



**COMMISSION
AGENDA MEMORANDUM**

Item No. 6d

ACTION ITEM

Date of Meeting July 14, 2020

DATE: July 14, 2020

TO: Steve Metruck, Executive Director

FROM: David McFadden, Managing Director - Economic Development Division
Mian Rice, Director - Diversity in Contracting Department

SUBJECT: Interlocal Agreement Highline College – Small Business Development Center

Amount of this request: \$160,000
Total estimated project cost: \$160,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute an Interlocal Agreement (ILA) with Highline College – Small Business Development Center to provide small business trainings and one-on-one assistance to existing and aspiring small business owners from different cultural backgrounds within South King County that are interested in doing business with the Port of Seattle. The agreement will be for three years for a total of \$160,000. This is part of the South King County Fund recovery efforts.

EXECUTIVE SUMMARY

The impacts of the Covid-19 pandemic have been devastating to the local economy, especially for small, woman and minority businesses enterprises (WMBE). As the pandemic took hold of the state, small businesses have suffered greatly due to the lack of economic activity.

The Port of Seattle is doing its part by continuing to provide economic opportunities through its capital programs, especially within airport and seaport operations. Even though the Port is doing its best to keep the opportunities flowing, some small businesses are still on the cusp of closing their doors and are seeking assistance and guidance as to what to do and how to survive during these challenging times.

These questions have been highlighted even more so within the communities of color. This is especially true within the South King County area where there has been a steady increase of ethnically diverse people of color moving to pursue affordable housing and other factors. As a rapid response to help serve small and WMBE businesses, especially within South King County area, a partnership with Highline’s Small Business Development Center (SBDC) to

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support WMBE and small businesses in South King County is an important step. The SBDC has a unique and direct relationship with the US Small Business Administration (SBA). SBDCs are the technical assistance offices for the SBA and they have offices across King County and Washington State. These Centers provide small business assistance in the form of workshops, on-line trainings, one-on-one technical counseling, and resiliency business planning.

Justification

SBDCs have recently been helping Port small business tenants and partners learn about CARES ACT loan programs and resources. Port staff recognize the value SBDCs provide and would like to partner with Highline SBDC to continue providing this important support to impacted Port businesses and partners.

The Highline SBDC is uniquely capable of delivering these support services to small business. It can draw upon the resources of the Small Business Administration and build upon special relationships they have built with local banks, accounting firms and other resource partners. The Highline SBDC is also formally affiliated with other SBDC offices in Kent and Tukwila – a unique and coordinated network that extends small business assistance further within South King County.

The SBDCs also brings unique levels of funding and technical expertise to support the Port's small business support initiatives offering a wide-ranging support for businesses without significant ramp-up time.

Additionally, Highline's StartZone program is well established and can conduct small business outreach to existing and aspiring small business owners from different cultural backgrounds (i.e. English as a Second Language). StartZone provides culturally competent group training focused on essential small business skills including finance, marketing, and business planning.

These areas support the Ports Diversity in Contracting Policy Directive in providing affirmative efforts towards increasing woman and minority businesses enterprise (WMBE) participation on ports contracts, both in the form of percentages and the number of WMBE participants.

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Scope of Work

The following are within the scope of work under the ILA.

Task	Deliverables
Business and Technical Assistance	Small business technical assistance services in the form of workshops, on-line trainings and one-on-one advising to communities within South King County that support the Port’s primary divisions of Seattle Airport, Maritime, Corporate, and Economic Development within in the industries of construction, consulting, goods & services, and concessions
Diversity in Contracting	Provide information on the Port’s Diversity in Contracting program efforts and register WMBE’s on the Port’s VendorConnect system for future contracting opportunities
Business Resiliency Planning and Technical Assistance	Provide small business resiliency planning technical assistance services in the form of workshops or one-on-one advising to communities within South King County that are targeting Port business opportunities or have the potential to become a Port business partner
Outreach	Outreach to existing and aspiring small business owners from different cultural backgrounds in South King County that are interested in doing business with the Port of Seattle

Cost Breakdown

\$160,000 total over three years

- \$60,000 year 1
- \$50,000 year 2
- \$50,000 year 3

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do nothing, remain status quo

Cost Implications: \$0

Pros:

- (1) Saves money

Cons:

- (1) Lose partnership with an established resource center within South King County
- (2) Become unresponsive to community concerns and Port equity initiatives

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This is not the recommended alternative.

Alternative 2 – Proceed with ILA agreement with Highline College – Small Business Development Center (SBDC)

Cost Implications: \$160,000

Pros:

- (1) Support Port-related businesses and partners impacted by COVID-19
- (2) Supports Port equity initiatives
- (3) Partner with an established resource center within South King County
- (4) Enhance outreach through Highline’s ability to support English as a second language clients
- (5) Demonstrate responsiveness to community concerns within South King County
- (6) Quick ramp-up time to provide trainings and services

Cons:

- 1) Port-related businesses and partners within South Seattle may feel left out of additional support

This is the recommended alternative.

Annual Budget Status and Source of Funds

Funds for the ILA is part of the Commission approved South King County Fund which is funded by the tax levy.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides
- (2) Draft Interlocal Agreement

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None