



City of Seattle
Office of Economic Development

Seattle Economic Development Commission – Third Meeting

Thursday, September 5, 2013 – 1:00pm to 3:00pm

Host: Port of Seattle – Pier 69, 2711 Alaskan Way, Room 2D East

Commissioners Present: Rob Mohn, Ken Willman, Brad Tong, Michael Young, Alan Nay, Chris DeVore, Chris Rivera, Jill Wakefield, Tay Yoshitani, Christine Hanna, Tanya Jimale, and George Allen (representing Maud Daudon).

Staff and Guests: Steve Johnson, Brian Surratt, Karl Stickel, Danielle Hursh, Office of Economic Development; Michele Scoleri, Mayor's Office; David Yeaworth, Council President Clark's Office; Dan Burke, Port of Seattle; Randy Hodgins, University of Washington; Amy Balliett, Killer Infographics, and Sarah Abraham, Harvard Lab for Economic Applications and Policy (via Skype).

Facilitator: Claudia Bach, AdvisArts.

Welcome – Chris DeVore, Chair, welcomed the Commissioners to the third EDC meeting. An important outcome for meeting was to take the good work from the previous four EDC focus group sessions and discuss strategies and possible projects that the EDC thinks are actionable, using the vision and framework agreed upon. This work represents the final push between now and November to identify those projects the EDC would like to undertake.

Purpose and Meeting Overview – Steve Johnson reiterated the work schedule over the next few months and looked forward to the unveiling of the EDC's work and recommendations in January 2014. To accomplish this, the EDC will need to have a polished plan between November and January to present, which means that the EDC will need to drill down and organize those action areas and items where the EDC will ultimately decide to exert its influence over the next few years. Steve asked that the EDC confirm the revised framework and to discuss the results of the four EDC focus group sessions to determine whether we captured those discussions accurately. He emphasized that this work will support the EDC in making its specific project recommendations and leading the way to implementation of the plan.

Economic Development Commission Framework Review

Brian Surratt outlined the changes to the four foundational areas and related successful examples in these areas from around the nation. Important highlights included:

- *Innovation Ecosystem* – the need to capture the spectrum of how to best get ideas to the market place and determine what is needed to accomplish this action. “Research” was added to the list of industry topics, such as invention, commercialization, production, skilled workers, and a supportive regulatory environment, given the strong research presence in this area.
- *Talent and Creativity* – highlighted three important concepts: *education*, as a focus for social mobility, better aligning of *training/skills* with real-time business needs, and *maintaining a culture of openness* to newcomers (companies and workers).
- *Infrastructure and the Built Environment* – keeping infrastructure and built environment together as one overall foundation area, as they both relate to physical space. The



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definition of infrastructure was expanded beyond 'transportation' to include utilities and other basic municipal functions. One question to resolve is how we make our neighborhoods sustainable and good places to live and work.

- *Cultural and Social Environment* – A strong civic engagement piece was added to this foundational area for supporting Seattle's identity.
- *Measuring our Performance* – as part of the planning effort, the EDC will design performance measures as we develop specific initiatives to track progress.

The Commission reviewed and discussed the revised framework. Discussion centered on that this framework represented a "good approach" toward the EDC values; and that the approach was "forward thinking" and should continue to support a diversified and resilient economy. Commissioners also mentioned that they would like to amend the framework with possible metrics, as necessary, likely in January 2014, when the strategies and actions are more clearly defined and a suitable metric can then be developed.

Presentation: "Location Matters: Addressing Patterns in Equality of Opportunity" – Sarah Abraham, Fellow and Researcher, Harvard Lab for Economic Applications and Policy

Sarah Abraham discussed a recently released study – based on millions of anonymous earnings records – with enough data to compare inter-generational income mobility across major metropolitan areas. These comparisons provide some of the most powerful evidence so far about the factors that seem to drive people's chances of rising beyond the station of their birth, including education, family structure, and the economic layout of metropolitan areas.

Sarah pointed out that there is tremendous variation across the US in the extent to which children can rise out of poverty, with the Southeast (using Atlanta, GA example) being one of the toughest areas to climb the income ladder. In contrast, Seattle ranks among the highest in social mobility rates for an urban area, even with the same income as those compared to in Atlanta.

Sarah stressed that upward mobility tended to be higher in metropolitan areas where poor families were more dispersed among mixed-income neighborhoods, and worse where poor families were segregated due to geographical differences. Better schools (K-12), strong family structure (two parent households), social capital (churches to recreational opportunities available) and more civic engagement also were positive factors in upward mobility. While geography makes a difference, concentrated poverty, extensive traffic and a weak public-transit system make commuting to jobs difficult, ultimately impacting income mobility.

Sarah referenced the EDC draft framework and believed that the Infrastructure and Built Environment foundational area would certainly play an obvious factor in upward mobility, with respect to accessibility through transportation options and the walkability of areas. Sarah also stressed that the Cultural and Social Environment also would play a significant role in any upward mobility strategy.

There was a follow up question concerning the data/factors that were stated in the research and whether there were any factors not used that the researchers would have liked to incorporate.



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Sarah responded to state that the study was comprehensive, but specific to their research area. However, college subsidies (e.g. Pell grants) would be a place that they would like to examine further to determine whether there was any impact on mobility.

Another question was asked about those cities that may have increased their mobility factors in the last ten years. Sarah responded to state that they haven't focused on specific cities at this point, but have noticed areas that have had significant economic changes (e.g. North Dakota and the fracking boom).

There was an inquiry about whether there was any specific government action or policy that influenced this issue and, if so, what were the results. Unfortunately, the data allows only correlation and not causation, so there could be no direct inferences made with respect to specific government policies.

The Commission briefly discussed the findings and presentation, and it was pointed out that the results also seemed to correlate with those areas which have significant high tech industries and wondered whether there was a correlation there. One observation was that with every success comes with an equal failure in any area.

EDC “Deep Dive” Session Reports – EDC Session Hosts

Innovation Ecosystem (Chris DeVore) – Focus on what City government can do to support this effort. Telling the story of Seattle is important and we need to celebrate our economic assets to attract business and talent. Creating better systems of support and removing regulatory obstacles were other key factors in determining success in this area. Talent development -- attracting talent through training and outreach to talent pools to bring talent to this area.

Talent and Creativity (Jill Wakefield, Chris Rivera) – The focus was on K-12, as that directly impacts talent pools. Align education curriculum in schools with that of what's needed in the marketplace, with a look to the future. This may also include more strategic internships. While classroom should include industry, industry should also include relationships with the schools.

Infrastructure and the Built Environment (Tay Yoshitani, Rob Mohn) – The focus was on process vs. physical infrastructure, in that, the permitting processes and regulatory issues were sometimes seen as barriers that could be addressed. A public-private partnership was discussed as an important step to bridging the divide between the sectors. Developing the place where workers live also factored into the discussion, looking at the full life-cycle of workers, and how to provide better opportunities with transportation options and investment in various neighborhoods.

Affordability was another significant factor in attracting and retaining workers and this is an area that the private sector can work with government to achieve. “Telling our story” was a consistent theme of this breakout session and how do we realize this effort – perhaps a citywide campaign that promotes the city and its business.



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Cultural and Social Environment (Alan Nay) – Recognized Seattle’s cultural importance and how best to protect this vision, including its unique neighborhoods, in terms of place-making. The group wanted to explore how we leverage the waterfront redevelopment so that we attract more local opportunities with private and public engagement. Urban issues, such as crime, drugs, and aggressive panhandling, were also topics that surfaced during the breakout session and that, again, the private and public sector should readily address together to attract more business, workers, and tourism. The group acknowledged that the arts community is a pillar to our economy by providing jobs and the cultural aspect to this city (which is a factor of social mobility).

Potential Strategies and Priorities for EDC Action

Steve Johnson walked the EDC through the components of the criteria for strategies and possible action items to use to arrive at a work plan by November. The criteria was driven in large part by conversations with Living Cities and are meant to help inform the strategies discussed today -- these included relevance, impact, achievability, leadership, and metrics. Steve cautioned against prioritizing the four foundational areas, and not taking on policy issues that the EDC may not have influence, such as resolving all K-12 issues.

Support to traditional industries, such as manufacturing, through the criteria was brought up, and how we need to weave this specific industry into the process, as it doesn’t seem to fit in the existing criteria. Other Commissioners felt that specifically calling one industry in the framework or criteria development did not seem to make sense, and felt that the EDC has maintained a good balance between industries throughout the vision and framework. Specific initiatives support manufacturing, and other industries, should emerge as the EDC develops its action plan.

Steve proposed five strategy areas across the framework to the EDC for consideration:

Tell the Story – takes on many aspects, including attracting talent, for locals to appreciate what we have in terms of arts and culture, and to appreciate the value of the manufacturing sector for officials to recognize.

Social Mobility – we need to promote the idea of social mobility and determine what’s possible here in Seattle, with a focus on affordability and inclusivity in education and neighborhoods.

Improve Regulatory Processes – government needs to constantly evaluate its processes and regulations to support our business community, such as stormwater regulations or restaurant permitting.

Build Urban Communities – this highlights the opportunities around the waterfront, Yesler Terrace, and the University District, as current examples. This will provide a unique role to attracting and retaining talent in the city, creating social mobility, and healthy cultural life.

Improve Ecosystem – this is an area where government can support and provide guidance. More collaboration is needed between private and public agencies to create more opportunities.



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Discussion of Emerging Strategies

The next step was to discuss whether the five strategy areas represent the best approach moving forward, and, if so, what possible actions the EDC can recommend for its work plan by November. The EDC plans to break into sub-groups between now and November to drill down on what actions support each strategy.

The idea of capitalizing on the fact that Seattle has one of the most respected research centers in the country, if not the world, was brought up and acknowledged that this should be better leveraged in the possible actions discussed.

Thinking about a 10-year strategy, it was proposed that we seek as much independence as possible from the auspices of the federal government and, possibly, the WA State government, as their economic development support to local municipalities is lacking, and, instead, look at working together better regionally. To start with, as possible actions for consideration, looking at educational opportunities and offering college incentives to begin to influence K-12 curriculum education, or offering a stipend or job to graduates with a certain GPA -- this begins to address social mobility issues. As we begin to consider possible actions, we need to think big and be ambitious.

Another action item along the lines of the social mobility strategy is a focus on education, specifically the City's idea of mandatory pre-kindergarten education and how the EDC can support this effort over the 10-year period. This idea is within the reach of the EDC and possibly worth exploring from an economic standpoint. The EDC is not shackled by political issues, so it's worth being ambitious. Education should be weaved through each foundational area to some degree (Pre-K, K-12, college).

On the strategy to "improve the ecosystem of support available to startups and growth companies in need of strategic advice," Commissioners proposed to expand the definition to include the entire lifecycle of a business innovation, from research and development to commercialization, and not have this limited to startups and growth companies.

Commissioners voiced an interest in having information readily available to describe this work to the public, or being able to have an "elevator" conversation about this work. How can we easily relate this information to general public and gain their support.

Commissioners also voiced whether the "tell the story" strategy should be prioritized against other strategies – is this more of an advertising aspect? Or, is it something more? Many Commissioners believe that it's absolutely necessary to be able to tell our story to showcase what Seattle has accomplished, what it's doing now and how it can grow in the future. It was also pointed out that "telling our story" was discussed and recommended in every single one of our focus group sessions.

Next Steps – Refining Priorities and Recommendations for Action



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The next step is to refine the strategy areas and think more deeply about action items between now and November in order to develop a recommended work plan to present to elected officials.

A number of Commissioners voiced their interest in helping to gather in small, working groups to explore the strategies more deeply and participate in brainstorming possible action items for each, as follows:

Tell the story of our diverse and dynamic economy more effectively to multiple audiences – Alan Nay, Christine Hanna, and George Allen (for Maud Daudon)

Promote social mobility through excellence in education and training systems serving people from cradle to career – Michael Young, Jill Wakefield, George Allen (for Maud Daudon), and Tanya Jimale

Establish and promote a culture of continuous improvement of regulatory processes and tax policies – George Allen (for Maud Daudon), Tay Yoshitani

Build urban communities that mix home, work, recreation, entertainment – Rob Mohn, Brad Tong, Ken Willman, and Tay Yoshitani

Improve ecosystem of support available to startups and growth companies in need of strategic advice – Chris DeVore, Chris Rivera, and Michael Rawding

The Office of Economic Development will follow up with each of the groups to facilitate and staff the meetings. Recognizing that Commissioners will likely have interest in more than one of these strategies, the communication process will include regular check-ins on the status of each strategy and the development of their respective priority action items.

Adjournment

- Next Meeting is November 7th, hosted by Seattle Good Business Network at the HUB.
- Thank you to the Port of Seattle for hosting us.