



**City of Seattle**  
Office of Economic Development

**Memorandum**

**DATE:** August 3, 2010

**TO:** Regional Development and Sustainability Committee  
Councilmember Richard Conlin, Chair  
Councilmember Jean Godden  
Councilmember Michael O'Brien  
Councilmember Tim Burgess

**CC:** Ben Noble, Central Staff Director  
Sara Belz, Central Staff

**FROM:** Steve Johnson, Acting Director

**SUBJECT:** **Neighborhood Business Revitalization Program**

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The Office of Economic Development is exploring options to combine three existing programs to develop a single, new Neighborhood Business Revitalization Program (NBRP) designed to improve Seattle's neighborhood commercial districts. The new program would develop a coherent framework for improving commercial districts and align City and private investments to achieve deeper and longer lasting benefit to the health of the targeted commercial districts.

This approach would focus on a set of strategies essential to creating a healthy neighborhood business district: marketing and promotion; diversifying the mix of businesses; maintaining a clean and safe environment; improving the physical attractiveness/pedestrian environment; and building strong business focused organizational capacity. The City's investments would target select neighborhoods and qualified business or community development organizations willing to undertake a disciplined, multi-year investment strategy to strengthen their neighborhood commercial district.

**Background**

OED currently funds three programs supporting neighborhood business districts:

- Farmer's Market Alliance (FMA): Operational support for administrative and infrastructure support to seven of Seattle's farmers markets.
- Neighborhood Business District Program (NBD): Grant funding and technical assistance to non-profit neighborhood business organizations including neighborhood chambers of commerce, business associations, and merchants associations. The major program elements include: (a) buy local marketing, (b) small competitive grants (approximately 25

grants per year averaging \$6500 per grant), and (c) technical assistance for the formation of Business Improvement Areas (BIAs).

- **Commercial District Revitalization (CDR):** The CDR Program has existed for over a decade and historically provided financial operating support to Seattle’s Community Development Corporations (CDCs) such as CADA, SEED, ICDA, SCIDPDA, CHHIP, HomeSight, DNDA and WCCDA. The operating support helped the CDCs bear the staff costs associated with real estate projects aimed at catalyzing new development in low-income neighborhoods. Over the last three years, OED has maintained the exclusive funding relationship with the CDCs and focused the program on a set of strategies essential to creating a healthy neighborhood business district: marketing and promotion; diversifying the mix of businesses; maintaining a clean and safe environment; improving the physical attractiveness; and building strong business focused organizational capacity.

**Program Description**

The new NDRP would retain much of the programmatic elements of the CDR program and open up eligibility for participation to any neighborhood-based business or community development organization willing to apply them in a disciplined and sustained effort to strengthen their commercial district. OED would select grantees through a competitive RFP process that assesses need, opportunity, capacity, and potential impact. The program would provide funds for a period of up to three years and would support:

- marketing and promotion (events, social media, farmers markets);
- business attraction and retention (business mix to serve residential needs);
- clean and safe initiatives (graffiti, dumpster free alleys, lighting, off-duty cops);
- physical improvements (streetscape, derelict buildings, façade, art); and
- building a strong business focused organizational capacity to sustain the effort; e.g., BIA formation.

The participating neighborhoods and organizations would be subject to the following conditions:

- Participation of an existing BIA or commitment to form a new one;
- Commitment of key stakeholders to create a multi-year comprehensive plan for commercial district revitalization employing the strategies of the CDR program; and,
- Expectation to sustain the CDR program after OED fulfills its funding commitment; and
- Integration with a formal City’s neighborhood planning process if one is underway in that neighborhood.

Small technical assistance grants for commercial district leaders not selected in the first round to prepare for future participation in the program.

**Next Steps**

Below is the timeline for outreach, program design, and implementation:

Present concepts to Council Committee Regional Sustainable Development	August 3, 2010
Outreach and discussion of new program approach with commercial district leaders	Aug/Sept., 2010

Finalize program design	Sept./Oct., 2010
Solicit specific proposals from Neighborhood Commercial Districts	Oct./Nov., 2010
Select Targeted Neighborhood Commercial Districts	Nov./Dec., 2010
Approve 2011 workplans for participants and commence execution	Jan./Feb., 2011
Assess progress and finalize 2012 workplan	Oct./Nov., 2011

There are a number of compelling policy reasons to support this new approach, including

- Greater overall impact from our investments in targeted neighborhoods;
- Resources tied to quality proposals rather than individual organizations;
- More flexibility to align with the City's neighborhood planning initiatives;
- More flexibility to tailor interventions to the needs of the neighborhood;
- More leverage of community assets and business investments; and
- Potential for greater sustainability by strengthening organizational capacity of the business district.

Our current thinking is to continue investing in the neighborhoods currently supported by the CDR program and identify at least one other low-income neighborhood not currently served by the existing program, such as South Park, Lake City, and Pioneer Square. In order to maximize leverage of community assets and neighborhood business investments, the City's investment must be linked directly to quality proposals supporting neighborhood revitalization rather than operating support for individual organizations.

If you have any questions, please do not hesitate to call Nancy Yamamoto at 206-684-8189.