



City of Seattle
Edward B. Murray, Mayor

Office of Economic Development
Stephen H. Johnson, Director

Memorandum

Date: June 19, 2014

To: Councilmember Sally Clark
Councilmember Tom Rasmussen
Councilmember Kshama Sawant
Councilmember Mike O'Brien

CC: Jesse Gilliam, Legislative Assistant to Councilmember Clark
Brian Surratt, Mayor's Office of Policy and Innovation

From: Steve Johnson, Office of Economic Development

Subject: Office of Economic Development Director's Report

OED 2014 Results by the Numbers (as of 1st Q)

Business Finance Program	<ul style="list-style-type: none">OED and our partners have lent \$3.1 million to 5 businesses, creating and retaining 75 jobs.
Business Retention and Expansion	<ul style="list-style-type: none">81 businesses have been visited by OED staff and our partners.120 businesses were connected with resources or were helped with a permitting or policy issue.
Permitting	<ul style="list-style-type: none">55 film, 83 special events, and 14 farmers' markets were permitted for a total of 152 permits issued.
Employment Outcomes	<ul style="list-style-type: none">1055 individuals received support services.274 students enrolled in training.80 of program participants placed in jobs.57 students completing training.9 individuals receiving Career Bridge services and jobs placement.

Investing in Businesses

New Market Tax Credit (NMTC) Allocation Awarded to Seattle – The US Department of Treasury CDFI announced the 2013 Allocation of NMTCs and the Seattle Investment Fund (SIF) received \$28M to invest directly in highly distressed communities in the City of Seattle. Previous examples of NMTC financing through SIF include Pike Place Rehab, Retail Lockbox rehab of the Urban League building, the Bullitt Center and Stadium Place, and Inscape, the rehab into artist space of the former INS building. SIF was the only Washington based Community Development Entity to receive an allocation in a field of recipients in which almost 50% had national service areas.

Life Sciences Partnership Event – Tina Vlasaty attended an event on 4/23 held at Seattle Children’s Research Institute to roll out a study on public private partnerships in Washington State’s life sciences sector. A panel including Senator Patty Murray, Michael Young and Chris Rivera (both Seattle Economic Development Commissioners), discussed the importance of federal investment and the depth of collaborations between the private sector and Washington’s research universities. The study [Innovation & Impact](#) provides additional detail.

Construction HUB Mitigation – In late April, James Kelly met with the owners of the Fenimore Hotel and Eagle Rock Ventures/Melrose Properties, who lease space to small businesses in the Capital Hill neighborhood. The hotel and Melrose Properties are being impacted by a SCL construction project. SCL has agreed to maintain access to the small businesses with a nonskid steel sheet over excavation. During the construction project, the hotel is asking for a temporary 30 minutes commercial/loading parking zone. SDOT has asked the City Engineer to meet on site to discuss what options are available.

City of Seattle/ WorkSource Business Breakfast – WorkSource of Seattle/King County partnered with OED and OCR to host a [WorkSource Business Breakfast](#) on 4/24 at City Hall to provide training and information Seattle’s sick and safe leave, and Seattle Job Assistance Law. The business attendees were welcomed by Steve Johnson, Director of OED, and Patricia Lally, Director of OCR. 65 businesses were in attendance, and 43 returned feedback forms. Feedback was overwhelmingly positive; 88% indicated they would attend future presentations about this and similar content.

Louisa Hotel – CID – OED explored financing options with the developer of the Louisa Hotel, the property in Chinatown-International District that suffered serious fire damage at the end of 2013. The property owners plan to do a major renovation that will turn the vacant upper floors into affordable housing units. However, the owners decided to put those redevelopment plans on hold for at least four years when they will be in a better financial position to proceed. In the meantime, they plan to do basic stabilization work and get the ground floor commercial space back on line.

High Performance Building Project – The High Performance Building Project deploys an IT-based building management platform designed to create operational efficiencies, decrease energy use, and achieve cost savings. This project is in collaboration with Seattle 2030 District. Two of the pilot buildings have results that meet or beat expectations—(UW Brotman Building achieved average monthly savings of 6% on electricity and 18% on natural gas). Seattle Municipal Tower and Tukwila Boeing Facility will be operational starting late summer. OED is finalizing a grant extension to March 2015 in hopes of attracting 1-2 additional pilot buildings.

South Park Businesses – Lance Randall and DPD’s Bryan Stevens are working with two South Park businesses planning to renovate a building in South Park. The owner of the property made changes without submitting a plan to DPD and is now in danger of being cited for not doing so, which could result in displacing the businesses that currently occupy the facility. Lance and Bryan are working with the property owner to prepare a plan, determine if a change of use permit is required and provide assistance if it is. The goal is to avoid shutting down the two businesses because of non-compliance.

Central Area Business – Lance Randall and Bryan Stevens (DPD) are working with a new restaurant in the Central Area that is being required to install a lift for people with disabilities. The company has purchased the lift, but does not have the funds needed to install it. Lance and Bryan are working with DPD to create a flexible timeline for installation. In the meantime, the restaurant can operate for 60 days until a decision is made advising them of how much time they will be given to install the lift.

Restaurant Reform/Railings Policy – OED, along with staff from SDOT, DPD, OIR and members of the restaurant community met with Chris Marr, of the WA State Liquor Control Board (WSLCB), in late May to discuss the City’s interest in allowing local jurisdictions the flexibility in requiring outdoor barriers at retail food establishments. This is a recurring issue we’ve heard from the restaurant community. If the WSLCB allows local jurisdictions to decide where barriers are appropriate, we believe we can continue to support business opportunities for our restaurants. Mr. Marr was supportive of the idea and another meeting is scheduled for June 10th to discuss the details, process, and a possible timeline for implementation.

Also, as part of the inter-jurisdictional effort to assist business owners in navigating across city, county and state agencies' restaurant permitting processes, OED worked with its partners (State of Washington, King County, and the Washington Restaurant Association) to secure an agreement on service model for restaurants that includes hiring of a Restaurant Liaison at the City's Office of Economic Development to focus on supporting creation and expansion of businesses in Seattle's vibrant food and restaurant industry. OED is in the process of gathering funding commitments that support this service model in order to lift a budget proviso and are looking to send the request to CM Sally Clark this week. Once the proviso is lifted, OED will post for hiring the Restaurant Liaison position.

Furry 5K Special Event Permit – The “Furry 5K Run and Walk”, organized by the Seattle Animal Shelter (FAS) as a fundraising event, has been held in Seattle for 14 years at Seward Park. Earlier this year it was determined by the Special Event Chair that the combination of the size and impact of the event, the nearby Shore Run and Walk on the same date, and the interdepartmental focus on permitting procedure consistency for all special events, necessitates a Special Event Permit in addition to the Parks Use Permit historically issued for the event. Committee Chair Chris Swenson met with representatives from SPD, Parks, and FAS this week and determined that because of lack of specific information about neighborhood and traffic impact from the event, 2014 will be an opportunity for on-site review and post-event debrief and a Special Event Permit will not be required this year. The on-site review and post-event debrief will inform the Committee as to requirements for 2015.

Seattle Hempfest 2014 – Special Event Committee Chair Chris Swenson and City Attorney Peter Holmes met with Seattle Hempfest organizers to discuss options for establishing more control of marijuana use in Myrtle Edwards Park during the 2014 event. Organizers will meet with Special Event Committee members on June 6 to review logistic and safety planning for the 2014 event. The Committee Chair will convene a meeting prior to July 1 with the Mayor and City Department leads to review and establish departmental requirements for the event.

Construction Mitigation – James Kelly is working with SDOT, SPU and the West Seattle Junction Business Association to address sidewalk and alley blockage due to construction that is significantly affecting the businesses in the immediate area. One company laid off five people and can show through two years of financial sales a 75% drop in revenues. To alleviate the construction impact by Anderson and Compass contractors, OED coordinated garbage pickup – preventing the alley from being blocked during trash pickup. OED is also working with Diamond Parking to implement a service called Call-To-Park in the West Seattle Junction. Call-To-Park allows customers to pay for parking using their cell phone or computer, which is linked to a credit card. This system can also be used by merchants to validate parking for their customers. OED and SDOT are working on a proposal to get in front of these types of severe construction related impacts to businesses.

Investing in Seattle's Economic Strengths

South Park – In April the artist team Diane Hansen and Jennifer Wedderman was selected to lead a community design process and develop South Park identifiers and/or way finding artwork that will define the 14th Avenue Business District. The artist team was selected through a Call for Artists and panel review process. This project is supported by a \$150,000 King County grant to the South Park retail core and managed by OED in partnership with Office of Arts. The use of these funds was agreed upon in late February after a year of negotiation with the community. Special Kudos to OACA for stepping in late to help advance this project. The artists have been engaging with community members, business owners, and other artists working in the area to hear their thoughts and ideas about South Park and what they value about the community. They hosted an Open House in May targeting the Latino merchants along 14th. They will be presenting some initial concepts back to the community in mid-June and plan to have something to highlight at the bridge opening ceremony June 29.

Othello Station Façade Improvement Program – A pilot façade improvement program at the Othello station area has been very successful, with all 11 target businesses and two property owners participating and the planning phase completed. The businesses were provided a menu of options for new paint, awnings, and blade signs that will better identify the businesses to pedestrians and those driving along MLK. The businesses have also all agreed to remove the metal grates over the windows and replace it with safety film contributing to a more positive look and feel for the neighborhood. Participating businesses owners are primarily Vietnamese and this project piloted using a Public Outreach and Engagement Liaison, in partnership with DON, to engage business owners. This project is managed by HomeSight and funded by *Only in Seattle* and Community Cornerstones, using fees earned from the New Markets Tax Credit activities of the Seattle investment Fund.

Plate of Nations – The 4th annual Plate of Nations event took place earlier this year, presented by the MLK Business Association (www.plateofnations.com) and supported by *Only in Seattle*. The event was a huge success drawing over 1,500 diners and more than 500 new customers to participating restaurants in the Rainier Valley. 11 restaurants participated in the two-week event and all reported an increase in sales of 5-20%. There was media attention for the event with participating restaurants featured on King 5 and KOMO News along with other promotional listings. Participants enjoyed a variety of international foods, collected passport stickers from restaurants to enter contests, and made donations to the local food bank.

Film Report – 152 film permit applications have been submitted and/or processed to date in 2014. Seven total permits were issued for shoot dates between May 30 and June 6, including six for commercial and/or corporate work, hiring over 210 local cast and crew.

Special Events Report – 300 Special Event Permit applications have been received to date in 2014. 163 of the events have taken place so far. For a complete list of permitted Special Events, please visit the City of Seattle's [Special Events Calendar](#).

Feature Film to Shoot in Seattle This Summer – Washington Filmworks announced in May that funding assistance has been approved for *Captain Fantastic* starring Viggo Mortenson, a feature film that will shoot in the greater Seattle area this summer. The production will begin around July 1, will have an estimated 37 days of production, and will employ approximately 355 Washington resident cast and crew.

State Announces No More Funding Available for Film Production Assistance – Washington Filmworks (WF) announced in May that due to the great demand for the State Film Competitiveness Incentive Program, there is no more funding to allocate to feature films or episodic series for the remainder of 2014. While the incentive program continues to be the best tool that Washington State has to win motion picture business, the program is limited by its annual \$3.5M cap. WF and OFM continue to get calls on a daily basis from directors, producers, studio execs and production executives inquiring about the availability of incentive funds for upcoming projects.

West Seattle Farmers Market Expansion – OED's Chris Swenson and Heidi Hall met with Neighborhood Farmers Market Alliance (NFMA) and SDOT to approve conditions required for the West Seattle Farmers Market to move from a private lot onto California Avenue SW. Because the market is year-round, SDOT will review impacts from closing this arterial street versus the activity and community benefits of the market during off-season months when there are traditionally fewer vendors. The move is supported by the West Seattle Junction Association, which is working together with NFMA to obtain business sign-offs and coordinate community notification.

May Day Debrief – OED coordinated and staffed the EOC to support the business community during May Day. Representatives from DSA, Seattle Metropolitan Chamber, Visit Seattle, Capitol Hill Chamber, as well as Pioneer Square and Chinatown/ID business organizations also participated. Positive feedback included: 1) Appreciated having the Mayor and Police Chief at police briefings; 2) Downtown and Capitol Hill businesses appreciated the real time information and felt informed; and 3) Communications the day before May Day provided good information about potential traffic impacts so downtown businesses and property owners could plan ahead.

Westlake Cycle Track Project—James Kelly is participating in the Westlake Cycle Track Design Advisory Committee (DAC) representing OED. The Westlake Cycle Track Project is working to improve the safety, connectivity and inclusiveness for all modes of travel (pedestrian, bicyclists, motor vehicles, transit and freight) in the Westlake Avenue North right-of-way. James met with Jerry Dinndorf, Seattle District Manager for the Associated General Contractors of Washington (AGCW) to discuss their concern about the proposed cycle track. AGCW represents 37 companies, 300 employees, and a one-hundred slip marina.

Seattle University Center for Innovation & Entrepreneurship – OED and the City’s Business Retention and Expansion partners are working with the Seattle University Center for Innovation & Entrepreneurship on a student shadowing program. Students will be shadowing our business outreach visits to learn techniques on engaging businesses owners and gathering information. This program will prepare students to do outreach visits to businesses in Yesler Terrace in an effort to retain them after major renovations are completed.

Lake City Future First Kickoff – Lake City Future First is receiving an *Only in Seattle* grant to develop an economic development plan for the business district and held it's kickoff event in May. There was a great turnout of business owners and residents who heard about DPD's Urban Design Framework and SDOT's Traffic Safety work in the district as well. To add fun to the event, a local business, Jamtown, led participants in a community drum and percussion circle to close the evening. Lake City Future First has a lot of potential to build its strength and better serve the district.

Business Improvement Area (BIA) Updates

- BIA Quarterly Meeting: OED, FAS and the BIAs met in May to discuss the need and timeline for establishing City BIA Policies and improved BIA program support. The BIAs agreed on the importance of creating policies and expressed initial thoughts on elements to include. OED and FAS will develop draft policies and program improvements by mid-June and work with CBO, the Law Department and Council Central Staff to finalize.
- The new SoDo BIA Interim Ratepayers Advisory Board has agreed to a permanent Board and elected Angi Davis of Nitze Stagen as their President. The Board will propose a budget for the remainder of 2014 and set a community meeting for June to introduce the Board and discuss their budget and work plan. They will also begin a hiring process for an Executive Director to manage the operations of the BIA. Given its unstable beginning, we are excited this new BIA appears to be on the right track. Kudos to Nitze Stagen and Starbucks for their active involvement in establishment of the BIA Ratepayers Board and development of the final workplan.
- The University District BIA proposal is advancing well and we expect to have a legislative package to forward to the Council by the end of summer. This will raise approximately \$1 million in revenues to maintain the commercial district revitalization work initiated under OED’s *Only in Seattle* program.

Pianos in the Parks – Kate Becker and Rachel White met with Parks to discuss the *Pianos in the Parks* art installation campaign. The month long installation will place upright pianos in City and County parks for 30 days in July-August, and is designed as a cooperative community effort to bring music and spontaneous performance to parks while encouraging residents to explore the parks system. The campaign is underwritten by Laird Norton Wealth Management and will be produced by non-profit organizations including the Seattle Symphony, KEXP, the City of Music Initiative, Gage Academy of Art, and local retailer Classic Pianos.

Investing in Workers

Low/Moderate Income Hiring at Thornton Place – Goodwill Industries and Seattle Jobs Initiative presented their workforce training programs to businesses from Thornton Place and the Northgate Community on April 24th. OED worked with Blanton Turner, the onsite property management, to facilitate this meeting with the goal of bringing more low and moderate income hires to the community, as prioritized by the OED’s Section 108 Loan Funds on the project. This partnership, which we hope to expand to other projects, provides businesses with an additional reliable and efficient hiring resource. It also provides job opportunities to individuals seeking to improve their lives. Businesses present included: Regal Cinemas, Target, Watershed Pub, Standard Parking, and Northwest Security.

English Language Steering Committee (ELSC) Ratifies Project Plan – On May 1st the ELSC gave the nod to the draft project design for an innovative project linking job placement and English language learning. OIRA retained national English language learning expert Heide Wrigley (with funding from OED and HSD) to design the project plan. The plan fits the policy framework developed by the ELSC, and will serve those most challenged by language ability. Like the first Career Bridge project (now managed by HSD) this project prepares those hardest to serve for job placement and career development.

Sustainable Building Science Program Launch – Steve Johnson provided congratulatory remarks at the launch of the Seattle College's Sustainable Building Science Technology program. The Building Science program was developed in response to industry demand and is the third Bachelor of Applied Science program offered at the Seattle Colleges, which offers additional options for earning a four-year degree. This program builds from the Pathways to Careers Partnership to improve credential attainment for residents seeking to enter in-demand fields.

Center for Wooden Boats (CWB) Linked to Maritime Talent Pipeline – At CWB's request, OED organized a meeting of maritime workforce education leaders, to help CWB link to existing maritime pipeline efforts. Seattle King County WDC, Seattle Central College, Seattle Youth Employment Program and OED were all in attendance. It was agreed that CWB has a necessary role in helping develop a communication strategy for the maritime industry in Seattle, and provides industry-specific entry pathways for youth to enter this sector. Participants all were excited by partnership possibilities: Seattle Colleges may allow training from CWB to occur at their maritime facility, and Summer Youth Employment Program may offer paid internships through CWB.

Workforce Development Council Support – The Seattle King County WDC formally approved an additional \$50,000 in support of employment and training services for extremely limited English Language Speakers at their Executive Committee meeting in May. Their action is intended to support an approach to employment and training services for this population that grew out of a learning group of experts convened by OED and the Human Services Department. The recommendations of this broader effort in part formalizes some of the innovation's piloted by the WDC's *Literacy Works* program, itself aimed at job placement and career advancement of job seekers with limited English proficiency.

OED attends SHA's Workforce Partnership Meeting – OED has attended a series of meetings convened by Cree Zischke, head of philanthropy in the northwest region for JP Morgan Chase, on behalf of the Seattle Housing Authority and the Seattle Foundation. Chase is interested in investing in programs that accelerate SHA residents into occupations and career paths that enable them to leave public housing, and thereby create space for other economically distressed individuals and families. The effort is strongly aligned with the existing City and Community College strategy to support career advancement of working adults, known as Pathways to Careers. Other partners include the Seattle College District, Seattle-King County Workforce Development Council, and Seattle Jobs Initiative. For its part, OED will be aligning capacity of its business support services, labor market analysis, and training efforts with the Seattle Colleges towards this effort.