



City of Seattle
Edward B. Murray, Mayor

Office of Economic Development
Stephen H. Johnson, Director

Memorandum

Date: December 18, 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

2014 has been a year of transformational change for both the leadership of the city and the makeup of the Office of Economic Development. We are pleased to reflect back on our accomplishments under Mayor Murray's leadership and highlight some anticipated key priorities for our 2015 workplan as summarized below. Attached is a longer list of key accomplishments in 2014.

Accomplishments:

- The **Manufacturing and Maritime Summit** brought together more than 100 industry leaders and prioritized action on establishment of a heavy haul network of truck routes.
- **352 Film permits processed** to date represent a banner year with more major production than the city has seen in over a decade.
- Successful launch of the **Startup Seattle** initiative has resulted in over 175 startups receiving direct assistance and 150 youth introduced to coding and career opportunities in the IT sector.
- The City, County, and State launched **Restaurant Success**, an online portal backed by a real person to provide assistance, to make it easier for restaurateurs to open and expand their restaurants.
- The **Pathways to Careers** partnership is helping connect low-income job seekers to careers in Seattle's industrial economy through the launch of the Industrial Manufacturing Academy and the maritime welding training delivered by South Seattle College and Vigor Industries.
- Receipt of \$28 million in federal **New Markets Tax Credits** and conditional award of up to \$19 million to the new Pac Med health care training facility and the renovation of Washington Hall.

2015 Priorities:

- Review of the special events permitting process
- Expansion of the businesses retention and expansion program through release of the RFP to help small businesses improve their profit margins, particularly ethnic and minority owned enterprises
- Development of a new career pathway in health care targeting the advancement of more than 15,000 home health care workers in King County.

Below is the regular update on OED activities over the last month.

Investing in Businesses

Quarterly New Market Tax Credit (NMTC) Seattle Investment Fund Meeting – On December 2nd, the Seattle Investment Fund held its fourth quarter meeting with the Investment Committee and Advisory Board. The group voted on the following key actions: allocated \$10M in NMTC to the Pacific Tower project (located in Beacon Hill) and up to \$9M to Washington Hall (Central District). Both projects are expected to close by the end of 2014. These NMTC allocations are important for bringing key amenities and services to under invested communities. At the first quarter meeting in 2015, the Investment Committee and Advisory Board will vote on an allocation for NeighborCare's Meridian Center for Health project, which is expected to close by the end of January 2015.

CBAT Process Improvement Workshop – The Citywide Business Advocacy Team (CBAT) sponsored a workshop December 2nd – 4th to improve the City's planned service interruption notification to businesses (electrical and water outages). The goal was to create a single consistent, effective, and coordinated notification and outreach process. Currently, notifications are not coordinated among different service providers, overlap with one another, and have been confusing to customers. The outcome of the workshop included a proposal for a new standard notification to businesses that would have a consistent look and feel across all departments in the City. The workshop included staff from Seattle City Light (SCL), Seattle Public Utilities, Seattle Department of Transportation, Seattle Police Department and the Office of Economic Development (OED). The CBAT team will follow up on the implementation of these recommendations and look for more process improvement opportunities to address.

Investing in Seattle's Economic Strengths

Small Business Saturday / Shop Small - *Only in Seattle* – *Only in Seattle* is a proud supporter of Small Business Saturday (November 29th) and Shop Small. Leading up to Small Business Saturday, *Only in Seattle* connected business district organizations with the Shop Small national campaign to encourage shopping locally starting on Small Business Saturday and throughout the holiday season. Fremont, Pioneer Square, Georgetown, West Seattle, Capitol Hill, Chinatown/ID, and Ballard all participated in Small Business Saturday by hosting events in their district and additional neighborhoods such as, Queen Anne, Rainier Beach, Hillman City, Othello and Columbia City are continuing promotions throughout December. The Seattle Holiday Market, a popup retail shop in Westlake Center launched by American Express, is hosting 10 different small businesses each week for four weeks and OED has been involved in finding locally-owned businesses to participate. OED has been promoting all the Small Business Saturday and Shop Small messages via its OED and *Only in Seattle* communications channels, including promoting the Mayor's Small Business Saturday proclamation, and will continue to promote shopping locally throughout December.

Music Safety Summit – The Office of Film + Music (OFM) has been a lead partner in the development of the Dec. 11th Music Safety Summit. The goal of the summit is to generate honest conversation and discern best practices in the music festival scene, especially the Electronic Dance Music scene. Extraordinary panelists have confirmed including Harborview medical directors, regional promoters, prevention experts, and security professionals. The summit has been by invitation only with a goal of 75 key participants. Over 80 key participants have confirmed including regional and international participants.

Economic Development Commission (EDC) – The EDC met November 19th at UW Startup Hall to advance work on its social mobility initiative: to work with the University of Washington, Seattle Colleges, and others to research and recommend an approach to local financing of Seattle students completing a degree or credential at any college or university in Washington. After hearing primary research on the subject, the Commission supports moving forward and the social mobility workgroup will fine-tune program design elements regarding eligibility, scale, and funding. The social mobility workgroup includes, among others, UW President Michael Young, Seattle Colleges Chancellor Jill Wakefield, and their respective staffs. OED's Nancy Yamamoto leads the work group.

Film Report – 352 film permit applications have been submitted and/or processed to date in 2014. Five film permits were issued for productions filming between November 28 and December 5, hiring over 60 local cast and crew.

Special Events Report – 483 Special Event Permit applications have been received and are in process, with 465 of the events having now occurred. Special Events upcoming in December include Chet Gibson Memorial Boat Parade (12/12, 12/13), Jingle Bell Run (12/14), New Years at the Needle (12/31), and more. For a complete list of permitted Special Events please visit the [Special Events Calendar](#).

Investing in Workers

Seattle Jobs Initiative (SJI) working to expand Federal Supplemental Nutrition Assistance Program (SNAP) – SJI's work to expand the federal SNAP Employment & Training program (known locally as BFET) both in Washington State and nationally increases resources for employment and training and related support services for low-income individuals. Over the past nine years, under SJI's leadership the state's program has grown from having an annual budget of just \$150,000 to one exceeding \$30 million, with a large portion of these dollars going to serve residents of Seattle/King County. New federal legislation passed this year will provide \$200 million to launch SNAP E&T pilots across the U.S. modeled on the success of Washington State's program. Over the past few months, SJI has been working with the state and local partners to develop a proposal for these funds which could result in tens of millions of dollars of additional federal investment to further expand SNAP E&T services across the state.



A LOOK BACK AT SOME OF THE TOP OFFICE OF ECONOMIC DEVELOPMENT STORIES OF 2014

As we get ready to say goodbye to 2014, The OED Digest team took a look back through the stories of the year. These top stories represent a cross section of the work of the Office of Economic Development to invest in and strengthen our local economy, from supporting small businesses, investing in neighborhood business districts, growing our competitive industry sectors that range from film and music to manufacturing and maritime, nurturing our local startups and restaurants, and investing in our local workforce. Enjoy a look back at these highlights from the past 12 months.

FROM CONCRETE BUNKER TO STARTUP HUB

[UW FOSTER SCHOOL OF BUSINESS](#)

February 2014

The University of Washington's Condon Hall will soon become Startup Hall, a home-base for promising early-stage companies and the hub of what's expected to be Seattle's next startup district. Startup Hall was the brainchild of a core committee of UW and entrepreneurial community leaders, including Paul Jenny, Vice Provost of the Office of Planning and Budget, and Chris DeVore, Director of Techstars and Chair of the City of Seattle's [Economic Development Commission](#). This is the first step in what will be a multi-year effort to transform the University District into a thriving entrepreneurial hub.



PUBLIC-PRIVATE PARTNERSHIP GIVES THE JOBLESS NEW SKILLS AND PROSPECTS

[SEATTLE TIMES](#)

February 2014

Although the U.S. is officially out of the recession and Washington state has gained back all the jobs it lost during the recession, there are many people still out of work. Vigor Shipyards and South Seattle Community College have created a maritime welding program to train dislocated workers towards long-term employment. This program has already provided secure annual wages to graduates, and is connected to the [Pathways to Careers](#) initiative led by the Seattle Community College District and OED.



MAYOR ANNOUNCES \$2 MILLION INVESTMENT IN BUSINESS DISTRICTS

[CITY OF SEATTLE](#)

April 2014

Mayor Murray joined neighborhood business district leaders and local business owners in Ballard to announce a \$2 million investment in 18 neighborhood business districts as part of the [Only in Seattle](#) initiative. OED's [Only in Seattle](#) initiative supports investments in neighborhood business districts, and focuses on strategies to create healthy economic development opportunities. "This investment in neighborhood business districts is critical to our city," said Mayor Murray. One of these business districts is [Pioneer Square](#), where 26 new storefronts opened in 2013 (including 15 restaurants).



MAYOR SUPPORTS MARITIME AND MANUFACTURING INDUSTRIES

CITY OF SEATTLE

May 2014

Mayor Murray convened a Maritime and Manufacturing Summit at Harley Marine Services with more than 100 representatives from business, labor, education, and government in attendance. Murray announced the creation of a new heavy haul network of truck routes that will enable permitted vehicles carrying overweight loads to travel on designated routes. "In the Seattle I envision, the manufacturing and maritime industries will continue to play a vital role in the economic and cultural life of this city, providing good jobs and maintaining a strong connection between our past and our future," said Murray.



SEATTLE AMONG BEST CITIES FOR SMALL BUSINESS DEVELOPMENT

PSBJ

May 2014

Seattle is among the top cities for making small-business development a priority and creating an environment that supports small-business growth, according to a new report released by the National League of Cities (NLC). The report cites the Seattle OED's Business Retention and Expansion Program for its efforts to retain and grow early-stage and existing businesses. "This new report ... shows that local leaders are in a unique position to create a small business ecosystem that connects entrepreneurs with city resources, including funding opportunities, streamlined regulations, and technical assistance," said Chris Coleman, NLC's president and mayor of St. Paul, Minnesota.



NEW MARKETS TAX CREDITS FINANCING AVAILABLE

OFFICE OF ECONOMIC DEVELOPMENT

July 2014

OED was awarded the authority to allocate federal New Markets Tax Credits (NMTC) on \$28 million worth of investments. NMTCs attract private investment to important projects benefiting low-income neighborhoods. OED has experience using these tax credits in the successful development of prior commercial and business projects, such as: Stadium Place, Retail Lockbox, Bullitt Center, INSCAPE building, and the Pike Place Market.



HACK THE CD: HISTORY-MAKING HACKATHON AND NEIGHBORHOOD JAM SESSION

STARTUPSEATTLE

September 2014

Garfield High School was the home of Hack the CD, an entrepreneurial jam session with Central District residents, business owners, community organizers, designers, and developers. The event aimed to help spur new and unique business creation through entrepreneurial education, community investment through collaboration, and social innovation through tech mentorship. OED's StartupSeattle was the signature sponsor of the event, featuring Startup Advocate Rebecca Lovell as a co-organizer and mentor.



COMMERCIALIZE-IZED IT!: NIKE, RICHARD SHERMAN TAKE OVER SEATTLE

USA TODAY

September 2014

Nike and ad agency Wieden+Kennedy filmed a group of Seattle Seahawk Richard Sherman national commercials this summer, hiring dozens of local crew and vendors. Sherman has had certain struggles when it comes to talking with the media, and in the recent campaign Nike spoofs his volatile relationship with the press. The Nike spots feature Sherman training in recognizable Seattle destinations such as Gas Works Park and Pioneer Square, and a guest appearance from Ken Griffey Jr. at Lost Lake Café on Capitol Hill. To see more locally filmed commercials, check out OFM's [Latest Work](#) section of [Commercialize Seattle](#).



NEIGHBORHOOD BUSINESSES GROWING FROM COMMUNITY LOAN PILOT

OFFICE OF ECONOMIC DEVELOPMENT

October 2014

Four local businesses launched loan campaigns aimed to help them grow as part of a new partnership between local finance company Community Sourced Capital (CSC) and OED's *Only in Seattle Initiative*. The four businesses are B & O Espresso, Jude's, Plum Bistro, and That Brown Girl Cooks, representing an assortment of food-based ventures, collectively raising up to \$125,000 this month. "Businesses borrowing from their community have high repayment rates. They want to pay back people they know. Its relationship lending, not anonymous lending, and it changes the way people think about their money in their community," says Rachel Maxwell, CEO of Community Sourced Capital.



HELP ARRIVES FOR SEATTLE'S PROSPECTIVE RESTAURATEURS

PSBJ

October 2014

Would-be restaurateurs have long complained about how difficult it is to open for business in Seattle. Now they have an online tool to guide them through the process. Called Restaurant Success, it gives detailed step-by-step advice and instructions for forming a business plan, considering a location, getting fully licensed, building out the space and finally opening for business. It even comes with the availability of a human helper, Jennifer Tam, who has the title of restaurant advocate at OED. At a press conference announcing the website, officials talked about the importance of the restaurant industry in driving the economy by providing jobs and career opportunities. The website aims to become the first step in an ongoing state, county and city effort to streamline the process of opening a restaurant.



EXPERIENCE THE CITY OF MUSIC PROGRAM AT SEA-TAC AIRPORT

SEATTLE CHANNEL

October 2014

The Seattle Channel explores the Experience the City of Music program at Sea-Tac Airport in this City Stream episode. The program's goal is to showcase the Northwest region's diverse music culture and enhance the experience of millions of travelers who pass through the airport each year with live performances and the recent opening of a Sub Pop retail location. The video features appearances by Kate Becker, Director of OFM, Marcus Womack of the Seattle Music Commission, and Megan Jasper, Executive Vice President of Sub Pop. The program is a partnership between the Port of Seattle, OFM, the Seattle Music Commission, and Play Network.

