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COMMISSION

AGENDA MEMORANDUM Item No. 10b

ACTION ITEM Date of Meeting March 28, 2023

DATE: March 14, 2023

TO: Stephen P. Metruck, Executive Director

FROM: David McFadden, Managing Director, Economic Development Division

Annie Tran, Economic Development Program Manager

SUBJECT: Approve Memorandum of Understanding with King County to Support
International Market feasibility Study

Total estimated project cost: \$199,999

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a Memorandum of Understanding with King County that formalizes the county's funding support and participation in the International Public Market feasibility study.

EXECUTIVE SUMMARY

The Port of Seattle and King County are interested in conducting a feasibility study surrounding the concept of developing of an International Public Market facility in South King County that will attract tourists and visitors, provide a gathering space, showcase local cultural attributes, and support economic development and entrepreneurship for small businesses, (with an emphasis on supporting small ethnic businesses).

The proposed study will not exceed \$199,999 and the MOU formalizes the County's financial commitment of \$50,000 to support this effort. The MOU also establishes a partnership with King County to manage the feasibility study including participation in the RFP selection process and project advisory committee.

The scope of this feasibility study includes the following elements:

1. Determine Feasibility and Benefits of an International Public Market – If we build it will they come? Who will come? Will there be enough venders/customers/etc.?
2. Identify Preferred Market Attributes – Planning for size of market, number of vendors, parking considerations, accessibility considerations, etc.

Template revised January 10, 2019.

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3. Identify Market Site Requirements – Identifies preferred size, zoning, proximity to infrastructure/utilities, proximity to transportation, proximity to other amenities, visibility and aesthetics etc.

4. Identify Site Possibilities – Will look at candidate sites and evaluate how certain properties fit with overall Market attributes and requirements. This may include some preliminary work related to cost of property acquisition, development, etc.

5. Proforma Capital and Operating Cost Projection – Showing revenues/expenses and grounding financials into core assumptions about Public Market operations (including operator/concessions assumptions)

6. Community engagement elements and impact on existing and prospective businesses (emphasis on ethnic businesses).

7. Recommendations/Next Steps

JUSTIFICATION

Development of an International Public Market facility in South King County supports the Port's Century Agenda. An international marketplace can help advance this region as a leading tourism destination and business gateway. The proposed international market would be very proximate to and accessible from SEA. It would be a draw for SEA passengers from domestic or international locations. It would also attract residents and visitors from surrounding communities.

An international marketplace can also promote regional growth and benefit the Cities of Tukwila, SeaTac and other communities in South King County. The marketplace would generate economic activity, support jobs, and support small businesses. It would also help prevent some of the displacement of small businesses that result as the region continues to grow and change. Developing an international marketplace can also advance equity, diversity and inclusion.

South King County is home to large immigrant and refugee communities that are often

disadvantaged in terms of benefiting and participating in the region's growth. An international marketplace can support ethnic entrepreneurs and be a source of jobs and wealth generation for the area's diverse communities.

Diversity in Contracting

Staff has contacted the Diversity in Contracting Department regarding this procurement and included several WMBE firms in the solicitation.

Template revised June 27, 2019 (Diversity in Contracting).

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Schedule

Draft report on current market conditions and
June 15, 2023
interviews from local stakeholders

Identify Market attributes and preferred site
August 30, 2023

requirements and potential sites

Identify public market site possibilities September 30, 2023

Develop Proforma capital and operating cost
November 15, 2023

projections

Final feasibility report for the International
December 31, 2023

Public Market concept

Present findings to stakeholders January/February 2024

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do not execute MOU and do not complete feasibility study.

Cost Implications: \$149,999 savings to Port from not doing study.

Pros:

- (1) Saves funding for other Port projects and priorities.
- (2) Avoids raising expectations surrounding Port investment in South King County.

Cons:

- (1) May miss opportunity to advance equitable economic development.
- (2) Undercuts partnership with King County to jointly evaluate public market development opportunity.

This is not the recommended alternative.

Alternative 2 – Delay adoption of MOU and project.

Cost Implications: \$149,999 investment would be deferred to a future date.

Pros:

- (1) Allows time to build awareness and partnership with South King County cities and communities.

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(2) Helps EDD staff manage multiple projects with limited capacity.

Cons:

- (1) Delay not consistent with external messaging around project and could create issues.
- (2) Delay could jeopardize partnership with King County surrounding this project.

This is not the recommended alternative.

Alternative 3 – Execute MOU and complete feasibility study.

Cost Implications: \$149,999 (total cost to Port).

Pros:

- (1) Advances partnership surrounding potential development of International Public

Market.

(2) Support Century Agenda priorities advancing equity, tourism and regional growth.

Cons:

(1) Staff capacity is limited especially if any public facility development is anticipated.

(2) Legal authority for Port to build/fund market still unclear.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary Expense Total

COST ESTIMATE

Original estimate \$199,999 \$199,999

AUTHORIZATION

Previous authorizations 0 0

Remaining amount to be authorized \$0 \$0

Annual Budget Status and Source of Funds

Port funding to support this feasibility study is in the Economic Development Division's 2023 budget. This project will be funded by the Port property tax levy.

ATTACHMENTS TO THIS REQUEST

(1) Draft memorandum of understanding

(2) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None

Template revised June 27, 2019 (Diversity in Contracting).