



City of Seattle
Office of Economic Development

Memo

Date: May 15, 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. This report looks at regional employment and provides brief updates on the major priorities of the Office of Economic Development: (1) Investing in Businesses; (2) Investing in our Economic Strengths; and (3) Investing in Workers.

Seattle by the Numbers

Puget Sound Regional Council created the Prosperity Partnership in 2004 to develop and oversee a common regional economic strategy covering the four counties of King Kitsap, Pierce, and Snohomish. Prosperity Partnership has been updating the original strategy over the last year and recently released a preliminary draft of the new Regional Economic Strategy. The strength of the plan is its strong analytic look at the industries that drive the regional economy.

As shown in Figure 1 of the strategy, the four county area is home to 3.7 million jobs, an increase of 13% from 2000 to 2010. More than half of those jobs, or 1.9 million, are based in King County.

Figure 1: Central Puget Sound Population

Cluster	2000	2010	2011	2000-2011 Pct. Chg.
King County	1,737,000	1,931,200	1,942,600	12%
Kitsap County	232,000	251,100	253,900	9%
Pierce County	700,800	795,200	802,150	14%
Snohomish County	606,000	713,300	717,000	18%
Regional Total	3,275,800	3,690,900	3,715,650	13%

SOURCE: Source: U.S. Census Bureau, WA State Office of Financial Management. Note: 2010 estimates revised based on decennial census data.

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Attachment I contains two charts from the report that provide detail on leading industry clusters and occupational groups. Some key findings include:

- Office occupations and sales related jobs are by far the most common in all three counties.
- The share of total employment for mathematical and computer science jobs is at least twice as high in King County as it is in the other three counties.
- Active military duty accounts for the highest percentage of total employment account for Kitsap and Pierce Counties after office/administrative and sales related occupations.
- The region had a high concentration of aerospace, maritime, and information technology jobs compared to the rest of the nation.
- The region has a low concentration of tourism and trade and logistics jobs compared to the rest of the nation.

More information about the Regional Economic Strategy can be found at <http://psrc.org/econdev/res>. The Prosperity Partnership will complete the report with recommendations later this summer.

Investing in Businesses

New Markets Tax Credits – Stadium Place. The New Markets Tax Credit financing for Stadium Place/North Lot has been finalized. The City invested \$14 million in NMTCs to the podium phase of the project, resulting in the creation of 19,000 square feet of commercial space, 38 permanent jobs and 74 residential units, 30 of which will be affordable below 70% median income. The project will also serve as a catalyst to transform the Century Link field parking lot into the largest TOD project on the west coast with an additional 644 units of mixed-income housing, 400,000 square feet of office and 16,000 square feet of retail.

Nordstrom Rack – OED worked with architects from Nordstrom and Simon Properties to meet aggressive permitting schedules for their upcoming Rack at Northgate Mall. Specifically, OED and DPD made the architects aware of DPD's E Submittal Pilot Program and their ability to phase different elements of their tenant improvement permits saving Nordstrom valuable weeks. OED and DPD also helped Nordstrom with the permitting of their Rack at Westlake Center earlier this year.

True Fabrication – is a distributor of wine accessories and has grown its business 87% since 2010. Because of the phenomenal growth, the company is expanding their warehouse operation and is in need of working capital to keep up with demand of their products. OED is working closely with the company to identify financing to support their expansion effort and is close to closing a deal with a lender.

MCR Connect – a start-up company that offers the latest in PBX telephone equipment, software and support services including the Avaya IP Office Voice over IP solution was recruited to Seattle by OED. The principles of the company were considering Tacoma, Auburn and Seattle to locate their operations. OED provided the company with information on the local market opportunities and connected them to a local realtor that found them space in Georgetown.

Lanier's Fine Candies – is a start up manufacturer of gourmet brittle candy and is looking to expand its operations. Last year, OED introduced the company to several local retail stores such as Bartell Drugs, The Chocolate Box and Fireworks Gallery. Each company expressed interest in carrying the product provided the company could develop attractive packaging and

increase capacity. Working with OED, the company has increased the size of its production space, purchased new equipment to increase its capacity and has designed their packaging. The Russell Group is now working with the company to prepare a presentation for interested companies introducing the product in its new packaging and showing its ability to fill orders. The goal is to help the company secure contracts that will result in the company hiring more employees and generate revenue to grow the business.

Regulatory Review of Restaurant Permit Process – OED has finished interviewing the City departments and King County as part of its review of ways to improve the permit and regulatory processes associated with opening or modifying a new restaurant. As part of this review, OED learned that the State is performing a similar review of their processes and is interested in partnering with the City on recommendations for cross-governmental process improvements or customer assistance to make opening a restaurant as straight forward and transparent as possible.

Investing in Seattle's Economic Strengths

Film and Music

Golfing on 2nd and University? You Bet – Los Angeles advertising agency RPA set up a golf driving range on 2nd Avenue between University and Seneca Streets to film an Intuit commercial for its GoPayment mobile credit card reader, featuring lessons from former PGA tour player Jeff Coston. OFM and OED worked closely with SDOT, Metro, SPD, and the Downtown Seattle Association to set up the film shoot. Said director/producer, Mark Tripp: "Thank you, Seattle. We can't wait to shoot up here again." DSA was a partner in promoting to the downtown business community and was excited about the positive, unique spin on something happening downtown. Commercial and corporate work is the cornerstone of Seattle's film industry, accounting for one third of all permitted film projects in Seattle. The RPA production has hired over 100 film crew work days, worked with numerous local vendors, and booked 58 hotel room nights for traveling crew. Media coverage included a great piece on [King 5](#) with the OED quote about film permits, as well as [Media Inc.](#), [Marketwatch](#), and blogs by the [DSA](#).

Manufacturing and Maritime

King County Aerospace Alliance Meeting 5/3 – Steve Johnson attended a meeting of the KCAA and presented an outline of the City's Industrial Development District initiative. The initiative is a partnership with the County and while it preceded the formation of the KCAA, KC Executive Dow Constantine included it in the Alliance's action agenda. The next step is a presentation of the initiative to the Governor's Jobs Cabinet with a targeted release of a request for innovative industrial development concepts in June.

Neighborhood Commercial Districts

Only in Seattle Grantee Training – OED and Impact Capital held a two hour training for *Only in Seattle* grantees. Representatives from most of the neighborhoods attended to learn about the nuts and bolts of the program, resources available to their businesses and examples of great work in each other's districts.

Only in Seattle Marketing Kick off – OED is meeting with Wallingford, Pioneer Square and Fremont to kick off the 2012 *Only in Seattle* marketing campaign work. We will begin selecting the next set of gems, revamping the website and getting set to launch a series of promotional events starting in July.

New Markets Tax Credits 2nd Quarter Meeting – In the 2nd quarter meeting, the City's NMTC Advisory Board and Investment Committee approved the establishment of an annual \$100,000

neighborhood façade improvement program that will be funded with NMTC fees. The Committee will also consider an alternate investment option regarding the 12th Avenue Arts project.

South Park Retail Merchants Association – OED continues to work with the newly-formed South Park Retail Merchants Association (SPRMA) to build their organizational capacity. SPRMA recently completed a business district and organizational analysis, which studied what the strengths, weaknesses, opportunities, and threats (SWOT) to their business district. The report suggests improvements to their organizational structure, identifies priorities among business owners and frames what successful retail recruitment would entail. OED is working with the SPRMA on an actionable strategic plan that can transition into a 2013 *Only in Seattle* application to fund further revitalization efforts in South Park funded by \$25,000 in 2012 and \$50,000 in 2013 leveraged through the OIS from JP Morgan Chase.

Investing in Workers

Seattle Jobs Initiative meeting with OED/HSD – Danette Smith and staff met with SJI leadership and Steve Johnson to learn more about SJI’s operations. The meeting was part of ongoing discussions between HSD and OED on how to partner more effectively to move low-skilled working adults into higher paying jobs with opportunities for career advancement.

Northeastern University – NEU announced May 4th that they have received their licensure from the State Higher Education Control Board and that they have hired Tayloe Washburn as the Director of the campus they establish in Seattle. Still no news about where or when that campus will take root.

LOOK AHEAD

May 2nd week	National Travel and Tourism Week
May 15-18	Chamber Intercity Study Mission to Atlanta
May 19	Seattle International Film Festival Opening Night
June 14	<i>City Business Casual</i> : Tourism/Hospitality/Restaurant OED/DSA Release: Tourism/Hospitality/Restaurant Economic Impact Study
June	South Lake Union Economic Study Release
July 12	<i>City Business Casual</i> : Manufacturing & Maritime
July	<i>Only in Seattle</i> marketing campaign launch

ATTACHMENT I

Figure 5: Occupational Employment in Central Puget Sound, 2011

Distribution of jobs across occupational groups differs in each county

Occupational group	2011	Occupational groups as a share of total employment within each county			
		King	Kitsap	Pierce	Snohomish
Office & administrative support	294,629	13%	11%	13%	12%
Sales & related	286,330	13%	12%	12%	13%
Management	151,578	7%	5%	5%	7%
Food preparation & serving	146,362	6%	7%	7%	7%
Business & financial operations	142,010	7%	5%	4%	6%
Transportation & material moving	125,679	6%	4%	6%	5%
Education, training, & library	108,922	5%	5%	6%	4%
Computer & mathematical science	107,232	6%	2%	1%	3%
Construction & extraction	105,229	4%	6%	5%	6%
Production	101,539	4%	4%	4%	7%
Healthcare (practitioners & technical)	95,293	4%	4%	5%	4%
Personal care & service	89,482	4%	4%	4%	4%
Arts, design, entertainment, sports, & media	86,092	4%	3%	2%	3%
Property cleaning & maintenance	79,467	3%	3%	4%	4%
Installation, maintenance, & repair	70,105	3%	4%	3%	3%
Architecture & engineering	62,167	3%	3%	1%	4%
Military	59,260	<1%	10%	9%	2%
Healthcare (support)	45,225	2%	3%	2%	2%
Life, physical, & social science	37,045	2%	1%	1%	1%
Community & social services	34,784	1%	2%	2%	1%
Protective service	34,663	1%	2%	2%	1%
Legal	20,881	1%	1%	1%	1%
Farming, fishing, & forestry	6,987	<1%	<1%	<1%	<1%

SOURCE: EMSI Complete Employment – 2011.2, TIP Strategies

Figure 7: Central Puget Sound industry clusters

Employment & concentration (2011), and establishments (2010)

Cluster	Employment	LQ	Estimated sales (in millions)	Establishments
Aerospace	87,301	5.84	\$39,476.9	585
Business Services	181,042	0.94	\$39,294.1	11,039
Clean Technology	26,115	1.26	\$4,575.3	1,785
Information Technology	144,196	2.28	\$61,060.4	5,326
Life Science & Global Health	28,574	1.06	\$6,930.4	1,240
Maritime	16,683	3.01	\$5,001.3	500
Military	91,301	*1.95	\$23,747.7	—
Philanthropies	2,423	1.25	\$528.5	238
Tourism & Visitors	136,420	0.98	\$10,137.0	5,490
Transportation & Logistics	49,688	0.86	\$8,644.3	1,642

SOURCE: EMSI – Complete Employment. *LQ calculated on active duty military only.