



City of Seattle
Office of Economic Development

Memo

Date: February 22, 2013
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

The Economy by the Numbers: The Negative ROI of Young Adults Spending Time in Prison

Professor Donald Hutcherson of the Ohio University of Sociology and Criminal Justice recently completed a study that assessed the role of prior incarceration on an individual's illegal earnings. The study analyzed longitudinal data of the estimated earnings of young adult ex-offenders and non-offenders using the National Longitudinal Survey of Youth for 1997 to 2005. The findings reveal that:

- Individuals with an incarceration history earn significantly higher annual illegal earnings than those who do not have such a history – on average \$11,000 more per year;
- The effect remains true when filtering for factors such as race and ethnicity:

Professor Hutcherson hypothesizes that spending significant time in jail or prison may force the ex-incarcerated into illegal social structures and networks to obtain income. Professor Hutcherson cautions that the finding is an average and that many people leave prison determined to live law-abiding lives.

The research provides valuable context for the city as OED and HSD work with community partners to facilitate successful re-entry into the economic mainstream for formerly incarcerated individuals. Specifically, success at scale will require dramatic changes in the way the corrections system views human capital development to prepare individuals for success after they pay their debt to society.

Below is a link to a National Public Radio report that provides more detail on Professor Hutcherson's work.

http://wamu.org/programs/morning_edition/13/01/29/when_crime_pays_prison_can_teach_some_to_be_better_criminals

Investing in Businesses: OED 2013 Results by the Numbers (as of 2/13)

Loans	<ul style="list-style-type: none"> • Announcement of new allocations for New Markets Tax Credits in late spring • \$1 million 108 loan for 12th Avenue Arts closed in January, ground breaking later this month.
Company visits	<ul style="list-style-type: none"> • 48 companies have been visited by OED staff and our partners • Targeting 500 business visits in 2013.
Businesses assisted	<ul style="list-style-type: none"> • 20 businesses were connected with resources or were helped with a permitting or policy issue • Targeting 250 businesses to be connected with resources in 2013.

Restaurant Permitting Reform – OED’s Amanda Allen will be presenting today about her work with our partners from King County Public Health and State agencies to improve and align our restaurant permitting processes. Currently each jurisdiction is compiling data on turnaround times and number of review stops from the various departments involved in permitting for new restaurants. Staff plan to take that dataset and combine it to provide greater insight into the pain points of the permitting process. Armed with that information we will more easily identify how best to move forward with our partners to improve the process. A follow up meeting of the leading policy makers is planned to be scheduled for early March.

12th Avenue Arts Project – Section 108 Loan – OED disbursed a \$1 million HUD Section 108 loan for the 12th Avenue Arts project. This loan will finance development of the commercial portion of the project including 15,000 square feet of office space, 6,000 square feet of retail space and 6,200 square feet of community theater space. This loan will result in the creation of at least 30 permanent jobs.

Admiral Theater – OED staff met with Jeff and Dinah Brian of the Admiral Theatre in West Seattle to discuss their plans to renovate and expand the theatre. The plan is convert the theatre from a single screen facility to a quad that will house four screens. The objective is to make the venue more viable by offering more movie options and playing first run productions. OED is providing the theatre with information about possible sources of financing to fund the renovation and expansion.

Entrepreneurs Alliance – OED and OIR staff met with members of the Chinese Entrepreneurs Alliance. The Alliance is made up of a consortium of influential entrepreneurs whose goal is to help more private Chinese business become truly global enterprises. The organization is looking to establish an accelerator either in Los Angeles or Seattle. The purpose of the meeting was to present Seattle as the idea place to set up the accelerator. The organization is expected to make a decision sometime in mid-2013. In the meantime, several of the entrepreneurs expressed interest in doing business in Seattle and are looking for connections with potential partners.

Extend a Care – OED staff met with Bill Bryant of Extend a Care, a nursing home development company based in Canada. The company is looking to build a new nursing home facility in Seattle. Mr. Bryant made a presentation about the project and requested assistance in finding a potential location. He has been connected with a local realtor to help him identify a potential site.

Barsuk Records – Barsuk Records, an independent record company located in Queen Anne, lost its lease and must relocate. The company is currently working with a local realtor for a location near their current facility. They are looking to lease or buy a 5,000 sq. foot facility and improve it to meet their specifications. OED has arranged for the company to meet with Diana Sasser of the National Development Council to look at the possibility of using the Grow Seattle Fund to help with the move.

Barnes and Watson Fine Teas – Barnes and Watson Fine Teas, a small tea manufacturing and distribution company located in SODO, was purchased by Ravi Kumararantene in 2011. The company has now stabilized and is looking to make the operation more efficient by purchasing new equipment and building out their warehouse space. They are interested in low interest financing to fund the project. OED has arranged for the company to meet with Diana Sasser of the National Development Council to look at the possibility of using the Grow Seattle Fund to help with the move.

In Good Company *program recognizing F5 Networks* – OED has been working with F5 since December to plan “F5 Day in Seattle” on February 5th. Press coverage from the event includes Brier Dudley’s Tech Blog in the *Seattle Times*: [Feb.5 is F5 day in Seattle](#) and Emily Parkhurst’s story in the *Puget Sound Business Journal*: [Watch out Amazon, F5 says it’s the best tech company in Seattle](#), and lots of activity on social media.

Investing in Seattle’s Economic Strengths

Film + Special Events

Film and Special Events Report – Fourteen film permit applications have been submitted and/or processed so far between January 19 through February 15th, hiring over 250 local cast and crew. Highlights include: Local production teams filmed corporate videos for Microsoft and Washington Dental Service; Production began on independent feature film *Lucky Them*; Nordstrom held a fashion shoot on the sidewalks surrounding the Downtown Library; a production team from Los Angeles filmed a music video for a Grammy-nominated band at various locations throughout Downtown; and Rocket Media Group filmed a documentary on a Paralympic athlete at Gas Works and Interlaken Parks. Click the [Seattle Film Production List](#) for the complete list of permitted Seattle productions. Recent Special Events include donning your favorite Speedo for the Polar Plunge at South Lake Union Park, and the Love ‘em or Leave ‘em Valentine’s 5K run. For a complete list of upcoming Special Events, visit the [City of Seattle’s Special Events Calendar](#).

‘Lucky Them’ Begins Filming on January 26 – Local filmmaking team Megan Griffiths (*Eden, The Off Hours*) and Lacey Leavitt (*Touchy Feely, Safety Not Guaranteed*) have assembled a local film crew for feature film *Lucky Them*, scheduled to shoot in Seattle beginning January 26 and wrapping in early March 2013. The Office of Film + Music worked with Finance and Administrative Services to provide affordable short term leased office space for the production team. This is the fifth production utilizing the office space since 2010.

Music

Music Legend Quincy Jones Lends His Voice to Sea-Tac Airport – One year in the making; Sea-Tac Int’l Airport travelers will now be welcomed by the voice of legendary Seattle musician Quincy Jones. Jones is the latest local artist to participate in The Sea-Tac Airport *City of Music* program, a cooperative effort under the *City of Music* Initiative by the Port of Seattle, Seattle Music Commission, and PlayNetwork. Coverage of the Port of Seattle’s press release in late January already includes [Baltimore Sun](#), [Seattle Magazine](#), [Examiner Magazine](#), [Q13 Fox](#),

[KOMO](#), [KING](#), [Highline Times](#), and [Topix](#). Many outlets are running the audio clips of Jones' announcements including: [LA Times](#), [KTUU](#), [Orlando Sentinel](#), [KWH](#), [Herald Mail](#), [Daily American](#), [WDBJ7](#), and [Petoskey News](#).

Neighborhood Commercial Districts

Only in Seattle *Funding Awards Announcement* – OED announced and celebrated the *Only in Seattle* funding awards of \$1.6 million to 17 neighborhoods on February 7th at Maya's Mexican Restaurant in Rainier Beach. We had over 40 representatives from 14 business districts attending. Press so far includes: [Puget Sound Business Journal](#), KIRO 7 TV, [My Ballard Blog](#), [South Seattle KOMO](#), [West Seattle Herald](#), and *Runta News*.

Only in Seattle *City Infrastructure Decisions* – In 2013, the *Only In Seattle* program made a pool of \$500,000 available for districts with paid on street parking to submit for projects in public right-of-way. The Mayor approved the committee's recommendations to fund the following:

- In the University District, the community envisions a "European-style" network of pleasant and bustling alleyways to better accommodate the increase in pedestrian activity expected after completion of the new U District Light Rail Station. This \$60,000 investment will begin the design of the alleys between University Avenue and 15th Ave.
- The Downtown Seattle Association will receive \$150,000 to develop a plan for unifying and appealing design features for the Pike and Pine corridors downtown and choose one impactful element to implement.
- Pioneer Square will receive \$80,000 to enhance appearance and pedestrian access by trimming trees, expanding area of holiday tree lights, improving crosswalks and installing signature bicycle racks.
- Roosevelt, also preparing for impacts from light rail construction, will receive \$40,000 to develop plans for gateway and streetscape designs.
- After years of fundraising and planning, Chinatown-ID, will be able to realize its dreams of activating historic alleys and add art to the King Street freeway columns with grants of \$90,000 and \$30,000 respectively.

U-District Recommendations – The University District Livability Partnership (UDLP) released their final report on the commercial revitalization of the U-District at a community meeting at the Alder Commons on January 31st. The recommendations in the *Strategic Plan for Seattle's U District* look into coordinated business attraction programs, marketing and promotions, innovative clean and safe approaches and a detailed guide for urban design. The UDLP was launched as an initiative of the *Only in Seattle* program in 2012 and will continue in 2013. OED staff has been very engaged in the drafting of this document. This effort also leveraged resources and staff from DON, SPD, and DPD which was engaged in drafting the U-District Design Framework. Over the next six months, OED staff will continue to work with the UDLP group to form a sustainable business organization that can implement the plan and continue to grow the district.

BIA Quarterly Meeting – OED hosted the quarterly meeting with current Business Improvement Areas (BIAs) on January 28th. Terri Allen from FAS and Brian Scott, the consultant selected to develop better data systems, also attended. Many of the BIAs struggle to validate the assessment data provided by the City. OED will be working to determine solutions to these issues.

Rainier Valley Community Development Fund (RVCDF) Board Meeting – Deputy Mayor Smith, Councilmembers Clark and Harrell, and OED staff met with the RVCDF Board and

recommended the RVCDF conduct an organizational assessment and make corrections to strengthen their core business practices based on that analysis. Specifically, we are recommending the RVCDF initiate a CARS assessment (a respected industry evaluation for community based financial institutions like the RVCDF) by the 2nd quarter. This recommendation follows an assessment of RVCDF's operations conducted by OED staff that revealed several breakdowns. The City and the RVCDF are in ongoing discussions about the timing and approach to a CARS assessment.

Investing in Workers

Aspen Institute case study of Pathways to Careers – On Feb 3rd and 4th, 23 workforce professionals from around the country came to Seattle to undertake a case study of *Pathways to Careers* (P2C) and its Business IT (BIT) program. As part of the Aspen Institute's Sector Academy, participants spend two days studying sector-based strategies like P2C. Their task was to evaluate P2C's BIT program, and determine its efficacy in program design and employer engagement. Six stakeholder groups were independently interviewed, the results discussed by Aspen Academy participants, and recommendations were given. These recommendations will be made available to P2C stakeholders in late March, and will help clarify barriers and opportunities for P2C.

Pathway to Careers – The Seattle Community College's new Business IT pathway developed under the Pathways to Careers partnership with the city is being adopted district-wide and is projected to serve 425 students across all three campuses with full enrollment:

- Foundational class offered at YWCA for low-income/low-skilled students,
- South Seattle CC created a hybrid/online element to be offered at evenings and weekends

The Manufacturing Academy under the Pathways to Careers partnership completed the first cohort of a 14-cred-t certificate in basic manufacturing with 6 of the participants offered jobs. A second 14 credit credential in advanced manufacturing is complete and ready to roll out for participants to continue their training. Key elements include:

- Credit for Prior Learning (many students veterans)
- Contextualized Math and English
- Stackable credentials
- Direct and Advanced Placement

The Manufacturing Academy is scheduled to serve up to 60 students by June, 2013