



COMMISSION
AGENDA MEMORANDUM

Item No. 5 and 6

BRIEFING ITEM

Date of Meeting July 23, 2019

DATE: July 1, 2019
TO: Stephen P. Metruck, Executive Director
FROM: Dave McFadden, Managing Director, Economic Development Division
Ron Peck, Director, Tourism Development Department
Joe Meyer, Economic Development Manager
SUBJECT: 2019 Tourism and Economic Development Grants Overview and Update

EXECUTIVE SUMMARY

Economic Development Division staff will highlight the Port of Seattle’s Economic Development Partnership grant program. The briefing will also include information about the Port’s Tourism Marketing Support and Sea-Tac Internal Airport Advertising Spotlight programs. Earlier this year the Tourism Marketing Support program awarded \$200,000 to 30 destination marketing organizations to promote destinations, attractions, and events.

Updates will also be provided on the King County Cities partnership grant program. Staff has awarded \$795,900 to 25 participating cities this year. The city projects create family-wage jobs and grow the regional economy through business recruitment, business assistance and retention, planning and feasibility studies, tourism development and other initiatives.

Port grant programs are supported by the property tax levy.

Tourism Marketing Support Program

In its fourth year, the co-operative Tourism Marketing Support Program (tourism grants) efforts enhance, facilitate and increase the economic value of tourism across the state. It has been effective in promoting visitors and use of Port facilities. The program provides matching support of up to \$10,000 to non-profit destination marketing organizations (DMO’s), attractions, cities, tribal organizations and Chambers of Commerce to effectively market their destination to non-resident visitors. The funds are used for advertising, publicizing, promoting events or conducting research to attract visitors.

Marketing efforts for the tourism grants include promoting our natural scenic beauty, outdoor recreation, cultural attractions, online digital marketing campaigns, promotion of Washington’s growing wine and craft brewery industry, networking with tour operators and travel media. For 2019 we obtained 47 applicants (the highest number received in the four years of the program) and awarded to 30 organizations. In the four years of the program, 166 applications have been received and 87 projects awarded, netting approximately \$1,050,000 in additional marketing promotion efforts for Washington.

Statewide Participation

2019 State Grant Awardee Locations



Emphasis placed on environment, eco-sustainable, culture, nature tourism project:

As directed by the commission, the promotion of our environment, culture, history and use of our public lands and waters is a point of emphasis to the applicants. Of the 30 2019 recipients 25 identified their projects under one or more of the environment or cultural categories. The port funds awarded to those identified projects will be over 160,000.

Fifteen Organizations have identified projects involving Washington’s environment, eco-sustainable or outdoor nature recreation aspects. Methow Trails, Discover Lewis County, Visit Kitsap and Harbor Wild watch are some of the examples organizations promoting our states unique environment.

Seven marketing projects specifically identify promotion of our states public lands, parks and waters including the Olympic Peninsula Visitors Bureau, Goldendale Chamber of Commerce, Travel Tacoma, and White Pass Scenic Byway.

Eleven Attractions are marketing our states unique cultural and historical heritage. Important cultural attractions participating include the Suquamish Museum, Museum of History and Industry, Cascade Farmlands and the Museum of Flight.

Port of Seattle tourism grants help partners pursue the following initiatives:

- Travel Trade Shows such as the Puget Sound Attractions Council and Washington Tourism Association participation at IPW in Anaheim increase travel to Washington by meeting with tour operators and travel media.
- Familiarization Tours (FAMS) are hosted trips for tour operators, travel business staff and or travel media are invited to the destination to learn and experience first-hand what a destination or attraction has to offer. Tri-Cities and the Suquamish Museum are conducting FAMS in 2019.
- Event Attraction projects include MOHAI and Northwest Agricultural Center Marketing that advertise to non-residents promoting unique events and attractions in Washington.
- Digital Media Marketing encompasses several online marketing efforts that include establishing a visitor focused travel website, targeted banner website or social media advertising, developing a friendly site for handheld products (smartphones and I pads) and international language website translations. Organizations utilizing funds for digital marketing include Methow trails, the Cities of Kirkland and Port Angeles.
- Video Promotion or Print Advertising examples include Visit Kitsap Peninsula, Discover Lewis County and Seattle International Film Festival that will utilize video promotions or print advertising to generate interest and awareness of destinations or events.
- Travel Articles / Public Relations Leavenworth and Goldendale Chamber of Commerce are communities where travel media are solicited to author print travel stories, online articles or post blogs that will generate additional awareness, interest and ultimately travel to the destination.

An addendum is included that details the 2019 recipients, the funding levels, a brief project description, and projects that support eco/sustainable/cultural tourism.

2019 King County Cities Economic Development Partnership Program Update

In June 2016, the Port of Seattle (POS) Commission created the Economic Development Partnership (EDP) program to advance local economic development in partnership with cities in King County. The Commission authorized a third round of EDP program funds in 2019. Thus far, the POS has awarded \$795,900 to 25 King County cities this year. Additionally, cities have contributed almost \$584,000 in monetary and in-kind matching resources. The property tax levy supports the Economic Development Partnership grant program.

2019 is the first year the program funding cycle aligned with the calendar year budget cycle. Final projects should be finished by November 1, 2019. Recognizing that cities are adjusting to a new, shorter calendar year timeline, staff anticipates some cities may request project extensions into 2020.

This year more cities are using the EDP program as seed funding for new, regional collaborations especially in South King County. Additionally, multiple smaller cities, like Pacific and Tukwila, are contributing to regional collaborations using their funding.

Support and feedback from the cities continue to be overwhelmingly positive for the program. The decreased number of cities participating in the 2019 EDP program is partly due to changes in city elected officials and city management. Two cities have indicated that they may still apply for funding in the 2019 funding cycle.

Projects undertaken in 2019 are classified under five different categories based on the type of economic development activities undertaken. Several cities are conducting multiple projects and some cities' projects crossover into multiple categories. Economic development projects by category are:

- Business Recruitment: 14 cities,
- Business Assistance and Retention: 13 cities,
- Planning/Feasibility Studies: 10 cities,
- Tourism: 9 cities,
- Buy Local Initiatives & Marketplace Development: 4 cities.

The projects highlighted below offer a sample of the ways cities are leveraging the EDP program to create jobs and advance the regional economy.

Business Recruitment Projects

Kent, Tukwila, and Pacific

- Creating a shared business recruitment website, with real-time property and demographic data, to market the Kent Valley as a real estate sub-market.
- Increasing the visibility of the Kent Valley using regional and national media and defining the Kent Valley as a center of aerospace innovation and high-tech manufacturing.

Bellevue, Redmond, and Kirkland

- Continuing to grow and market the Innovation Triangle – a regional economic development partnership between Bellevue, Redmond, and Kirkland. In 2019, the cities plan to attend several international tradeshows, expand social media marketing, and update key sector profiles for prospective companies.
- The Innovation Triangle also added a business retention component to work with firms at risk of leaving the region.

Federal Way

- Hosted a June Foreign Consulates of Washington State lunch and tour highlighting businesses and investment opportunities in Federal Way.

Business Assistance and Retention Projects

Bellevue, Issaquah, Kirkland, Redmond, and Renton

- Startup425, a partnership with the Cities of Bellevue, Issaquah, Kirkland, Redmond, and Renton, is continuing to support entrepreneurs through business classes hosted through the King County Library System including the Spring Business Foundations Series.
- Cities in the partnership signed interlocal memorandums of understanding in 2019 formalizing and solidifying the partnership.

Burien

- Offering business education training series, in English and Spanish, to local businesses through the Highline College Small Business Development Center and Ventures. Multilingual business education was identified as an industry need based on a survey of local businesses in 2018.

Covington

- Providing 75-hours of one-on-one business advising services to local businesses through the Green River Community College Small Business Development Center.

Planning/Feasibility Study Projects

Des Moines

- Completing a third phase of the Des Moines Marina Redevelopment Plan focusing on developing the Marina Steps to create an area design that includes a water feature; mixed-use retail; and office space, hotel, and maker-space – similar to the Seattle Harbor Steps.
- The project includes a 100 percent monetary match by the city.

Woodinville

- Conducting a feasibility study to assess creating an adult beverage incubator to support the 120+ wineries, breweries, and distilleries within 6 square miles around Woodinville.
- The city envisions the incubator would include an educational partnership with a college or university, a community space for events and incubator produced product tastings, and equipment and facilities needed for adult beverage production.

Tourism Projects

Duvall, North Bend, and Snoqualmie

- The “Savor Snoqualmie Valley” tourism promotion initiative, coordinated by the Mountains to Sound Greenway Trust in partnership with the business community, facilitates tourism marketing activities for participating cities in the Snoqualmie Valley to cooperatively encourage tourism and outdoor recreation in the region.

Issaquah

- Marketing the first Issaquah Sports Medicine Combine as part of the Issaquah Sports Medicine Innovation Partnership Zone. According to the program application, “the [event’s] focus is to market sports medicine regionally in 2019” and then to promote the event nationally in 2020.

Buy Local Initiatives & Marketplace Development Projects

SeaTac

- Expanding the “Business Synergy” supply chain mapping and local buyer-seller match-making program to new industries like hospitality and tourism, aerospace, and logistics.

Awarded funds are calculated based on the program applications provided by participating cities. A complete list of all economic development projects being developed by King County cities is included as an attachment titled “Economic Development Partnership Program 2019 Mid-Year Update.”

ATTACHMENTS TO THIS BRIEFING

- (1) PowerPoint Presentation
- (2) Economic Development Partnership Program 2019 Mid-Year Update
- (3) Tourism Marketing Support Program 2019 Recipients
- (4) Spotlight SeaTac Airport Advertising Program

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS: Tourism Marketing Support Program

December 11, 2018 – Approval for authorization and execution for all related 2019 Tourism Marketing Support Program contract agreements for selected 2019 recipients.

October 23, 2018 – Commission briefing on Tourism Marketing Support Program and program strategy for 2019

April 10, 2018 – Marketing support program awardees were announced.

January 30, 2018 – The Commission was briefed on the results of the 2017 program.

April 11, 2017 – 2017 Marketing support program awardees were announced.

January 17, 2017 – The Commission was briefed on the results of the 2016 program.

November 22, 2016 – The Commission approved the final 2017 budget, including \$150,000 for the Tourism Marketing Support program.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS: Economic Development Partnership Program:

January 8, 2019 – The Commission authorized the Executive Director to execute contracts supporting the 2019 Port of Seattle Economic Development Partnership Program in an amount not to exceed \$960,000.

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