement larger scale initiatives. To seed this fund, staff recommends capping city awards at \$50,000 instead of \$65,000 and reallocating this funding to offer competitive grants for larger projects or initiatives that dovetail particularly well with Port initiatives (ex. Diversity in contracting).
2. Provide project impact measurement support to cities to define project outcomes early in the grant process. Additionally, the Port can develop a workshop on effective economic development outcome measurement and periodically conduct an economic impact analysis of the EDP Program as a whole.
3. Work to streamline the EDP program for cities, while maintaining the need for financial accountability, outcome accountability, and need to meet state audit standards.
4. Facilitate more countywide economic development discussions by holding workshops that allow cities to discuss specific economic development solutions and ways to support regional collaboration.
5. Allow for longer-term funding arrangements or some assurance that the program will continue in the next year to better facilitate larger scale projects that cities can complete in stages over several grant cycles.

CAI's findings and recommendations will be shared in a presentation to the POS Commission during the December 11, 2018 Commission meeting.

CITY PROJECT SUMMARIES

Regional Partnerships

Bellevue, Redmond, and Kirkland

- Generated 1,200 unique visits on the Innovation Triangle website – a regional economic development partnership between Bellevue, Redmond, and Kirkland. This was a 72.7% increase over the prior year. Activities included refreshing data and content on the website, improving website search engine optimization and social media, adding a new business “soft landing” guide, and hosting a real estate broker collaboration event.
- Represented the Innovation Triangle at D.I.C.E., Mobile World Congress, Games Forum, Select USA, and other conferences.

Bellevue, Issaquah, Kirkland, Redmond, and Renton

- As part of Startup425, a partnership with Bellevue, Issaquah, Kirkland, Redmond, and Renton, promoted international trade workshops, small business workshops focused on early-stage financing, and an online business start-up portal. Trade development included bringing 8 technology companies to the Mobile World Congress technology trade show from Bellevue and Kirkland.

Duvall, North Bend, and Snoqualmie

- The “Savor Snoqualmie Valley” tourism promotion initiative, coordinated by the Mountains to Sound Greenway Trust in partnership with the business community, facilitated tourism marketing activities for participating cities in the Snoqualmie Valley to cooperatively encourage tourism and outdoor recreation in the region.

Individual City Projects

Auburn - \$65,000

- Improved the Auburn Buy Local website, a business-to-business supply chain tool with 4,750+ listings that uses city business licenses to promote local purchases.
- Supported the Auburn Innovation Partnership Zone Business Incubator through in-person and virtual business support classes, local marketing targeting area businesses, and operations costs.

Bellevue - \$49,116

- Bellwether Arts Festival marketing generated 1,500 event visitors, 5,400 website visits, paid advertisements in 4 regional publications, and earned media in 4+ regional publications.
- Participated in the Startup425 and the Innovation Triangle regional partnerships.

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Bothell - \$26,860

- Finished Visioning phase of the Canyon Park Regional Plan – a bio-medical innovation partnership zone with over 40 manufacturing businesses employing 4,700 workers.

Burien - \$50,000

- Fabricated and installed 37 wayfinding signs as part of Burien’s Downtown Mobility Plan to create a walkable, multi-modal downtown environment to attract visitors, new businesses, and commercial development.

Carnation - \$5,000 (1 of 4 projects to be finalized in 2019)

- Added 2 gateway structures and signage to highlight the redevelopment of the Tolt Avenue business district. Installation of the signage is delayed until after major road construction is complete in the second quarter of 2019.

Covington - \$13,051

- Worked with local businesses to create an identifiable, downtown destination using 80 street pole banners to define the main commercial corridor and draw visitors to stop at local businesses.

Des Moines - \$30,800

- Completed a second phase analysis of the Marina redevelopment including updated market analysis, various development scenarios, early-phase development plans to connect the Marina to downtown Des Moines and engaged regional stakeholders.
- The study has “generated significant developer interest” according to the city.

Duvall - \$7,425

- Created a Snoqualmie Valley Arts and Culture brochure and map, off-trail attraction signage along the Snoqualmie Valley Trail, and a self-guided art walk in downtown Duvall to encourage local tourism as part of the “Savor Snoqualmie Valley” tourism promotion initiative.

Enumclaw - \$11,400 (1 of 4 projects to be finalized in 2019)

- Installing wayfinding signage and seasonal decorations to identify Enumclaw’s historic downtown for travelers and increase retail activity in the shoulder and winter seasons. Due to logistical issues, the signage will be installed in January of 2019.

Federal Way - \$58,503

- Executed a business recruitment program identifying 400 firms that may be interested in locating in Federal Way. The City is continuing to follow up on these contacts and build relationships with potential prospects.
- Hosted a forum with nearly 40 foreign consulates and honorary consulates located in Washington State highlighting business and investment opportunities in Federal Way.

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Issaquah - \$27,220

- Jump-started Visit Issaquah, a new tourism promotion organization, by hiring a CEO and hosting an international Geo-Coinfest event (\$847,000 in economic impact, estimated 10% were international visitors) and Pro Volleyball Tournament (7,500 visitors).
- Hosted “Chamber University” for 49 different businesses in partnership with the Issaquah Chamber of Commerce.
- Modernized the city’s economic development web pages with relevant economic data.
- Hosted a sports medicine event to highlight the Issaquah Sports Medicine Innovation Partnership Zone and provided marketing funding to the center’s staff.
- Participated in the Startup425 regional partnership.

Kenmore - \$22,320

- Won the Association of Washington Cities 2018 Municipal Excellence Award in Economic Development for the Kenmore Business Incubator and Business Accelerator training.
- Trained 16 new and existing businesses owners to “accelerate profitable and sustainable business growth” as part of the business accelerator program.
- Worked with local breweries to build the “Brewer’s Row” neighborhood brand using flagpole signage along major corridors including the Burke Gilman Trail.
- Created a commercial land capacity report to inform economic growth and market developable sites to developers and relocating companies.

Kent - \$65,000

- Funded the new Advanced Manufacturing Prep (AMP) Training Center, which offers weekly information sessions; monthly 2.5-day industry overviews; quarterly 10-week pre-apprenticeship training programs (Manufacturing Academy, or MA); and an 18-month, registered apprenticeship for Industrial Manufacturing Technicians.
- Since opening, 203 participants received advising and training services and engaged 25 young adults in AMP and MA training with the Aerospace Joint Apprentice Committee.
- Hosted AMP employer roundtables and marketing efforts that resulted in 26 student hires by 9 industrial employers.

Kirkland - \$65,000

- Completed an economic and financial feasibility study on the options to increase moorage capacity at the Kirkland Marina.
- Participated in the Startup425 and the Innovation Triangle regional partnerships.

Lake Forest Park - \$26,000

- Supported planning to identify opportunities to convert an aging “Town Center” into “a vibrant mixed-use, transit-oriented development” that will increase daytime and evening populations in the downtown along a new Rapid Transit line.

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- Hosted extensive outreach to residents and stakeholders, including the property's owners and Sound Transit, to identify desired uses for the site.

Maple Valley - \$24,700

- Created an economic development sales kit for company attraction. Purchased an ad in a business publication focusing on the city's assets for doing business.
- Printed 20,000 and distributed 15,000 visitor guides. Purchased tourism ads in 3 tourism publications.
- Completed a hotel study that demonstrated insufficient demand to adequately support a new lodging facility.

Mercer Island - \$23,660 (1 of 4 projects to be finalized in 2019)

- Designed 16 wayfinding signs and 4 Town Center directory signs to help encourage visitation to local businesses and support local business growth. Due to logistical issues, the signage will be installed in January of 2019.

Newcastle - \$11,000

- Created historical and destination signage to identify the downtown business district and "help evoke the [historical] nature of the area."

Normandy Park - \$5,681

- Created an advertisement in Sea-Tac International Airport that directed 523 unique visits to VisitNormandyPark.com.

North Bend - \$6,570

- Created a new website highlighting local attractions, outdoor recreation adventures, and businesses to increase awareness and visitation by travelers and a growing base of new residents.
- Created wayfinding signage marking North Bend's historic downtown as part of a regional plan coordinating visitors' experience throughout the Snoqualmie Valley.
- Participated in the "Savor Snoqualmie Valley" tourism promotion initiative.

Pacific - \$6,797

- Inventoried and classified 248 businesses to understand the city's business clusters. Added NAICS codes data to the city's business license form to keep municipal business information current.
- Completed 21 business surveys and 11 in-person interviews to understand the local business climate. Outreach identified 11 firms for follow-up activities.
- Created a monthly "coffee hour" with the mayor to meet with local businesses based on findings from outreach activities.

Redmond - \$47,354

- Created a new marketing video highlighting Redmond's technology sector.

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- Improved Redmond marketing materials and economic data on the city’s website.
- Participated in the Startup425 and the Innovation Triangle regional partnerships.

Renton - \$65,000

- Created a plan identifying Renton’s key retail districts and the best opportunities for retail based on demographics, psychographics, and existing retail gaps.
- Hosted a workshop called “Creating Stellar Storefronts” focused on signage and retailing best practices attended by 30+ business and property owners. 6 businesses received one-on-one assistance.
- Improved key retail districts through a façade improvement program, 2 new murals, 3 artistic utility box wraps, and marketing that encouraged neighborhood foot-traffic and retail spending.
- As part of Startup425, Renton hosted 10 entrepreneurial trainings where 80% of the attendees identified as female and/ or people of color. Web traffic to Startup425.com from Renton increased by 152% year-over-year.

Sammamish - \$61,250

- Completed a new destination brand in collaboration with extensive outreach to residents and stakeholders. The project included multiple full-page ad templates for the new Town Center.

SeaTac - \$27,810 (1 of 4 projects to be finalized in 2019)

- Visited 250 out of 300 contacted businesses to understand area needs, connect local buyers and suppliers, and develop relationships with local businesses. Comments collected during outreach culminated in a report with 50 recommendations the city can implement to support businesses.
- Updated economic development data to support business outreach process and economic development attraction.
- Created wayfinding signage to help drivers find local services and navigate to Sea-Tac Airport. Due to permitting challenges, the signage will be installed in January of 2019.

Shoreline - \$36,986

- Quantified the number of home-based businesses (1,264 licensed) and developed recommendations on how to support them through policy and outreach.
- Created a vision and identified “quick-wins” for improving the Downtown Ridgecrest complex. Outreach showed strong business community support for large-scale business district improvements.
- Continued seeking letters of interest in the SeaSound media campus to lobby and secure state government resources.

Skykomish - \$5,000

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- Designed and installed an interpretive kiosk as part of a multi-year plan to build a historic downtown walking tour to encourage tourism foot traffic.

Snoqualmie - \$10,000

- Printed 20,000 copies of the Snoqualmie Valley Trail Map to promote outdoor recreation.
- Designed and printed 20,000 copies of the “2018 Locals’ Guide” and held 5 “Locals’ First” campaigns to extend tourism stays in the Snoqualmie Valley.
- Hosted 2 Snoqualmie Valley Wine Trains. A local non-profit will be expanding the Wine Train tourism activity in 2019.
- Hosted a “Great Sasquatch Scavenger Hunt” to encourage tourists to visit local businesses during a shoulder season.
- Fabricated and installed 2 new wayfinding signs as part of a regional signage plan.
- Participated in the “Savor Snoqualmie Valley” tourism promotion initiative.

Tukwila - \$13,160

- Created marketing materials to promote development along Tukwila International Boulevard.
- Produced a tourism video to attract new conventions and events, specifically Comic Cons and other “nerd” and “geek” related events.

Woodinville - \$11,570

- Enhanced a major gateway to downtown Woodinville with 2 murals artistically highlighting the local winery and agricultural industries in partnership with the Chamber of Commerce, business owners, and the community.

Awarded funds used is calculated based on the final project reports provided by participating cities. The grant award amount is shown for the cities of Carnation, Enumclaw, Mercer Island, and SeaTac as their projects are still being finalized.

2019 ECONOMIC DEVELOPMENT PARTNERSHIP GRANT TIMELINE

Staff is starting to implement the 2019 EDP program. The Port is meeting with participating cities on December 13, 2018 to kick off the 2019 EDP program funding cycle. After the meeting, the Port will make the program application for funds available to cities. As participating cities finalize their work plans, the associated contracts will be approved by the Port.

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation slides

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PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

June 12, 2018 – The Commission approved a specific city grant contract with the city of Enumclaw.

November 14, 2017 – The Commission approved specific city grant contracts with the cities of Carnation, Woodinville, Pacific, Bothell, and Lake Forest Park.

October 10, 2017 – The Commission approved specific city grant contracts with the cities of Auburn, Bellevue, Covington, Kirkland, Newcastle, Normandy Park, North Bend, Redmond, Sammamish, SeaTac, Snoqualmie, and Tukwila.

September 12, 2017 – The Commission approved specific city grant contracts with the cities of Des Moines, Issaquah, Kenmore, Renton, Shoreline, and Skykomish.

August 15, 2017 – The Commission approved specific city grant contracts with the cities of Burien, Duvall, Mercer Island, Kent, Federal Way, and Maple Valley.

June 27, 2017 – The Commission saw a presentation on the results of the 2016-2017 Economic Development Partnership Program.