



City of Seattle
Office of Economic Development

Memo

Date: September 18, 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, Director, Office of Economic Development
Re: Office of Economic Development Director's Report

By the Numbers: Opportunity Nation Index of Opportunity

Opportunity Nation is a bipartisan, cross-sector national campaign made up of more than 200 non-profits, businesses, educational institutions, faith-based organizations, community organizations, and individuals all working together to expand economic opportunity and close the opportunity gap in America. Their Executive Director, Mark Edwards, was recently in town to celebrate the launch of Pathways to Careers, the City's partnership with the Seattle Community College District to double completion rates of certain professional and technical certifications that result in good jobs with opportunities for career advancement.

Mr. Edwards explained in his remarks that for the first time, today's young adults risk having lower educational attainment rates, on average, than their parents. He believes that while some inequality is unavoidable, inequality without mobility is economically inefficient and unjust.

- Only six percent of children born to parents at the bottom of the income distribution make it to the top.
- Children in many European countries (from which so many immigrants came to the United States for more opportunities) now have greater socio-economic mobility than those in the United States.

Opportunity Nation is about to release an index that will be the nation's first analytic measurement of opportunity and social mobility at the state and county levels. One important finding was that the single greatest determinant of social mobility was the number of youth ages 16-24 who are neither in school or working. According to a recent report from Columbia University and City University of New York, Queens College:

- 6.7 million youth ages 16-24 are not in school and not working nationwide.
- In 2011 alone, the cost to the United States in lost revenues and social services associated with these youth was \$93 billion.
- About 50% of these youth are male, and 50% are female.
- 43% described themselves as white, 27% as African American, 25% as Hispanic, 2% as Asian, and 3% identified as something else.
- 77% of them take responsibility for their future success and 72% believe they will achieve their goals.

Investing in Businesses

Loans	<ul style="list-style-type: none"> • \$1M 108 loan for 12th Avenue Arts in the pipeline • Over \$21.6M lent to 8 businesses, with GrowSeattle, NMTC and CDBG-R • Closed a \$7 million New Markets Tax Credit deal with Retain Lockbox in the Central District in July • 188 jobs retained or created due to this lending activity
Company visits	<ul style="list-style-type: none"> • 292 companies have been visited by OED staff and our partners • 255 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"> • 166 businesses were connected with resources or were helped with a permitting or policy issue

In Good Company *features Meyer Wells* – OED recognized Meyer Wells for their sustainable business practices and commitment to growing manufacturing jobs in the Seattle community, while embodying Seattle's pioneering spirit and reflecting Seattle at its best. Self-described "wood nerds" master craftsman Seth Meyer and furniture designer John Wells launched Meyer Wells in 2006. Their mission – to combine a modern design sensibility and high level of furniture craft with an ecological ethic for sourcing their materials, mostly urban trees that would otherwise go to waste. Watch the full video [here!](#)

Fire Code Laboratory Materials update – OED, SFD and DPD have been working with industry stakeholders to make changes to the Fire Code which would allow for storage of small quantities of hazardous material used in non-production laboratories to be stored above the 4th floor. The changes were approved by the Fire Code Advisory Board and will follow a similar process through the Construction Code Advisory Board. If the changes are approved by both advisory boards, the changes will then be forwarded to the Law Department, the Executive and finally to City Council for approval.

Restaurant Regulatory Reform – OED's Kris Effertz and Cheryl Smith with the Washington State Department of Commerce, met with the Washington State Restaurant Association to brief them on their work to assist new restaurateurs through the regulatory process. The Association was impressed and grateful for the work to date. They agreed to work with Kris and Cheryl to make sure that the draft roadmap was accurate and that the draft checklist was complete. We will continue to update the Association as progress continues.

Integrated Environmental Services Pilot – OED organized an inter-departmental workgroup to look at the array of environmental services offered to businesses by City departments in order to develop a strategy for better service delivery. The workgroup identified SPU's *Get on the Map* (GOTM) program as the model program to be expanded to include outreach for SCL conservation with the goal to generate leads and projects to SCL's Energy Smart Business program. OED, SPU and SCL developed a final draft scope of work and an MOA among our departments. The target areas to be served are Rainier Valley and the University District. This pilot program will be evaluated in Q1-Q2 of 2013 to gauge its effectiveness and determine if it will be further enhanced. This represents good next step towards enhance service delivery among OED, SPU and SCL in collaboration with OSE and the CPW program.

Fun Wheel Rentals – OED is working with Tim Sharman of Wheel Fun Rentals on the possibility of setting up operations along the waterfront. The company currently has a location in West Seattle along Alki and would like to learn more about the plans along the waterfront to see if such a project is feasible. OED staff is coordinating a meeting with a representative from the waterfront committee and Parks and Recreation on the project.

Technology Transfer to Africa – OED staff are working with Anjali Phillips of Technology Transfer to Africa in setting up their operation in Seattle. The organization provides services to immigrant females in Seattle who have been victims of physical abuse. OED has helped the organization identify space in the Chinatown/International District for their office and has arranged for them to receive a donation of furniture from APEX Facility Solutions. The organization hopes to be up and running by October 2012.

TechBA – OED staff met with TechBA, a local technology business accelerator for Mexican based companies entering the US market. The company is looking to relocate its operations to Seattle in the summer of 2013 and has asked OED to assist them with finding office space. The company has four employees on staff, but has over 20 companies using space in their current location. OED is working with a local realtor to identify potential space in Eastlake, Westlake, Pioneer Square and the University District.

Howard Street Bakery – The Howard Street Bakery will have to find a new location by October of this year. OED has been working with a local realtor to find the company space in the downtown core to not only continue their retail operations, but to also establish a catering division.

National Soccer Hall of Fame – OED is working on the possibility of bringing the National Soccer Hall of Fame to Seattle. Recently the Hall of Fame, which was located in Oneonta, N.Y., closed due to lack of funds, but the organization is still intact and all of the memorabilia is being stored in a warehouse in North Carolina. Many feel that the location of the Hall of Fame was the reason it failed. Soccer is growing faster in the Pacific Northwest than any other region in the country, so it is possible that the Hall of Fame could do well in Seattle. OED staff has arranged a meeting with the Seattle Sports Commission.

Silver Fork – OED met with Margie Johnson of the Silver Fork to talk about the future of the restaurant. Margie has indicated that Safeway has given her until April 2013 to vacate the property rather than December 2012. This is a relief because it gives her time to find a new location. Margie has indicated that she wants to continue running the restaurant but wants to put together a strategy to upgrade the operation of the business significantly. The Russell Group is working with Margie on a strategy to run the business once it has relocated. OED is working to find a new location and identify funding resources to help finance the relocation.

Ratio Interactive – This digital advertising agency located in Pioneer Square has a tentative agreement to lease the ground floor of the old Mason Furniture by November 1, 2012. The agency will renovate the space, expand their operations and house an interactive display for the general public. The company's plans have gotten approval from the Historic and Preservation committee and they are scheduled for a DPD review on September 24th. OED is working with the company's architect on some potential options to create a rear exit in order to get the plans approved through DPD. If approved, the company will be renovating and moving into 4,500 square of space and will add an additional 20 employees increasing their employment base from 40 to 60.

Investing in Seattle's Economic Strengths

Film and Music

55 film permit applications have been submitted and/or processed with the Office of Film + Music so far since August 4, hiring over 950 local cast and crew. Highlighted projects include:

- Los Angeles/New York production companies brought national TV commercial productions including Hyundai, ESPN (Monday Night Football), Men's Warehouse, HTC, Kayak Travel, and BMW.
- Seattle-based production companies filmed corporate and TV commercial productions including Group Health, Precor, Target, and WGU University.
- Feature film *One Square Mile*, starring Cam Gigandet (*Twilight*), Richard Jenkins (*Burn After Reading*, *Six Feet Under*), and Kim Basinger (*Batman*, *9-1/2 Weeks*), shot in over a dozen Seattle neighborhoods during their five week filming schedule which wrapped August 31.

City of Music Community Expo at *Bumbershoot* – The Seattle Music Commission in partnership with One Reel launched the first annual *City of Music Community Expo* at Bumbershoot. The Community Expo is an outreach program aimed at increasing awareness of, and providing equitable access to, local music and youth focused non-profit or charitable organizations. This year, ten organizations were showcased in the Seattle Center Armory alongside the extremely popular Flatstock exhibit, giving Bumbershoot audiences unprecedented exposure to these local non-profit organizations. Exhibitors were provided exhibition space and promotion of the event free of charge, thanks to the generosity of One Reel and their staff. As part of the Commission's 2012-2013 Workplan, they intend to scale this Expo style event and offer it as a resource to educators and community groups, spreading the *City of Music* vision out into the community.

Special Events

Special events in Seattle start to wind down over Labor Day weekend, but there are still exciting things planned around the City throughout September and October before the Holiday events start up in November. Recent events include the Susan G. Komen 3-Day for the Cure, Boats Afloat and the Fiestas Patrias parade in South Park the Annual Aids Walk/Run, St. Demetrios Greek Festival, Wallingford Wurst, Seattle Night Market and the ever-popular Fremont Oktoberfest. The Special Events committee is also in preliminary discussions with groups that may bring some exciting new events to Seattle in 2013. Currently proposed are the Hot Chocolate 15K, Sup-Pop Records 25th Anniversary Jubilee and a new Fred Hutch bike ride.

Manufacturing and Maritime

City of Seattle, King County, and Washington State launch Industrial Development Pilot Program – OED is pleased to announce that the *Industrial Development Pilot Program* was launched on August 24th. The program is designed to support and grow the region's industrial economy by providing regulatory and policy flexibility, financial incentives, and/or workforce training in support of innovative and sustainable industrial projects. In order to be considered for the incentives, projects must demonstrate that they would achieve a positive industrial economic benefit, equal or better environmental performance than current regulations require, and be located on industrially zoned land within unincorporated King County or the City of Seattle. The Request for Concepts are due on Monday, November 5th. A maximum of ten pilot projects will be selected before the end of the year.

Former NOAA site repurposed for Maritime use – Ride the Ducks and US Seafoods worked out a deal on the former NOAA site and it closed the week of August 20th. After five years of assistance, OED is pleased that Ride the Ducks has found a new private ramp site and that Seattle retained an existing maritime company, US Seafoods. OED staff will continue to include US Seafoods in our IDD RFC outreach. They may respond with a proposal for the uplands portion of the property. We will also continue to assist them with any permitting or construction issues associated with rebuilding the fire damaged piers.

Boeing Leadership Transition – In mid-August, the Boeing Company announced some leadership changes. Laura Peterson is the new Director for Business Development in China. Bill McSherry, Director of State and Local Government Operations, will lead the Boeing team in the Northwest region.

Neighborhood Commercial Districts

Only in Seattle Sundays celebrated Belltown on August 26th – Belltown hosted *Only in Seattle* Sunday on August 26 with discounts offered at neighborhood favorites, including all-day happy hour pricing at Spitfire, two-for-one bicycles rentals at Bicycle Pull Apart, and \$1 house-made seasonal sangria from Black Bottle. The Old Spaghetti Factory had free Sicilian garlic cheese bread with the purchase of an entree, and 10% off in-stock items were featured at Fancy Jewels and Schmancy Toys. Stay connected with *Only in Seattle* Facebook and Twitter for great giveaways leading up to our next *Only in Seattle* Sunday event in Wallingford on September 30th.

University District Farmers Market and University Heights – OED and DON met with Chris Curtis of the Neighborhood Farmers Market Alliance and to hear their perspective on the impasse over lease negotiations between the two organizations. OED has proposed organizing a mediated process to identify solutions for the impasse. A successful outcome requires both parties to agree on a business plan that grows the market so both public assets can share in the market's growth and future success.

Investing in Workers

Pathways to Careers – OED and Seattle Community Colleges held the Opportunity Nation event on September 11th at North Seattle Community College. With more than 200 business, education and community leaders in attendance, the event served as a great stepping stone to more partner and employer engagement for our Pathways to Careers initiative.