



City of Seattle
Edward B. Murray, Mayor

Office of Economic Development
Stephen H. Johnson, Director

Memorandum

Date: April 17, 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

By the Numbers: [The Economic Case for Welcoming Immigrant Entrepreneurs](#)

The Ewing Marion Kauffman Foundation recently issued a report advocating for immigration policies that encourage "entrepreneurial immigration" to boost economic growth and create jobs. The general concept is for the federal government to authorize a "startup visa" that would allow entry to immigrant entrepreneurs to start businesses in the United States after satisfying certain funding, employment, or other requirements. U.S. Senate Bill 744, *the Border Security, Economic Opportunity, and Immigration Modernization Act* sponsored by New York Senator Charles Schumer includes provisions to establish such a program.

In an earlier report, the Kauffman Foundation found that between 1980 and 2005 virtually all net new jobs created in the U.S. – or approximately 40 million – were created by firms that were five years old or less. Their recent report highlights the significant contribution of immigrant entrepreneurs to this reality.

- Company Formation
 - Immigrants were almost [twice as likely](#) to start businesses in 2012 as native-born Americans.
 - [27.1 percent](#) of new entrepreneurs in 2012 were immigrants, which is up from 13.7 percent in 1996.
 - About [one-quarter](#) of the engineering and technology companies started in the United States from 2006 – 2012 had at least one key founder who was an immigrant.
- Economic Impact
 - Immigrant founded engineering and technology firms employed approximately [560,000 workers](#) and generated \$63 billion in sales in 2012.
 - [24 of the top 50](#) venture-backed companies in America in 2011 had at least one foreign-born founder.
 - Immigrant founders from top venture-backed firms have created an average of approximately [150 jobs](#) per company in the United States.

Investing in Businesses

Only in Seattle community/press event – On April 1, OED hosted a great event with 75 leaders from neighborhood business districts from around the city celebrating the *Only in Seattle* funding awards for this year – over \$2 million in 18 neighborhoods. Media coverage included the [Puget Sound Business Journal](#), [Ballard News Tribune](#), Seattle Channel, and we expect more coverage in the coming weeks in local neighborhood blogs and through the neighborhood chamber of commerce' communications channels. Thanks to DPD, SDOT, DON and Arts & Culture for their support and partnership.

Chinatown/International District Fire Victims – Governor Inslee submitted a request to the U.S. Small Business Administration, to declare an economic disaster for the Chinatown International District due to the fire. The request certified that at least five small businesses suffered substantial economic injury and need financial assistance. The SBA has accepted, and businesses are now eligible for financial assistance through the Federal Government. OED's Lance Randall worked with the State to assist the fire victims with filling out applications for the program.

Regional Green Business Program – OED is leading the regional, multi-department working group developing a new Regional Green Business Program to deliver streamlined, accessible green services and recognize the business community in the Puget Sound area. A major step forward occurred April 3rd when partner departments and jurisdictions pooled \$100,000 in existing resources to fund and staff program development in 2014 – contributors include Bellevue, Kirkland, King County, OED, OSE and SPU. OED is drafting an MOA for all partners and preparing future briefs/presentations for the Mayor's Office and City Council committees.

Sweatbox Yoga – Sweatbox Yoga has had a number of recent interactions with the City, mostly related to the remarkable amount of public and private construction, and construction impacts, occurring in Capitol Hill. Most recently, the owner was given a four-day notice for water shut-down. Due to the emergency nature of many water issues, SPU's policy is to provide at least a 48 hour notice of a shut-down. Given the amount of disruption the Sweatbox has endured, the Citywide Business Advocacy Team (CBAT) engaged to provide an extra level of customer service, and to work with SPU to reschedule the shut-town to a time that worked better for Sweatbox and other impacted businesses. CBAT members Mike Brennan and Roque Deherrera worked with SPU crews to reschedule the shut-down and all parties are happy.

Neighbours Night Club Arson Update – Neighbours has been in business for more than 30 years on Capitol Hill. The club was a victim of an arson fire on New Year's Eve and is now in the process of having their floors redone due to the fire. Neighbours has also endured the impact of nearby street car construction. In preparation for a special event they were hosting, Neighbours asked for as much of the construction barriers as possible to be removed to improve mobility and aesthetics. The Construction HUB team, including SDOT and OED, responded and was able to remove the barriers and clean up the entryway to the establishment. Not only was the owner pleased but OED and SDOT are learning how to strengthen collaboration through ACCESS SEATTLE, nascent interdepartmental efforts to mitigate construction impacts.

Regional Contracting Forum – The Office of Economic Development was represented by James Kelly at the 12th Annual Regional Contracting Forum (RCF) on 3/26. The RCF brought together representatives from cities, counties, port authorities, state and federal agencies to network with contractors, consultants, and suppliers.

SoDo Business Improvement Area Update – The SoDo business improvement area (BIA) met on 3/26 to vote on a permanent board and to discuss their 2014 work plan and budget. Key agenda items included: public safety, graffiti and garbage issues, and parking issues such as changes to parking zones. Per the SoDo BIA ordinance, the Manufacturing Industrial Council (MIC) has proposed three members to serve on the SoDo BIA Ratepayers Advisory Board. The Board is taking the names under consideration is expected to make a decision on MIC representation soon. The meeting was attended by approximately 40-50 SoDo property and business owners and OED staff.

Investing in Seattle's Economic Strengths

Only in Seattle (OIS) City Infrastructure – Kudos to SDOT – One of the largest OIS infrastructure grants this year is already nearing completion. First Hill requested repair of two sidewalks on Madison and, thanks to quick action by SDOT, they were added to existing contracts and done in a matter of weeks. First Hill will also receive design of a third sidewalk as part of their grant. From the request in the fall to final completion in six months, this project is setting a record for responsiveness.

High Performance Building Project – OED and SCL, via funding from the Puget Sound Regional Council, manage a joint project with the 2030 District, Microsoft, and Accenture that tests and deploys Accenture's "Smart Buildings Solutions" platform, an IT-based energy management platform designed to create operational efficiencies by analyzing a building's energy system. On March 31st, Accenture began fine-tuning their data collection on the Seattle Municipal Tower, one of four pilot buildings, which was brought online after significant work completed by DoIT, SCL, and CBRE building management. The US Department of Energy, the primary funder of the project through a \$300,000 grant to the PSRC, is impressed with progress to date and the National League of Cities has asked OED for help in featuring the project at their annual conference in November.

Yesler Terrace Redevelopment Meeting – OED attended a Yesler Terrace redevelopment meeting including institutions and funders to discuss the potential opportunities to partner around the neighborhood's transformation. The Seattle Housing Authority and the Seattle Foundation are exploring the formation of a "Yesler Terrace Collaborative" to bring parties together to create a road map for achieving a "comprehensive, coordinated, district-wide vision that is synergistic with the broader community." OED's involvement is related to its expertise in career advancement for low skilled job-seekers and the alignment of our *Only in Seattle* investments in the neighborhood commercial districts encompassing Yesler Terrace.

OFM Coordinates Montlake Bridge Closure for Commercial Film Shoot – On Sunday 3/30, Seattle hosted New York production company [O Positive Film's](#) commercial film shoot for client [Humana Healthcare](#). After a nation-wide search for bridges, the production selected Montlake Bridge because of its look and the City's ability to grant permission for the closure. Office of Film + Music coordinated permissions from WSDOT, SDOT, and SPD to film on the bridge, which was closed from 5:00 am to 9:00 am for the production. OFM Director Kate Becker visited the set and met with production and agency key staff. OFM coordinated media releases for the closure with SDOT. The O Positive Film production is an example of the high wage film work attracted by the City's [Commercialize Seattle](#) initiative.

Musicians Priority Load Zones – City of Music – The joint Office of Film + Music (OFM) and SDOT press release about "Musicians Priority Loading Zones Come to Seattle" got a lot of great press both locally, nationally ([Oregon](#), [Boston](#), [New Haven](#)), and even in [Toronto](#), Canada. Highlights of the local coverage include [KING 5](#), [My Northwest](#), [KOMO](#), [KCPQ](#), [Digital Music News](#), [Seattle Weekly](#) and [the Stand](#). Five music venues have been selected to pilot the program and have nearby load and unload zones modified. The zones prioritize musician's use through branded signs. They include a yellow regulatory sign and City of Music™ branded 'Priority Musicians Loading & Unloading' sign. The load zone signs project has come together with great partnership with SDOT, OFM, the Seattle Music Commission and Fair Trade Music Seattle.

Only in Seattle Retail Attraction Training

The *Only in Seattle* Initiative held a free, full-day seminar on "Commercial District Revitalization that Leads to Business Attraction" for neighborhood business districts. Larisa Ortiz Associates, a consulting firm specializing in commercial revitalization projects in challenging retail environments, provided market data for each participating district and taught participants where to focus their efforts and how to develop a retail attraction strategy. There were over 30 people from 15 districts present and all found the training valuable.

Seattle Metropolitan Chamber Event focused on Music Business – The Chamber has been a great partner with the Music Commission and the *City of Music* initiative, and held a networking event around the business of music at the Lively Lounge on 3/20. Kate Becker was the primary speaker. About 200 people turned out to talk about music connections and support with the Chamber constituency. The Chamber has been great about raising the profile of local music to their business audience by incorporating live music at their events, from small events to their annual meeting.

Pioneer Square is the New Dining Destination – The Puget Sound Business Journal’s article “Is Pioneer Square Seattle’s New Dining District?” highlights the success of the Alliance for Pioneer Square’s business attraction strategy funded by *Only in Seattle*. Bringing in new restaurants was the first step in the Alliance’s plan to revitalize the district and fill vacant storefronts. The speed of Pioneer Square’s turnaround, especially in light of all the construction pressures, can’t be underestimated.

Film and Music Happy Hour – The OFM Happy Hour at Spitfire on 3/26 was a big success with about 200 participants. While Kate Becker has attended these happy hours many times over the past few years, this was the first one she hosted. The artist presentation was by a hip hop artist named Sol who had a fascinating presentation on how he built his fan base via social media, gave away his music for two years and when he produced his first album for sale, he debuted at #1 on the iTunes hip hop charts.

Film Report – 81 film permit applications have been submitted and/or processed to date in 2014. Five permits were issued for shoot dates between March 28 and April 4, including two for commercial and/or corporate work, hiring over 100 local cast and crew.

Special Events Report – 180 Special Event Permit applications have been received and are in process, with 92 of the events having now occurred. Special Events upcoming in April include UW Husky Open Regatta (4/5), Bell Street Park Opening (4/12), Walk MS (4/13), Earth Day Run (4/19), and more. For a complete list of permitted Special Events, please visit the City of Seattle’s [Special Events Calendar](#).

Update on West Duwamish Trail – SDOT resolved a design conflict regarding a portion of the trail planned through the South Park Industrial Area. Industrial firms in the area were accepting of the trail and grateful for its associated drainage improvements. However, relevant objections were raised regarding the design (e.g., curb height, landscaping, trail width, etc.) of the proposed trail and its impact on parking and freight movement. SDOT, in consultation with Andrew Glass Hastings and Roque Deherrera, responded by developing a design alternative that reduces the width, remains safe for all modes, and is reflective of the industrial nature of the area. It’s likely this win-win will inform the design of future bike/pedestrian projects proposed in or near industrial areas. Kudos to Goran and his team for balancing the competing needs of freight, pedestrians, and cyclists.

Investing in Workers

Seattle Paid Sick/Safe Leave and Seattle Job Assistance Business Breakfast – On 4/24 from 7:30 a.m. to 9:30 a.m. OED, WorkSource and the Office of Civil Rights will host a business breakfast at the International District Community Center. The focus is Seattle Paid Sick/Safe Leave and Seattle Job Assistance (background checks). OCR’s Karina Bull will present the intricacies of these new ordinances. The event is free and 44 businesses have signed up to date. OED very much appreciates the collaborative relationship with OCR on business outreach, and is promoting the event through its communications channels.

Pathways to Careers’ Industrial Manufacturing Academy wins prestigious award – The Industrial Manufacturing Academy (IMA), born out of a partnership between OED, Industry, and the Seattle Community College District, was just awarded the Exemplary Program for 2014 from the national Council on Workforce Education. Award recipients from across the country are chosen based on five application criteria: executive summary, description of partnerships and collaborations, potential economic impact, program results, and replication. The IMA was developed with the help of OED *Pathways to Careers* funding in 2012, and since then has placed approximately 90% of their graduates (at an 85% completion rate) into manufacturing jobs in the region. The IMA typically targets low-income and or unemployed populations, and veterans.

Thornton Place Hiring Partnership – OED is working with Thornton Place property management to develop a partnership between Goodwill Industries, Seattle Jobs Initiative and Thornton Place retailers to promote hiring of low/moderate income individuals. Goodwill and SJI serve as an ongoing referral source, creating an efficient hiring process for the businesses and providing job placement for individuals who are seeking to improve their lives. Of the 13 businesses onsite, Regal Cinemas and UW Medical Clinic have made commitments to participate. As two of the largest employers alone, they can generate up to 60 jobs for low/moderate income individuals annually.

Pathways to Career Campaign Development – The Pathways to Careers Communications Campaign is designed to chart out a strategy to create stronger alignment, coordination, greater business awareness and support for our work to increase skill attainment for low-income, low-skilled residents. A panel from OED, SkillUp Washington, Seattle Jobs Initiative and the Seattle Community College District has selected Pyramid Communications to help guide the development of a communications/campaign framework in partnership with a multi-stakeholder planning and leadership group.

Aspen Institute Seattle Forum – The Aspen Institute's Working in America series is a discussion series that highlights an array of critical employment and job quality issues affecting low and moderate-income American workers. This series brings to the forefront relevant ideas and policies that can work to improve the economy and jobs. Aspen is interested in bringing the series to Seattle later this spring/early summer to focus on how we improve the returns of work (increasing minimum wage, improving child-care access/affordability, improving business practices, etc.).

Grant Funds Youth to attend Pathways to Careers' Manufacturing Academy – The National Fund for Workforce Solutions awarded OED partner SkillUp Washington a grant to support a Youth Industry Partnership Initiative (YIPI). Letters of support were provided by South Seattle College, Seattle College District, the Puget Sound Education Service District, King County Employment and Education Resources, the City of Seattle's Youth Violence Prevention Initiative (SYVPI), United Way, the Road Map Project, and the WA State Board of Community and Technical Colleges. YIPI outlined a strategy for engaging youth through an on-ramp to South Seattle College's Industrial Manufacturing Academy, a program institutionalized through OED's Pathways to Careers. OED orchestrated the linkage with SYVPI and the other partners.

English Learners Steering Committee Update – The English Learner Steering Committee met for the third time on 3/12 and completed their original goal of outlining a model to improve the efficacy of employment and training programs for English language learners. The Steering Committee voted to continue their work in a new capacity, shifting from policy to a more operational role. As such, a sub-committee was formed to address project design and implementation. At the next Steering Committee, members will hear from programs that attempt to meet the requirements of the policy framework, and will begin the process of designing proposals that increase the number of low-level English language learners who are able to succeed at employment and training.

Seattle to give input to National Policy Advisors on Immigrant and Refugee Services – OED, HSD, OIRA, and One America will be cohosting a consultation with national policy advisors regarding immigrant and refugee services on 3/20. Seattle was asked to participate based on the good work Seattle is doing with the English Learner Steering Committee (ELSC). One America is working with the Migration Policy Institute's (MPI) National Center on Immigrant Integration Policy to host consultation sessions that will identify specific concerns and recommendations related to meeting the needs of immigrants and refugees. The work will be presented to the US Department of Education's Office of Career, Technical and Adult Education (OCTAE) and the Obama Administration as they prepare to release their new plan later in the spring.

OED Attends Third Pre-K for all Workforce Development Workgroup – 3/24 was the 3rd workgroup meeting, and our first look at the draft recommendations. The initiative calls for training Pre-K professionals to the bachelor's level. Most of the existing workforce for this initiative would most likely access their training through the community college system. The fact that community college credits do not readily transfer to universities remains an ongoing concern of OED.