



**City of Seattle**  
Office of Economic Development

**Memo**

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**Date:** March 14, 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

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**The Economy by the Numbers: America's New Immigrant Entrepreneurs: Then and Now**

The Kauffman Foundation examined a random sample of 1,882 out of a total of 107,819 engineering and technology companies founded between the years 2006 and 2012. Their premise is that immigrant founded start-up companies in this field are an important source of fuel for the U.S. economy and they wanted to understand any changes in the overall picture before and after the recession. Their conclusion was that growth rate of immigrant owned tech start-ups has peaked and is on the verge of decline in the U.S., as summarized by these key findings:

- Nationwide the percentage of immigrant startups dropped from 25.3% in 2006 to 24.3% in 2012.
- In the Silicon Valley, the percentage dropped from 52.4% to 43.9% during that same period
- The percent of immigrant tech startups grew in India (26% to 32%) and China (6.9% to 8.1%) from 2006 to 2012
- The States with the highest percentage of immigrant-founded firms were California at 31%, Massachusetts at 9%, Texas and Florida at 6%, and New York and New Jersey at 5 %
- Washington State ranked 7<sup>th</sup> in the percentage of immigrant-founded firms (5%) and is the only state to show an increase in the overall percentage of immigrant-founded tech firms from 2007 to 2012, from 11.3% to 28.6%
- Nationwide in 2012, immigrant-founded companies employed 560,000 workers and generated \$62 billion in sales.
- Immigrant founders are most likely to start companies in innovation/manufacturing related services (45%) and software (22%)

The address below links to the full study results:

<http://www.kauffman.org/newsroom/immigrant-entrepreneurship-has-stalled-for-the-first-time-in-decades-kauffman-foundation-study-shows.aspx>

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

<b>Loans</b>	<ul style="list-style-type: none"> <li>• Announcement of new allocations for New Markets Tax Credits in late spring.</li> <li>• \$1 million 108 loan for 12<sup>th</sup> Avenue Arts closed in January, ground breaking later this month.</li> </ul>
<b>Company visits</b>	<ul style="list-style-type: none"> <li>• <b>91</b> companies have been visited by OED staff and our partners</li> <li>• Targeting 500 business visits in 2013.</li> </ul>
<b>Permits Issued</b>	<ul style="list-style-type: none"> <li>• <b>56</b> film permits and 36 special events permits for a total of <b>92</b> permits issued.</li> <li>• Targeting the issuance of xxx permits in 2013.</li> </ul>
<b>Businesses assisted</b>	<ul style="list-style-type: none"> <li>• <b>44</b> businesses were connected with resources or were helped with a permitting or policy issue.</li> <li>• Targeting 250 businesses to be connected with resources in 2013.</li> </ul>

*Visible Brands* – a digital coupon company based in Redmond, is looking to relocate its operations and 25 employees to Seattle. The company is looking for assistance in finding 8,000 square foot of office space and 5,000 square foot of warehouse showcase space. They are also interested in any tax incentives that may be available and for public relations assistance once they have relocated to Seattle. We are currently working with them to meet there requests.

*Field Roast* – a vegan meat processor needs to relocate and has identified a suitable building in Seattle for their operations. The company, along with its 40 employees, currently occupies a 14,000 square foot facility in the Central District. The new facility is approximately 30,000 square feet and is located in Georgetown. The President of the company has submitted an offer to the property owner and needs some assistance from the city with street improvements in order to close the deal. OED is working with SDOT to see what, if anything, can be done to meet this request in order to keep the company in Seattle.

*KerbSpace* – Kerb Space, a startup company from that specializes in parking solutions, visited Seattle to talk about starting their business in the city. The company is in the process of securing venture capital and is looking at Seattle as the first municipality to try their concept. The company has developed a solution where permanent parking signs are replaced with digital signs that will change and make parking available during certain times of the day. The company is scheduled to return to Seattle before the end of March to continue to do due diligence.

*Espresso Supply* – Espresso Supply, a coffee appliance company in Ballard, is looking to purchase the two buildings they currently occupy. The company is experiencing phenomenal growth and feels they are in a position to purchase the property. OED arranged for the National Development Council to meet with the company and discuss using the Grow Seattle Fund as a way to finance the project. The company is now in the process of completing and application and submitting documents to the NDC for consideration.

*Seattle Investment Fund* – OED's New Markets Tax Credit funding entity, the Seattle Investment Fund (SIF), held the first quarter board meeting on Thursday, March 7<sup>th</sup>. It was the first meeting for our four new Advisory Board members, which brings the Advisory Board to seven members. The board approved the use of \$310,000 in program fee income for small business investment. SIF will issue an RFP and select a lending partner during the second quarter.

## Investing in Seattle's Economic Strengths

*University District Farmers Market* – A few developments this week point to a possible solution to the dispute over the siting of this market. OED and DON met with the Neighborhood Farmers Market Alliance (NFMA) to lay out Metro's requirements for staging the market on University Way. NFMA is concerned about the cost, but still wants to proceed. In addition, the NFMA met with University Heights to inform them of their plans and reported having had a cordial discussion. OED will work with the Mayor's Office to convene the other departments necessary to help make the move successful, including SDOT, Parks, and SPU.

Bloomberg Philanthropies invited the *Only in Seattle* (OIS) team to present an overview of the OIS Initiative to the Innovation Delivery Teams in five cities by funded by the foundation. The group of cities is holding regular conference calls to hear about innovation in other cities and share ideas.

*City of Music Initiative Update to Recording Academy Board of Directors* – This past Wednesday, OFM hosted the monthly meeting of the Pacific Northwest Chapter of the Recording Academy's Board of Directors. James Keblas and Rachel Sawyer were invited to address the Board and outline history, progress and direction of the City of Music Initiative. Board members heard about the history of the Vision Document and Initiative development, Music Commission workplan and goals for the future to continue growing City of Music. OFM received entirely positive feedback from the Board and were asked to convey their gratitude and appreciation for the City's dedication to supporting and growing our local music industry.

*Film and Special Events Report* – Seven film permit applications have been submitted and/or processed so far between March 2<sup>nd</sup> and March 15<sup>th</sup>, hiring over 85 local cast and crew. Highlights include: Feature film *Lucky Them* finished production in Seattle; Pop star Vicci Martinez filmed a music video on Capitol Hill; and BECU filmed a commercial campaign based around Seattle neighborhood businesses including Bop Street Records in Ballard. For the BECU shoot, OED's Andres Mantilla connected the film production with the Ballard Chamber of Commerce to help arrange their visit to the neighborhood. Please review the [Seattle Film Production List](#) for the complete list of permitted Seattle productions. Special Events upcoming in March include St. Patrick's Day Parade (3/16), St. Patrick's Day Dash (3/17), Magnolia Little League Parade (3/23), and more. For a complete list of upcoming Special Events, visit the [City of Seattle's Special Events Calendar](#).

*KCAA Annual Meeting* – Steve Johnson attended the meeting as the Mayor's representative. The agenda focused on efforts to increase volume of skilled workers in production and engineering occupations in the aerospace industry. Speakers looked at STEM education in the K-12 system, increased capacity and improved completion rates in postsecondary programs, and better hand-on learning experience across the continuum. The meeting concluded with a tour of Cascade Gasket and Manufacturing Company, the host of the meeting.

*In Good Company* – Pacific Fisherman was most recent company recognized as part of this program. Its deep roots in Seattle's maritime economy, community involvement, and environmental stewardship were highlighted in the 5 minute video produced and aired on the Seattle Channel.

125 people attended OED's *City Business Casual* last week to celebrate and promote the importance of women entrepreneurs to the health of Seattle's economy. A recent report ranked

Seattle as the second best city in the country for woman entrepreneurs, estimating about 33% of all businesses owned by women.

### **Investing in Workers**

*First cohort graduates from Industrial Manufacturing program.* This 30-credit program was developed as part of Pathways to Careers, to meet growing industry skill-gaps by training low-income individuals. Students were interviewed by employers before they were enrolled to increase the likelihood of job transition at the end of the course. Key results:

- Of 18 who enrolled, fifteen completed
- Of the 15 completers, 9 are already employed, 1 close to being hired, and 3 are continuing their education
- 12 of the 18 are veterans and the majority are people of color

*College Success Foundation solicits OED's expertise* – On March 7<sup>th</sup>, Dr. Deborah Wilds, president and COO of the College Success Foundation (CSF), and her leadership staff, met with OED to solicit our workforce development expertise. CSF has helped over 108,000 low-income students in their college success in Washington since 2007 and recently became administrators for the Washington State Opportunity Scholarship, which awards 3,000 scholarships annually in demand occupations. CSF has requested OED's help in designing a talent pipeline between their graduates and employers.

### **LOOKING FORWARD – THREE MONTH LOOK AHEAD**

<b><i>Film, Music, Interactive Media Happy Hour: Steve Edmiston, special guest</i></b>	<b>March 27</b>
<b><i>City Business Casual</i> – What's Next for Green Business?</b>	<b>April 11</b>
<b><i>Film, Music, Interactive Media Happy Hour: SIFF</i></b>	<b>April 24</b>
<b><i>City Business Casual</i> – Tourism, Hospitality, Restaurants</b>	<b>May 9</b>
<b><i>Film, Music, Interactive Media Happy Hour: Making a Living in Film</i></b>	<b>May 29</b>