

**COMMISSION
AGENDA MEMORANDUM**

Item No. 7c

BRIEFING ITEM

Date of Meeting July 28, 2020

DATE: July 10, 2020

TO: Stephen P. Metruck, Executive Director

FROM: Dave McFadden, Managing Director of Economic Development

SUBJECT: Responding to COVID-19 using the 2020 Economic Development Partnership Program

EXECUTIVE SUMMARY

The Port's Economic Development Partnership program was established in 2016 to advance local economic development in collaboration with King County cities (except Seattle). The program has an annual budget of \$960,000 that is funded by the tax levy. Grants to support local or regional economic development are provided on a \$1 per capita basis with a minimum funding amount of \$5,000 and a maximum funding amount of \$65,000. The Port also requires a 50 percent match (up to 25 percent monetary match and 25 percent in-kind resource match) to ensure that cities are committed to project success.

Cities have used Port partnership grants to implement local and regional projects that have helped boost economic activity across King County. With the advent of the COVID-19 pandemic, Cities rapidly shifted their grant projects to support relief and recovery efforts necessitated by economic dislocation.

Port staff worked with City partners recently to evaluate and suggest changes to the partnership grant program. As a result of these discussions staff and our city partners are recommending focusing next year's grant initiatives on a narrower range of activities that will help small business recover and regenerate consumer confidence around shopping and visiting local attractions.

PIVOTING PROJECTS TO SUPPORT ECONOMIC RECOVERY AND RESILIENCY

On December 10, 2019, the Commission authorized the Executive Director to execute contracts supporting the 2020 Port of Seattle Economic Development Partnership Program. Thirty-one cities are participating in the program this year.

Table One shows how grant funds are distributed and matched by participating cities:

- Approximately 63 percent of 2020 funds are awarded to nine large cities (cities with populations greater than or equal to 50,000 people),
- 30 percent of funds are awarded to twelve mid-size cities (cities with populations between 10,000 and 49,999), and

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- 7 percent of funds are awarded to ten small cities (cities with populations less than 10,000.)

Table 1: 2020 Economic Development Partnership Awards by City Size

City Size	Port Award	City Match	Total Investment	# of Cities
Large cities (50,000+ population)	\$562,970 (63%)	\$ 358,300	\$921,270	9
Mid-size Cities (10,000 - 49,999 population)	\$263,560 (30%)	\$ 198,040	\$461,600	12
Small Cities (under 10,000 population)	\$61,290 (7%)	\$ 49,895	\$111,185	10
Total	\$887,820	\$ 606,235	\$1,494,055	31

Most cities developed their 2020 grant projects prior to the COVID-19 pandemic. As a result of the pandemic’s economic dislocations, many cities quickly pivoted to focus on economic relief and recovery. As examples:

- Five East King County cities launched (Re)Startup 425 to provide a central website for small business assistance in five languages, CARES ACT loan resources, business resiliency resources, and a “What’s Open” virtual map.
- Kent expanded a workforce program to address retaining needs for dislocated workers and moved classes online.
- Burien, Enumclaw, Mercer Island, and Woodinville started working closely with their chambers of commerce to communicate crucial information to businesses and develop projects that aid re-opening and recovery.

Staff facilitated the pivot by modifying over half of the city contracts so cities could meet immediate needs in their communities. The following table shows how cities have refocused to address small business issues and regenerate consumer confidence (tourism and placemaking). This is a significant shift compared to 2019 when business recruitment and business assistance and retention were the top priorities.

Table 2: 2020 Awards by Category and Number of Cities

Project Category	Port Funding	City Match	Total Investment	# of Cities
Small Business Assistance	\$304,209 (34%)	\$ 179,451	\$483,660	17
Tourism	\$183,243 (21%)	\$ 169,262	\$352,505	13
Downtown/ Commercial Revitalization, etc.	\$160,406 (18%)	\$ 118,737	\$279,143	14

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Business Attraction and Trade Development	\$127,412 (14%)	\$ 34,000	\$161,412	6
Feasibility - Real Estate Development	\$46,050 (5%)	\$ 65,535	\$111,585	4
Workforce	\$66,500 (7%)	\$ 39,250	\$105,750	2
Total	\$887,820	\$ 606,235	\$1,494,055	56*

*Some cities are pursuing multiple projects across different project categories.

This shift in focus mirrors national economic development trends. In a report by the SizeUp Company titled “Coronavirus Economic Development Case Studies and National Survey Results” (see attachment), economic development has shifted in a similar manner across the county:

- 86.5 percent of respondents listed assisting local businesses as their highest priority in economic development now in the context of COVID-19;
- 64 percent of respondents have “increased community relations and communications;” and
- 32 percent have “stopped or significantly reduced business attraction and prospecting.”

SUPPORT RELIEF AND RECOVERY: RECOMMENDED PROGRAM REVISIONS FOR 2021

As the shift in economic development focus was unfolding, Port staff worked with a team of City representatives to evaluate the partnership grant program and make recommendations around next year’s focus considering the COVID pandemic.

City Advisory Panel	
Bre Keveren	North Bend
Doug Lein	Auburn
Ellen Miller-Wolfe	Kirkland
Philly Marsh	Bellevue
Tanja Carter	SeaTac
Tim Morgan	Maple Valley
Eric Lane	Des Moines

This group completed a SWOT analysis of King County’s COVID-19 economy, identified needed actions and priority strategies, discussed funding options, and evaluated whether special funds for countywide or regional initiatives would favorably impact partnership program outcomes.

The advisory committee recommended:

1. Narrow the eligible activities to the highest impact relief and recovery initiatives. Port funding should support COVID-19 relief and recovery.
2. Eligible projects should be narrowed to small business assistance (resiliency and reopening), tourism development, and local/ regional placemaking.
3. Trade development, workforce development, and feasibility/ planning studies would still be allowed but require a pre-application consultation with Port staff to make sure initiatives support COVID-19 relief and recovery.
4. Discourage business attraction and community branding or placemaking initiatives that are not tied to reopening and recovery.

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These advisory group recommendations were also shared and discussed with economic development staff from King County cities. The cities endorsed the new priorities and were open to working together on new regional or countywide economic development initiatives. Port staff indicated an openness to explore new regional or countywide initiatives subject to funding availability.

These program recommendations will be implemented if the Commission ultimately budgets and authorizes the partnership grant program in 2021.

APPENDIX A: 2020 CITY PROJECT SUMMARIES

Regional Partnerships

Redmond and Kirkland (Bellevue participated using separate funds)

- Innovation Triangle – Business attraction (and retention) initiative targeted towards technology companies that would benefit from Eastside location.

Issaquah, Kirkland, Redmond, and Renton (Bellevue participated using separate funds)

- Supporting Re-Startup 425 – A new regional web portal for COVID-19 resources for East King County. The site offers an email for businesses to request technical assistance from a variety of service providers, business resources by business type (sole-proprietor, essential businesses, etc.), and webinars for businesses on how to handle the economic changes.
- Supporting Startup 425’s pilot accelerator program in partnership with Bellevue College.

Duvall and Snoqualmie

- Supporting “Savor Snoqualmie Valley” tourism initiative by replacing signage, implementing social media promotions, and implementing a cooperative marketing campaign.

Individual City Projects

Algona - \$5,000

- King County Transfer Station Transition to Commercial Land Use – Conducting a real estate study to determine how to redevelop King County’s waste transfer station property that is being transferred to the city.

Auburn - \$65,000

- Auburn IPZ Incubator Operations – Continuing to bring entrepreneurs and startup businesses together in a collaborative environment that provides the necessary tools to launch, grow, and commercialize their businesses.
- Buy Local Auburn – Marketing and growing electronic, citywide business directory

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that repopulates all businesses with a business license. Businesses have been able to manage their profiles during COVID-19 showing their open hours and services like delivery or curbside pickup.

Bellevue - \$65,000

- Grand Connection Development and Bellwether Arts Festival - The city will continue to brand, identify, and activate the Grand Connection, Bellevue’s signature downtown space.
- BelRed Arts District - The City is supporting the retention and growth of “creative sector” businesses in the BelRed Arts District.
- Participating in the Startup425, Re-Startup 425, and the Innovation Triangle regional partnerships using separate funding.

Black Diamond - \$5,000

- Commercial Area Placemaking Project – The City is enhancing its key commercial district to increase local shopping, visitation, and foot-traffic in the area, and help develop a “great place” for residents and tourists.

Burien - \$52,000

- Grow the Discover Burien Maker Space and Commissary Kitchen to promote food-oriented microenterprises through training, collaboration, and shared kitchen space.
- Downtown 153rd Street Activation – Public space activation and streetscape improvement programs to drive economic activity and visitor spending to local businesses and provide attractions for travelers and tourists who stay in airport hotels.
- Regional Visitor and Business Attraction – Working with the Seattle Southside Chamber of Commerce to run a Burien visitor attraction campaign targeting regional tourism and continue supporting business attraction through the Soundside Alliance for economic development.

Carnation - \$5,000

- Tolt Avenue Business Retention – Support key local businesses impacted by Tolt Avenue construction project. Work includes connecting business owners with technical assistance and creating local "special events & promotions" to draw people to the downtown core during road construction.

Covington - \$20,000

- Covington Small Business Assistance Center Partnership – Providing services to existing businesses and potential new small start-ups through the Small Business Assistance Center to retain businesses while two new developments open.
- Website and Marketing Refresh – The City will update its website to promote new amenities in Covington’s Town Center and the Lakepointe Development.

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Des Moines - \$31,580

- Identification of Public and Private Partners for Des Moines Marina - Building on the first 3 Port of Seattle grants, the City will now be pursuing funding to support the Des Moines Marina redevelopment. The grant will help the City identify potential financing and development partners.

Duvall - \$7,840

- Savor Snoqualmie Social Media Outreach – Support Savor Snoqualmie Valley’s social media outreach, including videography to showcase events and happenings throughout the valley and in Duvall.
- Restoration of Main Street/ SR 203 Wayfinding Signage - Rehab existing wayfinding signs on Main Street.

Enumclaw - \$12,200

- Small Business Outreach and Assistance – Partner with the Enumclaw Chamber of Commerce to contact 50 – 100 businesses in all industry segments to identify companies needing help and to assess the economic impact of the Covid-19 pandemic on the business community.
- Recovery Buy Local Campaign - Create an economic recovery plan that includes a buy local campaign to support local businesses.

Federal Way - \$65,000

- Promoting 2021 NCAA Event - Preparation for 2021 NCAA Swimming and Diving Championships (athletic event) expecting over 2000 athletes and 10,000 people.
- Virtual Consulates of Washington Event - Promotion of international trade and investment opportunities in Federal Way with consulates and other groups using a virtual event.
- Hospitality and Tourism Training Program – Online hospitality education and tourism training for industry staff at over 400 businesses.

Issaquah - \$37,590

- Regional Business Summit with Chamber of Commerce - Host a Regional Business Summit to discuss regional issues.
- Data collection project with Chamber of Commerce - Work with the Chamber of Commerce to obtain information on home-based businesses, new businesses each year, or annual economic development growth and other business data.
- Great Careers for Students - Hosting "Great Careers" career fair to introduce students to living-wage jobs that do not require a 4-year degree.
- Business Retention and Buy Local program – Contacting businesses to see how the city can support them and running a marketing program encouraging residents to support local businesses.
- Participated in the Startup425 and Re-Startup 425 regional partnerships.

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Kenmore - \$23,320

- Business Survival Training – A free, virtual business training series helping small businesses deal with business challenges from COVID-19.
- Professional Photos for Economic Development Attraction - Update aerial and community stock photos for economic development marketing.

Kent - \$65,000

- Apprenticeships and Advancing Manufacturing Training - Establish a new, non-redundant, non-competitive, easily accessible technical training program for incumbent and dislocated employees in the Kent Industrial Valley. The program was modified to better support dislocated workers and is being delivered online during COVID-19.

Kirkland - \$65,000

- Participating in the Startup425, Re-Startup 425, and the Innovation Triangle regional partnerships.

Maple Valley - \$26,180

- Entrepreneur and Resident Survey on COVID-19 and Economic Data - Conduct two surveys (one for businesses and one for residents) to identify where residents work and to collect information from businesses on assistance needed during COVID-19 pandemic.
- Advertising/ Marketing for Outdoor Recreation - Market opportunities promoting the city as a destination for outdoor recreation in travel, outdoor recreation, or economic development publications, trade shows, and events.

Mercer Island - \$24,470

- Buy Local Economic Recovery Initiative - Encourage local spending and sales at Mercer Island businesses by residents and tourists through a “Shop Local-Spend Like It Matters,” buy local marketing campaign. Working with businesses to share resources and document needs.

Milton - \$5,000

- Mainstreet Placemaking Project - Better delineate and promote Milton's main commercial corridor with street banners and wayfinding signage.

Newcastle - \$12,450

- Retail Gap Analysis and Report – Conduct a retail gap analysis to identify retail and service businesses that could be attracted to the city.

Normandy Park - \$6,610

- Update Economic Development Website – Integrating city and Soundside Alliance

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website resources including a GIS property search tool.

- Ecotourism Marketing Video – Producing an "ecotourism marketing video" to use on the city's website and in marketing programs.

North Bend - \$6,965

- Tourism Attraction Signage - Work with the North Bend Downtown Foundation to create and restore wayfinding signage and add 16 seasonal beautification and community event hanging light pole banners.

Lake Forest Park - \$13,250

- Events at the Town Center - Purchasing a used "show-mobile" (mobile stage) to host distanced or drive-in events, like a Battle of the Bands, at the Town Center shopping center to bring community visibility to open businesses offering take-out or curbside pick-up.

Pacific - \$6,875

- Business Engagement Survey – Partnering with a local chamber of commerce to developing a business outreach and engagement program to survey businesses and see how the city can support them during COVID-19.

Redmond - \$64,000

- Light Rail Displaced Businesses Outreach - Supporting businesses impacted by light rail construction activities.
- Participating in the Startup425, Re-Startup 425, and the Innovation Triangle regional partnerships.

Renton - \$65,000

- Food Entrepreneur Small Business Development – Guiding the creation of a food business incubator in downtown Renton that supports food entrepreneurs and businesses.
- Digital Tourism Development – Running a marketing campaign to attract visitors, event planners, and investors to Renton. This plan will be modified as needed for the COVID-19 economic conditions.
- Downtown Façade and Storefront Improvement Program – Continue a façade improvement and storefront design incentive program to "refresh" the appearance of the City's retail district.
- Participating in the Startup425 and Re-Startup 425 regional partnerships.

SeaTac - \$29,180

- Business "Synergy" Retention and Expansion Program – Conducting outreach to business community support key enterprises and COVID-19 assistance to local businesses.
- Website COVID-19 Update for Businesses - Updating the SeaTac city economic

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development website with relevant information for businesses about COVID-19 and resources for economic recovery.

Shoreline - \$56,370

- Music Industry Incubation and Tourism - Support the growth of Shoreline's music industry through a partnership with the local chamber of commerce.
- Glass Art Festival Tourism and Commercial Center Activation - Promote the city's neighborhood commercial center through participation in Refract 2020: The Seattle Glass Experience.
- Urban Pop-Up, Drive-In Series - Support local, independent filmmakers by providing paid opportunities to showcase their products to local audiences, while encouraging audiences to use a regional, online map showing open restaurants.
- Shoreline Place Farmer's Market Promotion - Promote the Farmers Market to new audiences and build upon the 2019 growth during the upcoming period during COVID-19.

Skykomish - \$5,000

- Digital Interpretive Tour of Skykomish History - Create a digital walking tour of Skykomish working collaboratively with the Skykomish Chamber of Commerce, the Skykomish Historical Society, and the U.S. Forest Service. The tour will be marketed with QR codes at points of interest, physical signage and marketing collateral, search engine optimization, and social media.

Snoqualmie - \$8,000

- Seasons in Snoqualmie Destination Marketing and Tours - Promote the "Seasons in Snoqualmie" brand to encourage visitation to Snoqualmie year-round and contract with Savor Snoqualmie Valley to grow Instagram content and run the "Unexpected Pairings" marketing campaign to raise the visibility of unique activities in and around the City of Snoqualmie.

Tukwila - \$20,930

- Digital Media Program for Tourism - Create a digital media program for tourism by creating new content shared through a new website, email newsletter, and social media accounts.
- Business Assistance – Contracting with the Seattle Southside Chamber to provide technical assistance and service referrals for Tukwila businesses during COVID-19.
- Kent Valley Industrial Area Company Recruitment - Maintaining the business recruitment campaign for aerospace and manufacturing companies across the Kent Valley in partnership with Kent and Auburn.

Woodinville - \$12,410

- COVID-19 Online Resource Hub – Partner with Woodinville Chamber of Commerce to create, maintain, and market a COVID-19 business recovery resource micro-site while

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- contacting businesses with resources to reopen.
- Neighborhood Commercial Branding – Improve placemaking and neighborhood identification for tourists through updated and expanded neighborhood banners, a social media campaign, and a future visitor map.

Awarded funds are calculated based on the budgets submitted by participating cities in the applications and agreements executed by the Port of Seattle.

ATTACHMENTS TO THIS BRIEFING

- (1) ED Partnership Program PowerPoint Presentation 072820

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

December 10, 2019 – The Commission authorized the Executive Director to execute contract agreements and implement the 2020 Economic Development Partnership program with King County cities in an amount not to exceed \$965,000.

July 23, 2019 – The Commission heard an updated on the 2019 Economic Development Partnership program.

January 8, 2019 – The Commission authorized the Executive Director to execute contracts supporting the 2019 Port of Seattle Economic Development Partnership Program in an amount not to exceed \$960,000.