



**COMMISSION
AGENDA MEMORANDUM**

Item No. 6E

ACTION ITEM

Date of Meeting January 8, 2019

DATE: December 14, 2018

TO: Stephen P. Metruck, Executive Director

FROM: Dave McFadden, Managing Director of the Economic Development Division

SUBJECT: Authorization of funding for the 2019 Economic Development Partnership Program

Amount of this request: \$960,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute contracts supporting the 2019 Port of Seattle Economic Development Partnership Program in an amount not to exceed \$960,000.

EXECUTIVE SUMMARY

The Economic Development Partnership Program, funded by the tax levy, provides cities \$1 per capita with a minimum funding amount of \$5,000 and a maximum funding amount of \$65,000 (same formula as prior funding cycles). The Port also requires a 50% match to ensure cities are also committed to project success.

If funding is authorized, staff will start implementing the 2019 EDP program. The Port will make the program application for funds available to cities. As participating cities finalize their work plans, the associated contracts will be approved by the Port.

DETAILS

In June 2016, the Port of Seattle Commission (POS) created the Economic Development Partnership (EDP) program to advance local economic development in partnership with cities in King County. The Commission authorized a second round of EDP program funds in 2017. POS awarded just over \$950,000 to 30 King County cities through the EDP program during the 2017-2018 funding cycle. During this funding cycle, the Port shifted the EDP program timeline to align with the calendar year budget cycle after receiving feedback from multiple city partners.

Continuing with the same project requirement criteria as the prior two funding cycles, the Port asks that projects submitted by cities in the 2019 funding cycle are aligned with the city's economic development strategy and support the Port's Century Agenda or business interests.

Eligible activities include:

- Small business development (including incubator/accelerator projects);

Meeting Date: January 8, 2019

- Business recruitment initiatives designed to attract new companies to a region or city;
- Industry retention and assistance service delivery or projects (e.g. workforce development);
- Tourism development;
- Downtown revitalization;
- Commercial or industrial property development;
- Other community or economic development projects that support new investment and job creation.

In the 2017 to 2018 funding cycle, collaboration among cities provided a greater return on individual city investments. Cities were able to initiate projects previously outside of their budget and the 2018 grant funds provided a foundation for moving forward on major multi-year initiatives.

Support and feedback from the cities continue to be overwhelmingly positive and they enthusiastically anticipate the continuation of the program.

The Revised Code of Washington article 53.08.245 authorizes the port to engage in economic development programs. While RCW 53.08.245 specifically permits ports to engage with non-profit corporations in furtherance of such programs, it does not address port engagement with other governmental agencies.

Another port district statute, RCW 53.08.240 (2) permits the Port to enter into contracts with other municipal corporations (as well as counties, US government and State). The Interlocal Cooperation Act, Chapter 39.34 RCW, and specifically RCW 39.34.080, also permit such joint activity. The general requirement is that in all the joint activities, the two agencies must be able to exercise the same power separately as they intend to exercise jointly. RCW 35.21.703 authorizes cities to enter into economic development programs.

FINANCIAL IMPLICATIONS

Annual Budget Status and Source of Funds

The Port Economic Development Partnership Program is an initiative that will cost approximately \$965,000 to implement in 2019. The Port property tax levy will be used to support the 2019 grant program.

Future Revenues and Expenses (Total cost of ownership)

The Port Economic Development Partnership Program is anticipated to operate annually. It will likely cost between \$950,000 and \$1,000,000 per year unless the Commission changes or eliminates the program.

Meeting Date: January 8, 2019

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

December 11, 2018 – The Commission saw a presentation on the results of the 2017-2018 Economic Development Partnership Program and the findings of a draft program evaluation report completed by Community Attributes Inc.

June 12, 2018 – The Commission approved a specific city grant contract with the city of Enumclaw.

November 14, 2017 – The Commission approved specific city grant contracts with the cities of Carnation, Woodinville, Pacific, Bothell, and Lake Forest Park.

October 10, 2017 – The Commission approved specific city grant contracts with the cities of Auburn, Bellevue, Covington, Kirkland, Newcastle, Normandy Park, North Bend, Redmond, Sammamish, SeaTac, Snoqualmie, and Tukwila.

September 12, 2017 – The Commission approved specific city grant contracts with the cities of Des Moines, Issaquah, Kenmore, Renton, Shoreline, and Skykomish.

August 15, 2017 – The Commission approved specific city grant contracts with the cities of Burien, Duvall, Mercer Island, Kent, Federal Way, and Maple Valley.

June 27, 2017 – The Commission saw a presentation on the results of the 2016-2017 Economic Development Partnership Program.