



City of Seattle
Office of Economic Development

Memo

Date: March 20, 2012

To: Councilmember Sally Clark
Councilmember Tom Rasmussen
Councilmember Richard Conlin
Councilmember Jean Godden

CC: David Yeaworth, Legislative Assistant to Councilmember Sally Clark

From: Steve Johnson, OED

Re: Office of Economic Development Director's Report

Thank you for the opportunity to report monthly on the state of our local economy and the activities and accomplishments of the Office of Economic Development. I have organized this report to provide an overall look at the strength of the recovery of our local economy and provide brief updates on our major priorities: (1) Investing in Businesses; (2) Investing in our Economic Strengths; and (3) Investing in Workers.

Seattle Jobs and Unemployment through the Recession

- US Recession officially began in Dec. 2007 and officially ended in June 2009.
- Seattle **unemployment rates peaked at 8.2% in December 2009 and has steadily declined to a rate of 6.6% in December 2011.**
- Seattle and King County jobs began to decline in October 2008.
- Seattle and King County jobs bottomed out in Q1 2010.
- Since March of 2010 **Seattle has have added back an estimated 18,000 jobs (through December of 2011).**
- **Private sector jobs have added an estimated 19,700 jobs since March 2010**, held back by small amounts of continued job losses in Construction and Financial Services (net decline of around 160 jobs in each sector).
- **The public sector lost approximately 1,700 jobs since March of 2010.** Public jobs in Q4 2011 were at the lowest point since the recession began.

Seattle jobs by sector for March and December of 2011 are estimates by the firm Community Attributes based on changes in countywide jobs, which are reported by ESD. Attachment I presents the material in a graphic format.

Investing in Businesses

OED Business Services Performance for 2011

Loans	<ul style="list-style-type: none">• 21 businesses have received loans totaling nearly \$25 million.• 442 jobs retained or created due to this lending activity
Company visits	<ul style="list-style-type: none">• 474 companies have been visited by OED staff and our partners• 373 of these companies are in our targeted sectors, which include: manufacturing, maritime, life sciences, global health, clean tech, and information technology
Businesses assisted	<ul style="list-style-type: none">• 384 businesses were connected with resources or were helped with a permitting or policy issue• 78 businesses have been assisted by the City Business Advocacy Team

Business Outreach

- *Recruitment* – Lance Randall met with the owner of a foreign based virtual office company looking to open a 4,000 square feet in storefront office space either in South Lake Union or the Rainier Valley. The project would create approximately five new jobs and provide office space for local entrepreneurs.
- *Energy efficiency financing* – Lance Randall and Charlie Cunniff are working with an industrial company on a new roof/solar energy project. Our team presented a few financing options through the Grow Seattle Fund and determined the project is eligible for energy efficiency financing. The project is estimated to cost \$300,000.
- *Equipment financing* – A food processing company in Chinatown/ID, would like to purchase some new equipment and is interested in funding the purchase with the Grow Seattle Fund. The estimated cost of the purchase is \$150,000.
- *Advocacy* – Roque Deherrera is working with DPD and Goodwill to resolve a complaint issued concerning loading and unloading in the buffer zone between Goodwill's Ballard store and neighboring residential properties. This location is the second largest donation drop off in Seattle.

Investing in Our Strengths

Film and Music and Special Events

Washington Film Incentive Bill Passes House 92-6 – The bill renewing the Washington State Film Competitiveness Program passed in the House last week with a 92-6 vote. The House vote follows Senate passage (40-8) and House Committee on Community & Economic Development & Housing approval (8-1). Governor Gregoire has 20 days to sign the bill into law.

Two Feature Films Shooting in Seattle This Winter and Spring – Two feature films are currently in pre-production in Seattle and scheduled to shoot from late March through May. *Matt's Chance* is the debut feature film by Seattle writer/director Nicholas Gyeney. *You Can't Win* is the third feature film by Seattle writer/director Rob Devor (*Police Beat, Zoo*). In addition to coordinating with SDOT, SPD, Parks, and other City departments for filming permission on public City property, OFM is working closely with FAS to provide an affordable production office space as an incentive to bring *You Can't Win* to Seattle. *You Can't Win* is being incentivized through the Washington State Film Competitiveness Program.

Special Event Update – The Special Events office will issue more permits than ever for this year's St. Patrick's Day events around the City. Right around the same time, the Nordstrom Rack will be having a grand opening party as it relocates from Second Ave to Westlake Center. The downtown core will also welcome a new Carhartt store scheduled to open March 22nd.

Technology

Seattle Times Editorial – The *Seattle Times* ran an editorial on Friday, March 9th, in support of a new US Patent and Trademark Office (US PTO). The US PTO head, David Kappos, is in town today to promote the America Invents Act, so that timing was intended to coincide with his visit. The editorial reiterated the key points that the Mayor and OED made in our proposal to the US PTO, currently under consideration.

Manufacturing and Maritime

NOAA Site – OED continues to work with potential buyers of the former NOAA site on Lake Union, including a large commercial fishing operation currently located on West Marginal Way. If the firm agrees to purchase the site, it will mean retention of critical maritime jobs and reactivation of an unused waterfront industrially zoned property.

Retail and Hospitality

Even in tough economy, Seattle tourism continues to thrive – Washington is the only state in America without a tourism office, but Seattle is still getting passing grades when it comes to the latest tourism numbers. New numbers released 2/29 by the Convention and Visitors Bureau show year-to-year gains in three important categories: overnight visitors are up 3.6 percent, traveler dollars spent improved 6.6 percent from 2010, and the 51,000 travel-related jobs is nearly 1 percent better than a year ago.

Neighborhood Commercial Districts

\$1.1 million investment in neighborhood business districts – The *Only in Seattle* Initiative is investing in 19 different neighborhoods to support business led efforts to improve the health of the business district serving that neighborhood. New to this year's program was \$100,000 for façade improvements in the Central District, Columbia City, and Little Saigon/Chinatown/International District. The balance of the funds support:

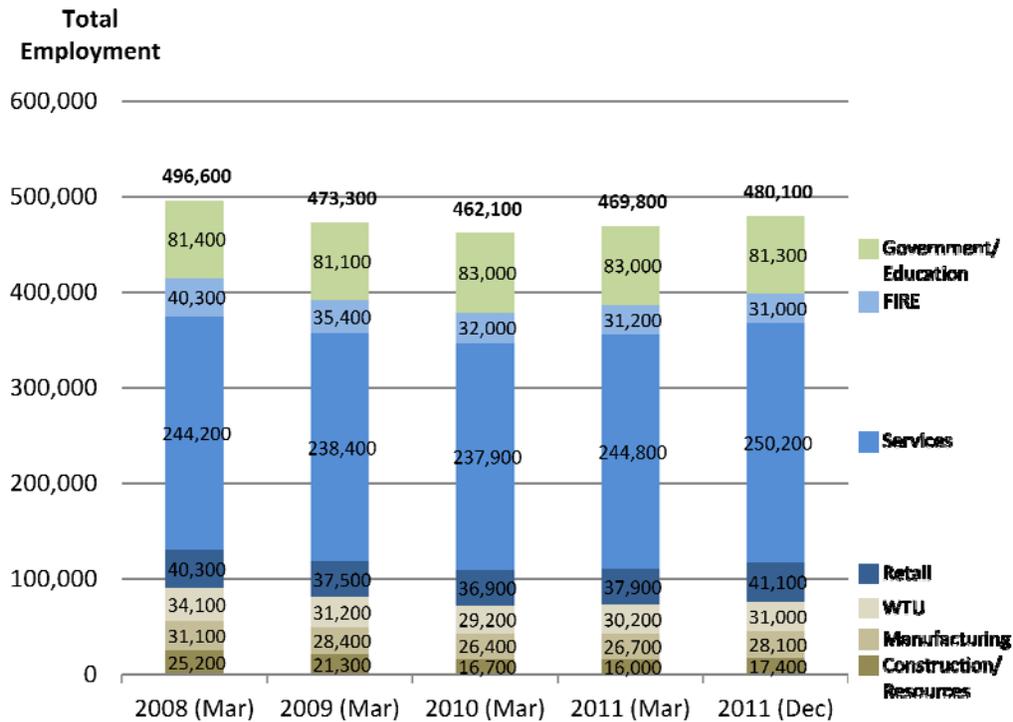
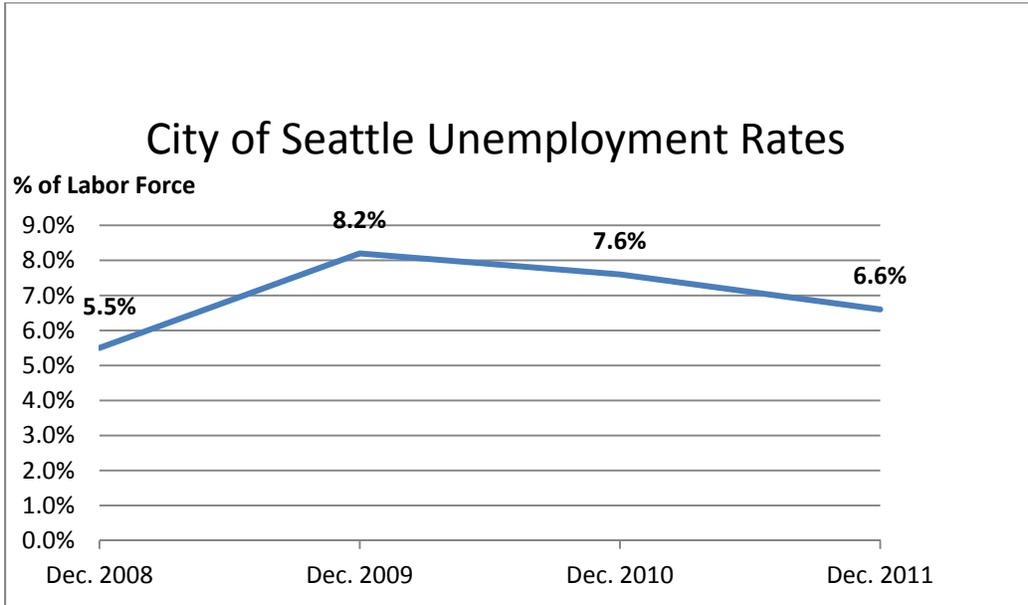
- Business and retail development (supporting businesses, enhancing business mix);
- Marketing and promotion (events, social media, district advertising);
- Clean and safe (graffiti removal, dumpster free alleys, lighting);
- Streetscape and appearance (catalytic development projects, facade, public art); and
- Business organization development to sustain the effort, including participation of an existing Business Improvement Area (BIA) or commitment to form one.

Investing in Workers

Pathways to Careers – OED and the Seattle Community College District have completed a detailed Memorandum of Agreement for \$620,000 to execute the Pathways to Careers initiative. The initiative aims to double completion rates for low-skilled adults seeking professional and technical certifications in four strong industry sectors: healthcare, business occupations, trade/transportation/logistics, and industrial occupations. The SCCD is establishing a leadership and management team to oversee the successful implementation of the initiative across the three colleges and in collaboration with the city and other community based partners. The leadership and management of the grant will be integrated with the concurrent and complimentary \$2.9 million *Pathways to Completion* project funded by the Gates Foundation. In doing so, the SCCD intends institutionalize reforms that will increase completion across the colleges for students seeking to transfer to a university and those who are seeking shorter term professional and technical degrees and certifications.

Seattle Jobs Initiative – SJI reported serving 810 clients in 2011, with 348 of them receiving skills training and 164 placed in jobs. SJI celebrated the graduation of 14 students from its 46th welding class in January and is launching a new medical business technology course in 2012 with its primary partner Swedish Hospital.

Attachment I – Seattle Jobs and Unemployment



Source: Covered Employment PSRC, 2010, WA ESD, 2011, Community Attributes, Inc., 2012

Note: FIRE is Finance, Insurance and Real Estate; WTU is Wholesale, Transport and Utilities