



**COMMISSION
AGENDA MEMORANDUM**

Item No. 10a

ACTION ITEM

Date of Meeting February 9, 2021

DATE: January 22, 2021

TO: Stephen P. Metruck, Executive Director

FROM: David McFadden, Managing Director

SUBJECT: 2021 Program Authorization Request and 2020 Economic Development Partnership Program Results

Amount of this request: \$930,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute contract agreements and implement the 2021 Economic Development Partnership program with King County cities in an amount not to exceed \$930,000.

EXECUTIVE SUMMARY

The Economic Development Partnership (EDP) program builds alliances with King County cities to advance economic development broadly across the region. The program, funded by the Port property tax levy, provides cities \$5,000 - \$60,000 grants to implement economic development projects that tie to the Port’s business interests. The Port requires a 50% match (up to 25% monetary match and 25% in-kind resources match) to ensure cities are also committed to project success.

The Port of Seattle Commission created the Economic Development Partnership (EDP) program in 2016 to advance local economic development in partnership with cities in King County. Over the past four grant cycles (2016 – 2020), city grant partners have implemented projects that advanced economic diversification, local business development, company attraction, planning and feasibility studies, tourism, and workforce development.

For 2021 staff is requesting Commission to authorize funding not to exceed \$930,000 to implement the EDP program. This represents a \$35,000 reduction from historical funding. Staff plans to reduce the maximum grant award amount from \$65,000 to \$60,000 to accommodate this reduction.

FOCUSING ON COVID-19 RECOVERY IN 2021

The 2021 grant partnership with King County cities will focus on initiatives that advance COVID-19 economic recovery. Staff will work with city partners to implement projects this year that help

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small businesses rebound and stay open, drive buy local efforts, promote local (safe) tourism activities and support impacted workers.

If funding is authorized, staff will open the 2021 application with a program kick-off meeting in February. During the application process, staff will work closely with cities, especially smaller cities, to create projects that address COVID-19 economic impacts in their communities.

Once an application is approved and agreements are in place, cities will work on projects and send final reports between March 2021 and November 1, 2021. Awarded funds are calculated based on the budgets submitted by participating cities in the applications and agreements executed by the Port of Seattle.

2020 YEAR IN REVIEW: CITY PARTNERS PIVOT TO ADVANCE RELIEF/RECOVERY EFFORTS

In the second quarter of 2020, the Port began working with cities to pivot projects, through agreement amendments, to meet immediate community needs created by COVID-19. During this period, staff also worked with smaller cities to move projects that supported local businesses. Over half of the participating cities pivoted or reallocated resources to projects that supported COVID-19 relief and recovery.

As the year continued, the Port convened cities on five virtual meetings to identify resources to support small businesses, share response best practices as the crisis evolved, and offer feedback on the Greater Seattle Partners Recovery Framework.

Overall, 30 King County Cities **leveraged about \$811,000 in Port EDP funding** and contributed about **\$567,000 in matching resources** (about \$501,000 in monetary matching funds and about \$66,000 in in-kind matching resources) to spur economic development projects.

The 2020 projects are classified into five categories based on the type of economic development activities. The small business assistance projects, “buy local” initiatives, and tourism development projects (totaling \$646,346 in EDP funds together) had some of the greatest impacts on supporting local economies through business support and promoting local commerce. Several cities are conducting multiple projects and some cities’ projects crossover into multiple categories.

The number of economic development projects by category are:

- Small business assistance: 17 cities executed 24 projects with \$352,609 of EDP funding,
- Buy local initiatives & marketplace development: 12 cities executed 14 projects with \$159,604 of EDP funding,
- Tourism development: 11 cities executed 14 projects with \$134,133 of EDP funding,
- Business attraction and trade development: 7 cities executed 8 projects with \$88,345 of EDP funding,
- Planning/ feasibility studies: 3 cities executed 3 projects with \$10,000 of EDP funding,
- Workforce: 2 cities executed 2 projects with \$66,261 of EDP funding.

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The program funding supported \$556,267 for projects in large cities (50,000 or greater population), \$193,395 for projects in mid-sized cities (10,000 to 49,999 population), and \$61,290 for projects in small cities (0 to 9,999 population.) Program funding supported \$420,645 for projects in South King County, \$312,868 for projects in East King County, and \$77,440 for projects in North King County.

The projects highlighted in the City Project Summaries section offer a sample of the ways cities are leveraging the EDP program to create jobs and advance the regional economy.

LEVERAGING THE PORT EDP FUNDS TO GET FEDERAL PANDEMIC AID TO BUSINESSES

Funding from the Economic Development Partnership (EDP) program drove a unique economic partnership in 2020. King County cities used the Port's funding to leverage state and federal resources that supported COVID-19 relief and recovery for hard-hit businesses. As an example, 17 cities used \$352,609 in Port funds to support small business outreach, technical support to small businesses, and to help small businesses apply for U.S. Small Business Association pandemic aid programs.

As of December 2020, 29 cities in King County shared data on federal cash grants they provided to small businesses:

- Cities supplied **3,446 grants** to small businesses and non-profit organizations.
- Cities distributed **\$16,417,215 in cash grants** to businesses with many cities also supplying COVID-19 response materials like personal protective equipment.
- At least 1,248 grants were dispersed to women-owned businesses (18 reporting cities), 1,016 grants distributed to minority-owned businesses (14 cities), and 32 veteran-owned businesses (4 cities.) Multiple responses from cities unofficially noted that many did not collect this data or disaggregate this data suggesting that the number of grants going to women-owned, minority-owned, or veteran-owned businesses is higher.

The Port of Seattle Economic Development Partnership (EDP) program funding helped cities communicate and provide technical support to get grants and other forms of pandemic assistance to small businesses. Some projects supported direct technical assistance for businesses such as the (Re)Startup425 helping local businesses apply for Payment Protection Loans or Burien, Covington, and Tukwila funding technical support from local chambers of commerce. The cities of Enumclaw, Mercer Island, Burien, Pacific, Redmond, SeaTac, Tukwila, and Woodinville used funds to outreach to local businesses about pandemic aid programs.

FINANCIAL IMPLICATIONS

Annual Budget Status and Source of Funds

The Port of Seattle Economic Development Partnership program is an initiative that will cost approximately \$930,000 to implement in 2021. The Port property tax levy will be used to support the 2021 grant program.

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Future Revenues and Expenses (Total cost of ownership)

The program is anticipated to operate annually. It will likely cost between \$700,000 and \$1,000,000 per year unless the Port of Seattle Commission changes or eliminates the program.

DETAILED INFORMATION ON CITY PROJECTS

Regional Partnerships

Redmond and Kirkland (Bellevue participated using separate funds)

- Innovation Triangle – Participated in UK City of Surrey Briefing, D.I.C.E. Trade Show, UK West Midlands Briefing, and NASSCOM Trade Mission follow-up.
- Retained an automotive retailer and shared information across participating cities on COVID-19.
- Innovation Triangle website received 1,063 users (12% increase year-over-year.)

Bellevue, Issaquah, Kirkland, Redmond, and Renton

- (Re)Startup 425 – Launched a web portal for COVID-19 resources for East King County.
- Launched Startup 425 Innovation Lab accelerator with 12 businesses participating with Bellevue College.
- Conducted more than a dozen Startup 425 workshops online with hundreds of participants, plus added webinars on specific topics (like federal financial relief and retail.)
- Assisted almost 600 businesses (with more than 3,200 employees) with financial advising and federal business relief applications, including more than 600 calls and 1,000 email interactions. Provided business assistance to more than a dozen businesses in languages other than English including 12 in Spanish, 4 in Chinese, 2 in Korean, and several in other languages.

Duvall and Snoqualmie

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

Individual City Projects

Algona - \$5,000 (1 of 6 cities finishing projects)

- Redeveloping King County Transfer Station – Conducting a real estate study to determine how to redevelop King County’s waste transfer station property. The site will be transferred to the city.

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Auburn - \$65,000

- Auburn IPZ Incubator Operations – Continued incubator operations during COVID-19 and moved workshops and technical assistance online. Workshop participation ranged from 10-60 participants.
- Non-profit Conference – Hosted a two-day conference for non-profits focused on resiliency strategies.
- Buy Local Auburn – Marketing campaign for the citywide business directory generated 1.3 million impressions. 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

- Heart of Bellevue Campaign - Launched a multi-pronged “buy local” marketing and activation campaign in partnership with Bellevue Downtown Association called “Heart of Bellevue” to drive activity at local small businesses and encourage outdoor dining during the summer.
- Outdoor Dining – Created the first outdoor dining program in Bellevue history, which garnered dedicated support from more than 70 percent of survey respondents and “provided near-typical revenue for Main Street restaurants during the most unusual summer in recent memory.”
- Bellwether Arts Festival – Adapted the Bellwether Arts Festival due to COVID-19 to provide an online marketplace for local artists during the holiday season.
- Participated in Startup 425, (Re)Startup425, and the Innovation Triangle.

Black Diamond - \$5,000

- Commercial Area Survey – The city received 240 survey responses, including 95% from residents and 12% from business owners, suggesting citizens would like to see a seasonal market or public spaces (public seating or plaza) on a piece of city-owned land in the city’s historic downtown area.

Burien - \$52,000 (1 of 6 cities finishing projects)

- Downtown 153rd Street Activation – Public space activation and streetscape improvement with multiple elements. The ribbon-cutting had 2,000 people watching the video and received 200 shares on social media.
- Commissary Kitchen – Planning for the Discover Burien Maker Space and Commissary Kitchen to promote food-oriented microenterprises through training, collaboration, and shared kitchen space.
- Regional Visitor and Business Attraction – The Discover Burien website received 648,000 impressions for visitor promotion and continued to support business attraction through the Soundside Alliance for economic development.

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Carnation - \$5,000 (1 of 6 cities finishing projects)

- Tolt Avenue Business Retention – Supporting key local businesses affected by the Tolt Avenue construction project. Work includes connecting business owners with technical assistance and creating local "special events and promotions" to draw people to the downtown core during road construction and COVID-19.

Covington - \$20,000

- Small Business Support – The Green River Small Business Development Center counseled 12 small businesses for 28 hours and shared COVID-19 resources at the "Covington Virtual Luncheon."
- Website and Marketing Refresh – Produced 2 30-second videos and shot new professional photos highlighting downtown Covington and development opportunities.

Des Moines - \$0

- Des Moines Marina Redevelopment - Building on the first 3 Port of Seattle grants, the city is continuing to investigate financing for a public-private redevelopment partnership for the Des Moines Marina. The redevelopment proposal was delayed due to COVID-19.

Duvall - \$7,840

- Savor Snoqualmie Social Media Outreach – Increased Facebook (1%) and Instagram (26%) followers, increased impressions of the "Perfect Pairings" and "Arts and History" blog series, and added new photos and videos.
- Restoration of Main Street/ SR 203 Wayfinding Signage – Replaced signage that received multiple positive sentiments on social media.

Enumclaw - \$12,200

- Small Business Outreach and Assistance – Partnered with the Enumclaw Chamber of Commerce to contact 150 businesses and surveyed 1,000 businesses affected by COVID-19. Referrals were made to the Green River College Small Business Development Center.

Federal Way - \$59,295

- Promoting 2021 NCAA Event – Prepared for 2021 NCAA Swimming and Diving Championships (athletic event) expecting over 2,000 athletes and 10,000 people.
- Hospitality and Tourism Training Program – Created an online hospitality education and tourism training course for industry staff delivered to 400 businesses.
- Virtual Consulates Week and Tourism Capital Improvement Plan – Developed the concept for a Consulate Week to promote international trade and a written report on how to finance \$1 million in capital improvements at Celebration Park.

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Issaquah - \$37,589

- Business Retention and Buy Local program – Launched a marketing and business outreach campaign with local banners, 29 newsletters going to 3,796 subscribers (25 – 55% open rate), and 200 surveyed businesses focused on promoting local shopping.
- Regional Business Summit with Chamber of Commerce - Hosted 88 businesses at the Regional Business Summit to discuss regional COVID-19 issues.
- Data collection project with Chamber of Commerce - The Chamber of Commerce created five data modules and a tax toolkit for small businesses.
- Great Careers for Students – The "Great Careers" career fair was postponed, and funds were used to develop digital tools for future fairs. The event connects students to living-wage jobs that do not require a 4-year degree.
- Participated in the Startup425 and Re-Startup 425 regional partnerships.

Kenmore - \$21,242

- Business Survival Training – 8 businesses and 2 non-profit organizations completed the business training accelerator focused on navigating the current business climate.
- Professional Photos – Updated aerial and community stock photos for economic development marketing.

Kent - \$65,000

- Apprenticeships and Advanced Manufacturing Training – The Aerospace Joint Apprenticeship Committee (AJAC) trained 10 workers (6 participants self-identified as women and 7 as individuals of color) on skills helping them move to jobs paying on average \$18 an hour.
- 34 jobseekers receive tuition-free, pre-apprenticeship training, and 17 front-line workers receive COVID-19 safety training.
- AJAC establish an online portal for employers to easily identify and apply for available wage reimbursement resources.

Kirkland - \$65,000

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

Maple Valley - \$26,180

- Entrepreneur and Resident Survey on COVID-19 – 173 businesses responded to a survey on business needs and 208 residents replied to surveys finding where residents work. The business survey informed the city's actions to COVID-19.
- Advertising/ Marketing for Outdoor Recreation – Marketed the city as an outdoor destination in Outdoor Northwest and Visit Seattle.

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Mercer Island - \$24,470

- Business Outreach – Surveyed 269 businesses (mail and email) and updated contact information for 109 active businesses. Using the updated list, staff sent three emails to about 950 businesses (41% open rate) about COVID-19 resources and grant information.
- Buy Local Program – Started a buy local program with 18 businesses participating and 52 social media followers.

Milton - \$5,000

- Mainstreet Placemaking Project – Installed street banners to delineate and promote Milton's main commercial corridor.

Newcastle - \$12,450 (1 of 6 cities finishing projects)

- Retail Gap Analysis and Report – A consultant developed a detailed retail market analysis of downtown Newcastle to identify retail and service businesses that could be attracted to the city. The market research report can also be used by existing businesses.

Normandy Park - \$6,610

- Update Economic Development Website – Updated the city's economic development website with 2 eco-tourism videos and data from the current comprehensive plan.
- Ecotourism Marketing Video – Produced an "ecotourism marketing video" to use on the city's website and in marketing programs.

North Bend - \$6,965

- Tourism Attraction Signage – Worked with the North Bend Downtown Foundation to create and restore wayfinding signage and add 16 seasonal beautification and community event hanging light pole banners to better direct tourists toward Downtown North Bend.

Pacific - \$6,875

- Business Engagement Survey – Partnered with a local chamber of commerce to develop and administer a survey of 43 businesses. The survey showed that 57% had applied for federal pandemic aid and 50% had "resorted to temporary layoffs."

Redmond - \$63,774

- Business Outreach and COVID-19 Support – Surveyed 75 businesses, participated in the Eastside Recovery Hub, and assisted 60 companies with support resources.
- Light Rail Dislocated Businesses – Contacted 93 businesses during 4 business walks and developed a podcast with updates on the project.
- Eastside Economic Analysis – Created an economic baseline report and regional profile.
- Participated in the Startup425, Re-Startup 425, and the Innovation Triangle regional partnerships.

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Renton - \$65,000

- Tourism Development – Launched an integrated strategy targeted at local, tourism, and business recruitment audiences promoting local commerce. Social media reached 45,000+ people across five different social media channels growing 27.9 percent over a year.
- Downtown Façade and Storefront Improvement Program – Mix of programs supporting downtown retail area with 65 percent of downtown businesses participating.
- Pandemic Small Business Support – Hosted COVID-19 retail best practices event with 6 individual store-front consultations. Participated in Startup425 and hosted entrepreneurial support for 118 registrants in 3 webinars.

SeaTac - \$6,555

- Business "Synergy" Retention and Expansion Program – Conducted outreach and business support to 208 businesses, including 55 restaurants and 38 hotels. 300 businesses replied to the survey.
- Website COVID-19 Update for Businesses - Updated the SeaTac city economic development website with relevant information for businesses about COVID-19 and resources for economic recovery.

Shoreline - \$56,198

- Urban Pop-Up Drive-In Arts Series – Created 4 sold-out drive-in arts experiences highlighting 15 local films that received 5 earned media placements and created paid opportunities for filmmakers and local vendors.
- Shoreline Place Farmers Market Promotion – Helped the Farmers Market adapt to COVID-19 to run 17 market days and increased the average shopper spending per visit.
- Music Industry Incubation and Tourism – Hosted second Music Summit and 2 events for small businesses on arts monetization strategies.
- Glass Art Festival Tourism and Commercial Center Activation – Promoted a neighborhood commercial center through participation in Refract 2020: The Seattle Glass Experience with local artist demonstrations.

Skykomish - \$5,000 (1 of 6 cities finishing projects)

- Digital Interpretive Tour of Skykomish History – Created 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 (1 of 6 cities finishing projects)

- "Seasons in Snoqualmie" Destination Marketing and Tours – Promoted 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"

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marketing campaign to raise the visibility of unique activities in and around the City of Snoqualmie.

Tukwila - \$20,930

- Digital Media Program for Tourism – Created a digital media program for tourism by creating content shared through a new website, email newsletter, and social media.
- Business Assistance – Contracted with the Seattle Southside Chamber to contact 600 businesses, provide technical assistance to 10 businesses, and conduct 890 referrals.
- Kent Valley Industrial Area Company Recruitment – Maintained the business recruitment campaign for aerospace and manufacturing companies across the Kent Valley in partnership with Kent and Auburn. The site revived 1,402 unique visits in the first three quarters of 2021.

Woodinville - \$11,779

- COVID-19 Online Resource Hub – Partnered with Woodinville Chamber of Commerce to create, maintain, and market the Woodinville COVID-19 business recovery resource micro-site that received 1,000 visits while contacting 800 businesses with resources on managing COVID-19.
- Wayfinding – Improved placemaking and neighborhood identification through updated neighborhood banners and the development of a digital visitor map in partnership with the Woodinville Wine Country.

ATTACHMENTS TO THIS REQUEST

- (1) Economic Development Partnership Program PowerPoint Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

July 10, 2020 – The Commission heard a briefing on how the 2020 Economic Development Partnership Program funding was being used to respond to COVID-19.

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 a briefing 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.