



City of Seattle  
Edward B. Murray, Mayor

Office of Economic Development  
Brian K. Surratt, Director

## Memorandum

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**Date:** August 20, 2015

**To:** Councilmember John Okamoto  
Councilmember Tom Rasmussen  
Councilmember Kshama Sawant  
Councilmember Mike O'Brien

**CC:** Tanya Kim, Legislative Assistant to Councilmember Okamoto

**From:** Brian Surratt, Office of Economic Development

**Subject:** Office of Economic Development Director's Report

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Thank you for this opportunity to deliver to the Committee the Director's Report for the Office of Economic Development's (OED) recent activities and accomplishments.

I'd also like to thank you for the opportunity to meet with the Committee on August 6<sup>th</sup> to share my ideas, vision and direction for the department. Since I rejoined OED on June 15<sup>th</sup> as its new director, I've continued to work with the leadership team and staff to assess our strengths and identify opportunities for growth and continuous improvement. OED remains committed to supporting an economy that is innovative, inclusive, globally impactful, and opportunity rich. As such, I remain humbled by the dedication and commitment of my team and the quality their work. I'm also excited about several new ideas that are emerging that are centered on innovation, entrepreneurship and storytelling – areas that will continue to help support business innovation and the formation of startups, and work with partners to tell Seattle's economic story. I look forward to sharing more detail in the coming months ahead as we continue to refine our ideas.

In the meantime, here are highlights of our recent work and outcomes:

### **Investing in Businesses**

Pacific Tower Health and Innovation Center: On 8/14 the financing was secured for the rehabilitation of the Pacific Tower Health and Innovation Center. The site will serve as a hub of innovation where a wide range of community organizations and institutions are co-located, providing healthcare services, healthcare workforce development, and advocacy for families with unserved health needs. Seattle Central College will also have a satellite campus on site, housing its Allied Health programs. Other organizations onsite include FareStart and Neighborcare. Financing includes an allocation of \$10million of New Markets Tax Credits provided by the Seattle Investment Fund as well as \$460,000 in operations funding provided by the City of Seattle.

Capitol Hill: OED/OFM, SDOT, SPD with Capitol Hill Housing and the Capitol Hill Chamber of Commerce successfully completed the first night of the four week pedestrian street pilot on Saturday, 8/8. This pilot closes Pike Street to vehicles from Broadway to 12<sup>th</sup> for four Saturday nights in August. We are testing two different concepts through this pilot – the first two nights the street is pedestrian only from 10 pm – 3 am and focused more on providing physical space to facilitate crowd management, and the second two nights the street is closed a little earlier (8 pm- 3am) and incorporates community activations. The community programming

emphasizes the LGBTQ identity and artistic culture in the neighborhood to build community and enhance positive interactions in the streets on busy weekend nights. The pilot continues the next three weeks and there will be a debrief process with businesses, residents, city departments, and other stakeholders in September. SDOT is taking the lead on a robust data collection effort, with Capitol Hill Housing, that will help inform these discussions.

Othello: The On Board Othello coalition completed the installation of an ambitious banner project along MLK at Othello station. This is a community led project that celebrates the multicultural character of the neighborhood and builds upon the O! Hello Othello branding work completed through the Community Cornerstones Initiative. There was a banner dedication ceremony on Saturday 8/15 and the community was very excited to celebrate this achievement and the many cultural communities that are the heart of this neighborhood. Photos of the installed banners are on the [Hello Othello Facebook page](#).

Business Retention and Expansion Activity Report: As of 8/6, OED and its partnering organizations have made contact with 680 Seattle businesses across all sectors with 580 requesting direct assistance. 544 or 93% of the requests have been successfully completed.

Live Life Tours: Lance Randall and Darryl Russell are working with Live Life Tours, a custom tour and travel company owned by Leslie Womack. Leslie is a minority woman who is looking for assistance to improve her marketing strategy and make connections with key leaders in the tourism sector. She also wants to make connections with local corporations to customize travel plans for executives and employees. Darryl is reviewing Leslie's current marketing strategy and materials for improvement to create a strong customer base. Lance is compiling a list of corporate and tourism leaders that Leslie can approach for business opportunities.

Lambo Lab: Lance Randall and Andrew Crowder with the Washington State Department of Commerce met with Dr. Paolo Ferabole and Dr. Bonnie Wade who oversee Lambo Lab. This operation is The Automobili Lamborghini Advanced Composite Structures Laboratory which has been tasked by Lamborghini to develop new carbon fiber technologies and structural concepts, and is the only Lamborghini operated facility in the world located outside its home campus in Sant'Agata Bolognese, Italy. The laboratory also provides support to other companies in the development of carbon fiber products utilizing Forged Composite® technology, which include high-end sporting and consumer goods (such as bicycles, luggage, shoes, electronics, and sunglasses). Dr. Paolo is interested in meeting local companies who would like to use the laboratory to develop products made out of carbon fiber. Lance is arranging for Dr. Paolo to become a member of Seattle Made and is working with Dr. Wade to set up a tour of the laboratory for some local manufacturers who may be interested in the concept.

Sterling Mobile Salon and Barber Company: Sterling Mobile Salon and Barber Company, a San Diego based mobile full-service salon, has chosen Seattle as its second location. Lance Randall and Karl Stickel are working with Michella Chiu, the Public Relations Manager; on establishing a presence in the City by helping them understand and navigate to permitting process for a mobile business, and getting them connected to local corporations that may be good candidates to market the service. The first of four mobile units will arrive in Seattle by the end of August, and the company is will do a demonstration in September. Each unit will hire four local stylists resulting in 16 new jobs for the City.

Sound Transit Northgate Business Displacement: A.J. Cari, James Kelly and Lance Randall are working with Hunter Manson and Brad Thomas, to assist 13 businesses that are being displaced by Sound Transit's Northgate construction project. The goal is to help these businesses stay in Seattle by offering them assistance with financing for tenant improvements and technical assistance with marketing to let customers know where they will be located. We received a list of businesses that have been impacted and visited each one of them on 8/6, to find out what they need. All of the businesses are schedule to be moved by the end of August.

Business Impacted by Pioneer Square Construction: On 7/27 KOMO TV news aired a story about the project to replace a 110 year old water main in the Pioneer Square neighborhood, and how the construction is impacting the businesses. Cindi Raykovich, owner of Sound Sports, was interviewed by KOMO and stated that she received notification about the project through the mail, but claimed no one from the City had come

out to visit her business. She also stated that she has been in business for 19 years in Seattle, and this project is impacting her business so dramatically that she is thinking about relocating outside of the City limits. In response to the interview, on 7/28 James Kelly met with Cindi and her husband Ben at their facility. The business owners were appreciative that James took time to visit them and advised him of two specific issues they wanted addressed: 1) dust and debris that is being generated by the jack hammering; and 2) more distinctive parking signs that indicate when parking is available. James is now working with SPU and SDOT on the issues, and will keep in contact with the business owners as they look to address their concerns.

CDL Recycle: OED, OSE, and DPD continue to support CDL Recycle as they move forward with plans to improve their facility in Georgetown. OED joined CDL in a resubmittal meeting with DPD on 7/22 to identify permitting issues regarding a new building that will enclose their operations. CDL is on track to submit an application for their building permit on 7/31. DPD will expedite review of the permit application.

### **Investing in Seattle's Economic Strengths**

Eastern Washington Study Mission: From 8/6-8/7, Startup Advocate Rebecca Lovell participated in a series of business visits to Eastern Washington, hosted by the Greater Seattle Chamber of Commerce and the Puget Sound Regional Council. From Moses Lake to Spokane to Pullman, the group visited educational institutions (high school and WSU campuses), manufacturing and engineering facilities, and the set of SyFy's hit show Z Nation – filmed entirely in Spokane.

Community Capital Development: One of our partners, Community Capital Development (CCD), is in the midst of a staffing transition and potential changes to their mission. In June the Board voted not to sign new contracts or renew existing ones. They will honor existing contracts until the end of this year. OED has a contract with CCD to provide Microenterprise Training and Technical Assistance, but since CCD is transitioning and not renewing contracts they will no longer provide Technical Assistance Training beyond 2015. The Board also voted to review its options: 1) Continue to operate as a lending program only; 2) Partner with another organization to continue to operate as a lending program only; 3) Be acquired/assumed by another organization or 4) Sell the Building. A decision regarding these options is pending. Effective 10/1, Amanda Putnam will be the new Executive Director. Alice Davis, current Executive Director will remain as a consultant.

Central Area Only in Seattle Initiative: The effort to co-create an economic development plan for the Central Area moved forward on 8/6 by convening various business leaders from local institutions such as the Urban League, Centerstone, Seattle University, NAACP, Catholic Housing Services, the Central Area Chamber of Commerce and a myriad of small business owners. Participants worked together to agree on and refine seven strategies, goals and measures of success for commercial vibrancy. Leaders from institutions have stepped up to own elements of the plan and the idea of forming a collaborative has surfaced as an operating model that will best serve the community and coordinate the implementation phase of the plan. We will continue to engage with stakeholders through the summer, leading up to the *Only in Seattle* Initiative RFP in October, to unify a collaborative organization that will begin to implement elements of the economic development plan.

Startup Tech Tour: Furthering our goal of connecting under-served students to hands-on entrepreneurial experiences, on 8/5 Startup Seattle organized a tour of local tech startup Moz for the youth interns of the Umoja Peace Center. These students of color engaged with engineers of color, asking wide-ranging questions from career path to company culture. Relatable role models play a key role in expanding opportunities for under-represented communities in the tech sector. Two more tours are scheduled for this summer, connecting young women with women engineers.

OED Trains Partners in Executive Pulse: Friday 7/24, OED trained Community College partners and staff from SkillUp Washington in OED's Customer Relations Management (CRM) tool – Executive Pulse. These partners made the request to determine if this CRM can help the colleges and their workforce partners coordinate business outreach more efficiently. A follow-up is scheduled for October to determine the efficacy of this approach.

International Interest in Startup Seattle: The Startup Seattle program continues to gain international visibility, as community, business, and government leaders from Japan, Korea, and Chile requested meetings with Startup Advocate Rebecca Lovell. On 7/22, Lovell met with members of the Japan-America council and

NEDO, and along with Carlton Vann, OIR; met with the President of South Korea's Science and Technology Policy Institute (STEPI), to discuss the Seattle startup ecosystem and the City's role in supporting it. A meeting with the Chilean embassy is scheduled for 10/21.

South Park: The South Park Retail Merchants Association partnered with Ventures (through OED) to organize a marketing workshop on 7/20 for small Latino business owners in South Park. The workshop was successful, with ten business owners participating and expressing they got value from attending. The workshop was conducted in Spanish with Uma Communications. Following this workshop, interested businesses will have the opportunity to work individually with the marketing consultant to implement key pieces of a marketing plan for their business. This business support is an important piece of their *Only in Seattle* grant.

Restaurant Success: On 7/17 OED's Restaurant Advocate, Jennifer Tam, attended a Small Biz Triage workshop focused on helping food businesses. This was an opportunity to outreach to small food businesses and connect with service providers who serve food businesses. Through this workshop, Jennifer met a startup mobile food vendor and was able to connect her to resources for her mobile food business. Also, at this workshop, when asked what newsletters people like to read and find helpful, one attendee shared that she enjoyed reading the OED Digest and found it very helpful to get a pulse on what's happening in the city.

### Film, Music & Special Events

Film Report: 266 film permit applications have been submitted and/or processed to date in 2015. Seven total permits were issued for shoot dates between 8/7 and 8/14, including four for commercial and/or corporate work, hiring over 90 local cast and crew.

Special Events Report: 427 Special Event Permit applications have been received and are in process for 2015, with 309 of the events having now occurred. Special Events upcoming in August include Sunset Supper at the Market (8/14), Hempfest (8/14-8/16), Seattle Street Food Festival (8/14-8/15), Celebrate Little Saigon (8/22), and more. For a complete list of permitted Special Events please visit the [Special Events Calendar](#).

Special Events Ordinance: OED presented its proposed special events ordinance to CHAHSER on 8/6 after a series of one-on-one meetings with Councilmembers or their aides (CMs Okamoto, O'Brien, Burgess, Bagshaw, Godden, Harrell, and Licata aide Frank Video). Following up on CM Okamoto's suggestion from the 8/6 CHAHSER, on 8/13, Chris Swenson, Michael McVicker, and Kate Becker met with those who raised concerns during the public comment period to compile their specific ideas for amendments to the special events ordinance. OED is working with Central Staff's Mark Baird to prepare for a discussion of potential amendments during the 8/20 CHAHSER.

National Mercedes Commercial Chooses Seattle as Location: OFM is working with a national production company, Whitelabel, regarding a high-budget, high-impact Mercedes car commercial filming in Seattle. The commercial was filmed at various locations on Capitol Hill on Saturday and Sunday, August 8-9, including on 10<sup>th</sup> Avenue between Pike and Pine. Earlier in the week, the commercial filmed on the SR99 Viaduct and in Downtown Seattle. Kate Becker and Sam Mouser worked closely with Elliott Bay Bookstore's owner and manager to address their impact and business interruption concerns to ensure that both the commercial and the bookstore are able to do their business on 10<sup>th</sup> Avenue during the film shoot.

South Lake Union Seattle Street Food Festival Business Impact Mitigation: Special Event Chair Chris Swenson worked with event organizer Ryan Reiter (Piranha Blonde), Danah Abarr (SLU Chamber of Commerce), and Richard Stead (Banya 5) to address impacts to Banya 5 from the August 14-15 Seattle Street Food Festival. Organizers are required to interact with and accommodate needs of affected businesses and residents prior to being issued a Special Event Permit for activity. The event organizer and Banya 5 are working together directly to establish access and operating hours for the business during the event.

Entertainment Software Association Visit: On 8/2, OFM Director Kate Becker met with national representatives of the Entertainment Software Association. They were concerned that the Motion Picture Competitiveness Program expansion did not get approved by the Legislature this year. As representatives of the videogame industry, they want the film industry to grow here, as the two industries are inter-connected.

The Capitol Hill Block Party Speaker Series: For the second year, a music industry panel series kicked off Capitol Hill Block Party on 7/24 at Elliott Bay Bookstore. Northwest music professionals and content creators convened for a day-long series of panel discussions. OFM Creative Industries Advocate, Mikhael Mei Williams, was a featured panelist on 'The Future of Seattle Music' alongside Andrew Joslyn (composer/arranger), Eli Anderson (Talent Buyers, Neumos/CHBP), and Patty Isacson Sabee (CEO, EMP Museum/Seattle Music Commissioner) and was moderated by Larry Mizell Jr. (KEXP/The Stranger). Other panel topics included 'Integrated Marketing for Independent Musicians' and 'Gender Equality in Music' which featured Seattle Music Commissioner Hollis Wong-Wear.

### **Investing in Seattle's Workers**

100,000 Youth Opportunity Initiative: Brian Surratt attended the national launch of the *100,000 Youth Opportunity Initiative* in Chicago. The initiative is led by Starbucks with the expressed goal of increasing employer commitment to hiring "opportunity" youth (ages 16-24) and hiring 100,000 youth over the next three years. 29 corporations were part of the launch; including several Seattle based companies such as Nordstrom, Porch.com, and Microsoft. Seattle and Phoenix are the next two cities targeted for the Initiative. Other partners include the Aspen Institute and LeadersUp (a national program focused on helping youth prepare for job opportunities). Starbucks and Aspen are very interested in coordinating with the Mayor's Youth Employment Initiative and over the course of the next two months, we will work with these partners and others to determine how best to roll the Initiative out in Seattle.

Airport University Tour: On 8/3, OED toured Port Jobs' new Airport University at SeaTac airport. The Airport Jobs program is newly expanded under funding from Alaska Airlines. Due to this program's popularity with Airport employers, they have a designated classroom for the first time. Entry-level employees of the Airport can access college-credit courses at work, during lunch, evenings, or other times amenable to their work schedules, and learn English, customer service, and the basics of logistics management. OED has long supported Port Jobs, and aligns our investments with Port Jobs' programming to ensure they are connected to career pathways that provide employer driven education options to entry-level workers.

Tour of Seattle Muses, New Training Program for Immigrants and Refugees: Through our business outreach services, OED provided information and connections to [Seattle Muses](#) – an apparel design and manufacturing company that exclusively employs and trains immigrant and refugees. Since then, Muses has increased their capacity considerably, supplying local manufacturers like Filson and Outdoor Research with skilled workers. As the fashion industry looks for options for better working conditions, and more customized apparel designs, this industry is seeing some growth locally through 'on-shoring,' and Muses is developing a talent pipeline to meet the demand. On 8/5, OED introduced Muses Director Sandrine Espie to Ready to Work Manager Glenn Davis to provide potential next step for graduates of Ready to Work.

State Board of Community and Technical Colleges Discusses Demographic Shifts in Students: OED workforce staff attended a lunch briefing on 7/15 hosted by SkillUp Washington featuring Jan Yoshiwara, Deputy Executive Director of Education, State Board of Community and Technical Colleges (SBCTC). The presentation focused on large demographic trends projected out to 2030; the long range implications for community and technical colleges across Washington State; revision of recruitment, enrollment and completion strategies; program design and delivery; and employer relations. Developing new education delivery for low-income working adults figures prominently in future SBCTC planning and is well aligned with the City's goals of stronger alignment with Seattle Colleges to ensure low-skilled Seattle adults have the skills to access high demand jobs locally.

Pre-Apprenticeship Construction Training (PACT) Certified by the Washington State Apprenticeship and Training Council: On 7/16 Pastor Willis, instructor at the PACT program, invited 19 African American students, as well as apprentices who were graduates of PACT, to join him at the Apprenticeship Council meeting in Olympia. Also in attendance were Chancellor Jill Wakefield and Vice Chancellor Malcolm Grothe of Seattle Colleges. The Councilmembers voted unanimously in favor of certifying PACT as a pre-apprenticeship program. OED is now researching how this decision will impact hiring PACT graduates for City's public works projects under the Local Hiring ordinance.

**OED Look Ahead**

- Aug 26 - Film + Music + Interactive Happy Hour and professional development session at the Spitfire
- September 1 – Career Bridge Graduation Event
- September 11 – Washington Global Health Alliance (WGHA) 2015 Global Health Landscape Analysis launch event
- September 28 – Seattle Chamber’s 133<sup>rd</sup> Annual Meeting
- September 30 – Film + Music + Interactive Happy Hour and professional development session at the Spitfire
- October 19 – Seattle Jobs Initiative (SJI) Annual Conference: Illuminating Pathways to Self-Sufficiency
- October 21 – 23 – Seattle Chamber’s Regional Leadership Conference
- October 28 – Film + Music + Interactive Happy Hour and professional development session at the Spitfire