



**City of Seattle**  
Office of Economic Development

**To:** Seattle City Council  
**From:** Chris DeVore, General Partner, TechStars + Founders Co-op; Chair, Seattle Economic Development Commission  
Jill Wakefield, Chancellor, Seattle Community College District; Vice-Chair, Seattle Economic Development Commission  
Steve Johnson, Director, Office of Economic Development  
**Date:** September 16, 2013  
**RE:** Seattle Economic Development Commission Update

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## **Background**

The Mayor and Seattle City Council formed the Seattle Economic Development Commission (EDC) in March of this year. The EDC's job, as supported by the City of Seattle's Office of Economic Development (OED), is to provide leadership that sets ten-year markers for the kind of economy we envision in Seattle and then to drive effective action toward achieving that vision.

## **EDC Vision and Framework Development**

Over its initial three meetings, the EDC has developed a draft vision and economic development "framework" with several "foundational areas" – *Innovation Ecosystem; Talent and Creativity; Infrastructure and the Built Environment; and Social and Cultural Environment* – in which city government and its industry, labor, and educational partners should invest its time and resources in supporting Seattle's economic development over the next ten years (see attached EDC Vision and Framework documents).

As the EDC constructed the vision and framework, they solicited feedback and guidance from a leading national community development investment organization, a recent landmark study on social mobility, and local stakeholders interested in Seattle's economic development future.

At the June EDC meeting, Living Cities, a collaborative of 22 of the nation's leading foundations and financial institutions that offers policy guidance and deploys millions of dollars in grants and loans to help cities rethink public systems and connect people and underinvested places to opportunity, presented the importance of strong cross-industry collaboration in supporting successful thriving, globally competitive cities. Based on Living Cities' work in helping cities

across the United States develop and implement ambitious initiatives, they shared five key aspects of high level and effective collaboration in a city setting:

- **Clear definition of the mission** of the group and the results you are trying to achieve
- Agreement on the most **meaningful data to evaluate success** of strategies and ability to adjust initiatives in response to changing data
- A **diverse, cross-industry set of stakeholders** assembled and the ability to expand the group and obtain feedback from others as needed
- Commitment to **transcend parochial thinking** to strengthen collaboration
- **Dedicated staffing** to move the collective work forward and ensure follow-up on action items

The Living Cities presentation helped the EDC think about how best to organize itself in order to develop a meaningful economic development agenda, including stressing the importance of expanding the conversation with outside stakeholders to solicit feedback on the EDC's draft vision and framework and developing "systems-level change" initiatives that can be measured for impact.

In July and August, the EDC convened a series of small group discussions with thought leaders centered on the framework's proposed "foundational areas". In these Commissioner-led sessions, participants were asked to react to the proposed framework and provide thoughts and ideas for action that the EDC should consider. Below is a summary of the general themes from those sessions:

- **Telling and leveraging our Seattle story**, both to ourselves and to others, is key and currently not done well
- **Diversity of our economy** is our strength – our traditional industries, new and emerging businesses, and accessibility to global markets are integral to Seattle's economic success
- **Developing and attracting a strong workforce** requires improving our K-12 system in addition to improving postsecondary outcomes and addressing affordability for middle-class families
- Continuous **improvement in regulations and policies** is needed in setting the rules for commerce
- There are timely and **transformative placemaking opportunities** that we must get right
- Seattle believes in **providing social and economic opportunity** – we have elements in place to make big things happen here regardless of what it is or who you are
- We value cooperation – there are systemic ways we can strengthen our distinctive commitment to a **culture of cooperation**

The meetings were spirited, informative, and valuable in helping EDC come closer to finalizing an economic development framework and identifying potential EDC strategy areas and action items. The themes centered on "telling Seattle's story" and supporting a "diverse, opportunity economy" were heard in several of the sessions.

At the September meeting, the EDC received a presentation from the Harvard Lab for Economic Applications and Policy on their “The Equality of Opportunity Project,” a landmark study that compares rates of upward social mobility across the major metropolitan areas throughout the United States. The research, conducted jointly with University of California, Berkeley, has received extensive coverage in the *New York Times* and other major media outlets. The study identified Seattle as a leading city in its ability to move individuals up the income ladder: on average, fairly poor children in Seattle (those who grew up in the 25th percentile of the national income distribution) do as well financially when they grow up as middle-class children (those who grew up at the 50th percentile) from Atlanta.

The study provided some of the most powerful evidence about the factors that appear to influence a person’s chance of rising beyond the station of their birth. The research found significant correlations in the following areas impacting intergenerational social mobility and income inequality:

- **Economic and racial segregation:** Areas in which low income individuals were segregated from middle income individuals were particularly likely to have low rates of upward mobility.
- **Accessibility:** Cities with poor families that live closer to job centers saw higher rates of social mobility.
- **K-12 school quality:** Areas with higher test scores, lower dropout rates, and higher spending per student in schools had higher rates of upward mobility.
- **Social capital:** More civic engagement and healthy, vibrant social networks, including membership in religious and community groups, supported social mobility.
- **Family structure:** High upward mobility areas tended to have more two-parent households.

The researcher from “The Equality of Opportunity Project” noted strong alignment between their findings and the EDC framework – in particular *Talent and Creativity* and its focus on improving educational opportunities; *Infrastructure and the Built Environment* with its emphasis on accessible neighborhoods; and *Social and Cultural Environment* which recognizes Seattle’s strong social, civic and cultural assets.

### Next Steps

- September – November 2013: Based on the vision and framework that has been developed, the Commissioners will identify strategy areas and the criteria for identifying specific actions and initiatives to be adopted by the EDC.
- November 2013 – January 2014: Following agreement on the strategy areas and criteria, OED staff will work with Commissioners to identify specific action items for each proposed strategy area.
- 1<sup>st</sup> Quarter 2014: Finalize and share EDC workplan and begin implementation