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COMMISSION

AGENDA MEMORANDUM Item No. 10c

ACTION ITEM Date of Meeting July 12, 2022

DATE: June 30, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Dave McFadden, Managing Director, Economic Development Division

Annie Tran, Program Manager, Economic Development

SUBJECT: Community Business Connectors Initiative Authorization

Total contract request: \$650,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a joint partnership agreement with the Seattle Metropolitan Chamber, a non-profit agency, to develop and pilot a Community Business Connector initiative for two years at a cost not to exceed \$650,000 and that the commission determine a competitive process is not appropriate or cost effective and exempt this contract from a competitive process consistent with RCW 53.19.020.

EXECUTIVE SUMMARY

To support an equitable economic recovery, The Port of Seattle and the Seattle Metro Chamber of Commerce have been working on a new Community Business Connector Initiative (CBC) to make sure small businesses get the help they need to rebound from the lingering pandemic. Companies owned by women and people of color have been far less likely to benefit from these resources due to a wide variety of barriers, including awareness, experience accessing government programs, and language barriers. These firms have had to shut down, lose sales and employees, and have struggled to implement changing health and safety regulations. While programs like the Paycheck Protection Program have been helpful, there is evidence that women, BIPOC, and underserved businesses have had difficulty accessing these and other relief resources.

The CBC would fund a business outreach team that can ensure small businesses have access to available resources that can help them sustain and grow their enterprises. There are significant state and federal resources currently available to support business recovery and the outreach team will help make sure these resources are accessed by all communities.

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JUSTIFICATION

Over the last two years, the Port has worked aggressively with city grant partners and other stakeholders to provide relief and assistance to the region's small business community. The COVID pandemic shut many businesses down and impacted many others as health-related regulations were implemented.

Thousands of businesses received grants and other forms of help as a result of these unprecedented outreach efforts. For example, the Port's city grant partners provided over 3,400 grants worth over \$16 million to small businesses (and some nonprofits). While these efforts helped keep many merchant doors open, the pandemic's long-lasting and lingering efforts are still challenging.

The Port conducted a business survey available in 15 languages and opened the survey period for six-weeks between April 22-June 3. Additionally, the Port contracted with 10 communitybased organizations to target the survey efforts across BIPOC businesses to understand how businesses are doing after two years of the pandemic. In total, the Port received 318 surveys returned in nine languages. Largely, the surveys came from businesses representing South King County and East King County.

Results from the survey effort clearly show that small businesses are still facing challenges and need help:

- Forty-seven percent of businesses are doing worse compared to a year ago
- Only eighteen percent of businesses are doing better compared to a year ago
- Business report that loss of business, not enough customers, and reduced income or unemployment are among their top challenges
- Businesses need help applying for financial assistance, marketing and advertising, and increasing sales. Notably, fifty-four respondents reported needing help with pursuing government contracting opportunities.
- Seventy percent of businesses surveyed indicated they would use a community

connector resource if it was available in their preferred language.

The proposed agreement with the Seattle Metro Chamber is to implement a Community Business Connector initiative that would fund and support 10-15+ "Connectors" across King County to help impacted small businesses connect to critical help and resources they need to survive (see graphic below).

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Small Business

Development Centers

How Can I Help?

Community Development

Josephina from Burien needs Sideen ku caawin karaa?

a working capital loan to fully Lending Instuons

reopen her catering company Cómo puedo ayudar?

Federal ARRA Recovery

Paano Ko KayoMatutulungan? Funding

Assad needs city perming Banks and other lenders

assistance to support his

retail clothing store in Kent

Minority Business

Development Centers

Chambers of Commerce

Joe and Tina need help to grow and Neighborhood

online sales for their wine

bar/bistro café in North Bend Business Districts

SCORE, Startup 425 and

other business advisors

Benjie needs to hire employees

and secure funding to support Workforce Training and

his metal fab shop in Shoreline Placement Partners

Staff recently conducted market research and confirmed that the Seattle Metro Chamber is the only Associate Development Organization (ADO) of King County. The Port wants to partner with the Chamber on a regional business assistance initiative and in a manner that is consistent with the Chamber's responsibilities as the region's ADO. By partnering with the Chamber, the Port can leverage its funding and tap into a broad and unique network of expertise that can be tapped to support BIPOC businesses and other firms that have been impacted by the pandemic. Under RCW 43.330.080, the State's Department of Commerce contracts with ADOs like the Chamber to provide: Direct assistance, including business planning, to companies throughout the county who need support to stay in business, expand, or relocate to Washington from out of state or other countries.

This assistance includes

"working with the appropriate partners throughout the county including, but not limited to, local governments, workforce development councils, port districts, community and technical colleges and higher education institutions, export assistance providers, impact Washington, the Washington state quality award council, small business assistance programs, innovation partnership zones, and other federal, state, and local programs to facilitate the alignment of planning efforts and the seamless delivery of business support services within the entire county;"

King County has designated the Seattle Metro Chamber as the region's Associate Development Organization. The County passes through state funding to support the Chamber's work as the ADO. King County has augmented these state funds with its own recovery funds to further

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underwrite and support the Chamber's broad efforts to help impacted businesses across the region.

Additionally, the Seattle Metro Chamber has a proven track record for successfully responding to pandemic related recovery the last two-years:

- 2020: Processed 185 small business grants, totaling \$1.09 million, for economic recovery and employee health and safety

- 2020: Distributed over 2.5 million masks and face coverings
- 2021: Connected 72 small businesses with pro bono CPA assistance, including 20 businesses through the Urban League of Metropolitan Seattle, so they could apply for the Paycheck Protection Program and the Employee Retention Tax Credit
- Fall 2021-Spring 2022: Partnered with Public-Health Seattle-King County on the awardwinning #KCVaxVerified campaign, providing free information on King County's vaccination verification requirement to 10,000 affected businesses in 21 languages, with a 92% estimated compliance rate

While there are many partners across King County that provide services to small businesses, there is no organization that can broadly deliver the range of small business resources contemplated by the new CBC initiative. To leverage the Port's funding and interest in helping small business, staff are recommending to contract with the Seattle Metro Chamber to implement this new small business initiative.

Scope of Work

The agreement will support the following scope of work:

- Develop Request for Proposals to Select Community Business Connectors
- Contract with eight to ten Community Business Connectors who can help BIPOC and underserved businesses (especially those facing language or cultural barriers) to access helpful resources
- Provide orientation and technical assistance surrounding RFP to applicants and stakeholders
- Provide orientation and ongoing training to selected "Connectors" on resources available, business assistance partners, reporting requirements and program protocols
- Develop web backbone to support "Connectors" and collect data on clients served, client issues, referrals made, etc.
- Secure other public and private funding to support, grow and sustain Community Connector initiative
- Provide evaluative reports on program highlighting successes, outcomes, challenges and lessons learned

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COMMUNITY ENGAGEMENT AND IMPLEMENTATION TIMELINE

The Port and Chamber have done extensive community engagement surrounding this initiative. In 2021, we convened multiple meetings with City partners to discuss this initiative and flesh out how it would work best in King County. The initiative to hire Community Connectors grew out of a regional conversation surrounding the Small Business Administration's (SBA) Community Navigator Pilot program. The SBA announced they would provide \$100 million to support outreach to businesses and it triggered substantial interest in Washington State. Several groups including the State Department of Commerce, the African Chamber, and a consortium of local cities/nonprofits all applied for the SBA Navigator program. None of these grant proposals were successful, but the exercise energized partners and we agreed to explore whether a navigator type initiative could nonetheless work regionally without SBA funding. Meetings with city partners helped flesh out a workable funding model and key program details. Chamber and Port staff made presentations about the proposed Community Business Connectors initiative to city councils (ex. Highline Forum), community groups (ex. Eastside for All), the Sound Cities' Board and its committee of City managers/administrators.

In addition to this outreach, the Chamber and Port formed an ad hoc advisory group earlier this year comprised of 25+ members from Chambers, community-based organizations, Community Development Finance Institutions, city partners, and Small Business Development Center partners. This group helped guide overall program development and supported additional community engagement.

To make sure we got strong feedback from ethnic and underserved businesses, we contracted with 10 community-based organizations to survey small businesses in their communities. These partners have surveyed 318 businesses and given us some outstanding insights on how businesses are doing and where they need help.

These survey efforts were complemented by hosting three listening sessions where ethnic and rural businesses provided input on how they are doing and where they need help.

Both the survey effort and the listening sessions have helped inform design of the CBC initiative. The Chamber is planning to implement the CBC initiative on the following schedule:

Task Timeline

Develop RFP for Community Connectors June/July

Release RFP August
Application Workshops and Technical Assistance August/September
RFP Due September
Select Community Connectors October
Contracting with Connectors October

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Orientation/Training for Connectors November

Launch November/December

The CBC program will be jointly funded by Port of Seattle, King County, Seattle Metropolitan Chamber of Commerce, city partners, and several partners yet to be determined. In the first year, the Port of Seattle plans to fund \$300,000 to help stand up the new program. The Seattle Chamber will allocate \$380,000 of its King County COVID-19 Local Recovery Funds towards this initiative. In addition, interested city partners are dedicating an estimated \$30,000.

In year two, the Port will plan to support \$350,000 to help maintain and add capacity by hiring three additional business connectors. The Seattle Chamber will dedicate an additional \$90,000. There is also an estimated \$325,000 funded by cities and undetermined partners at this time.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1) Do not authorize agreement with Chamber of Commerce

Pros:

1. Reduces specific budget request by up to \$325,000 a year, which could be used for other initiatives
2. Provides additional time to weigh options for implementing navigator type partnership

Cons:

1. Momentum around Community Business Connector initiative lost
2. Outreach and assistance to small businesses could be lost
3. Opportunity to support and grow BIPOC and underserved businesses diminished

This is not the recommended alternative.

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Alternative 2) – Authorize \$650,000 agreement with Seattle Metro Chamber of Commerce to implement Community Business Connector initiative over a two-year period.

Pros:

1. This new agreement will reinforce the Port of Seattle's commitment to small business relief and recovery
2. Advancing a Community Business Connector initiative provides outreach and help at a time when businesses are still struggling
3. Port financial investments in the Community Business Connector initiative will be leveraged by other public and private members and sponsors

Cons:

1. More time evaluating Community Business Connector options could be helpful. Other partners (WA Department of Commerce, Small Business Development Centers) also have resources that could support Community Business Connector initiative

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary Capital Expense Total

COST ESTIMATE

Original estimate \$0 \$650,000 \$650,000

AUTHORIZATION

Previous authorizations 0 0 0

Current request for authorization 0 0 0

Total authorizations, including this request 0 0 0

Remaining amount to be authorized \$0 \$0 \$0

Annual Budget Status and Source of Funds

Annual budget request is for \$650,000. The source of funds is the King County tax levy.

ATTACHMENTS TO THIS BRIEFING

(1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None