

Initiative 1: Improve social mobility through access to college and career

Rationale: The changing nature of regional and global labor markets, the high dependence of employers on recruitment of talent from outside the region, and the critical role education plays in promoting social mobility make the education and development of locally grown talent the most important economic development challenge facing our region. Consider the following:

- Labor markets are demanding that workers possess increasing skills and competencies at all employment levels. This trend is expected to accelerate as projections show that more than two-thirds of all employment in the state will require some college education or more by 2018. The Boston Consulting Group recently completed an analysis for the Washington Roundtable that estimated there are 25,000 unfilled jobs in the state as a result of the job skills gap.
- Approximately 92,000 Seattle residents between 18 and 50 years old do not currently attend college and have not achieved a credential or degree beyond high school. With roughly only half of high school graduates from our region directly enrolling and persisting in college, those numbers will continue to increase.
- Individuals who complete a degree or credential beyond high school earn more, are healthier, and are more likely to stay employed than those who do not. The “tipping point” research shows significant economic benefits begin to materialize upon completion of 45 credit hours and attainment of a credential with labor market significance. The benefits continue to increase steeply upon attainment of a bachelor’s degree and beyond.
- Our state ranks 49th in per student funding in higher education from 2000 to 2012, and the state’s share of the cost of instruction for baccalaureate degrees at public institutions has declined from 72% to 33%.
- In the last 10 years, tuition at Washington’s community and technical colleges has more than doubled rising at more than three times the rate of consumer inflation. Many Seattleites continue struggle to afford rising tuition, and student loan debt is rising to alarming levels reducing disposable income and affecting local economic growth.

Action Area: Access to college and career for all Seattle residents

Given the alarming divestment of funding in education by state and federal governments and rising tuition costs, the Commission recommends that Seattle identify and authorize local funding sources to help close the financial gap for students who otherwise would not be able to go to college.

Goal: Develop and advance an approach to local financing of Seattle students completing a degree or credential at any college or university in Washington, resulting in greater rates of college completion and a higher percentage of home grown talent meeting the needs of local employers.

Commission Leadership Role: An immediate one year goal is to partner with the University of Washington (UW) and the Seattle Community College District to research and recommend an approach to local financing that is effective, affordable and acceptable to the community. Key considerations in achieving the one-year milestone include:

- Engage the Seattle School District to identify incentives that will encourage greater levels of achievement and advancement at all levels of primary and secondary education;
- Consider financial assistance for adults who need professional or technical education and training to advance their career and fill jobs in demand by local employers;
- Explore new ways to inform prospective students, workers, and parents about college financing options to help them make financially-sound choices;
- Consider scholarship programs, paid internships and work-study, mentoring, and student loan repayment as possible elements of the recommended program; and
- Identify ways to leverage both new public and private sources funding.

Initiative 2: Advance our infrastructure and built environment as economic catalysts

Rationale: Major urban areas are experiencing dramatic demographic, cultural, technological, and environmental shifts that will only continue to accelerate in the decades to come:

- Cities are projected to absorb an additional 2.4 billion people by 2050, representing 7 in 10 of the earth's inhabitants;
- Climate change necessitates radical adjustment in lifestyle, energy choices, and modes of transportation;
- Technological innovations, such as the smart phone, have disrupted how business and government function;
- Innovators and workers will gravitate to those cities that offer the most economic, educational, and family opportunities, and the most attractive and stimulating built environment.

Seattle's long-term economic success requires thoughtful planning and investment in the quality of the places we live, work, and gather as well as the critical infrastructure that connect us to each other and the world. Our urban centers and neighborhoods are some of our most valuable economic assets, and they will increasingly be seen as job centers where innovation occurs and talented people live and work. We must get better at how we imagine, plan, permit and execute on the visions for these unique neighborhoods. Opportunities range from an innovation hub that capitalizes on the presence of the UW to providing jobs, housing and cultural institutions that reflect the diversity present in the neighborhoods of Othello and Rainier Beach in Southeast Seattle.

Action Area 1: Envision and create great urban centers

The City of Seattle should reexamine existing government processes and develop more rapid and effective responses to the forces that will apply increasing pressure on the Seattle's economic, social, environmental, and cultural health. Reimagined government capabilities and processes will promote better integrated planning and permitting for private development in conjunction with public investments in transportation, utilities, and open space.

At their best, modern cities will increase human connection, encourage creativity, and dramatically reduce human impact on the health of the planet. The mechanisms for moving from conception to action should also better integrate separate processes for preserving the city's historic buildings, accommodating the growth of Seattle's educational and medical institutions, and promoting design excellence in both the private and public domains.

Goal: Seattle will have effective and resilient systems in place to plan and execute the investments necessary to respond to the profound changes shaping the future of our city.

Commission Leadership Role: Work with City agencies to a carefully examination the way Seattle envisions, plans, permits and executes investments that shape the built environment so that Seattle's economy is sustainable and equitable, and its neighborhoods beautiful and inspiring. Achievable first year accomplishments include:

- Complete a comparative analysis of the best practices of peer cities around the globe with Seattle’s current planning capabilities and permitting and regulatory processes; and
- Identify clear and actionable recommendations for initial improvements based on findings of the comparative analysis.

Action Area 2: Build an efficient transportation system and inviting open space in the Center City

Downtown Seattle will experience unprecedented construction activity over the next 10 years – the Alaskan Way Viaduct Replacement and Central Waterfront Redevelopment are the most visible of the major projects that will transform the Center City. Major, non-transportation related projects will also have a profound impact on downtown, such as construction of the City Light substation in Denny Triangle, the new Amazon buildings in South Lake Union, and the proposed “Lake to Bay Loop” connecting Lake Union to Elliot Bay.

The Downtown Seattle Association and Seattle Department of Transportation (SDOT) have initiated work to understand the scale of construction activity coming to the Center City and are developing strategies to support the implementation of these projects including:

- Identification of opportunities to ensure consistency with the existing freight, transit, bicycle, and pedestrian master plans, address gaps between projects, and advance improvements to better integrate construction activities; and
- Development of construction coordination, mitigation strategies and information tools to help downtown stakeholders through the ongoing and upcoming construction.

Goal: Seattle has a clear vision and support for an integrated Center City multi-modal transportation and open space plan with the funding sources in place to execute it fully.

Commission Leadership Roles: Effective implementation of the Center City’s major infrastructure projects requires a clear understanding of existing projects, future plans, and funding mechanisms. Immediate opportunities for the Commission to understand the magnitude of the coming investments and support their execution include:

- Comprehensive briefing(s) from SDOT and others on the major projects shaping the Center City, including the Central Waterfront Redevelopment, street car expansion, the “Lake to Bay Loop” etc.; and
- Advocacy for adequate funding to grow Center City transit ridership and ensure major projects are fully realized, such as renewal of “Bridging the Gap” (the local transportation levy which expires in 2016) and a proposed downtown ‘local improvement district’ to help fund the waterfront redevelopment.

Action Area 3: Maximize the University District as the region’s next innovation hub

The University District (U District) is undergoing tremendous change and represents an immediate opportunity for action. A neighborhood consensus has emerged to make the U District more attractive to entrepreneurs and major employers engaged in innovation enterprises that leverage the UW’s presence and will stimulate the neighborhood’s and the region’s economic base. Several efforts have aligned to drive the opportunity to transform the U District:

- *Light Rail:* Sound Transit plans to open a new U District station by 2021. 12,300 daily boardings are expected through the station, representing a critical regional connection to the deep talent pool of UW students and faculty.
- *New Urban Design and Planning:* Between now and the U District station opening, the City will initiate a new “Urban Design Framework” for the U District which will guide revisions to its Comprehensive Plan policies, zoning regulations, and infrastructure investments.
- *The UW and “Tomorrow’s University Today”:* In 2012, the UW announced a major initiative – “Tomorrow’s University Today” – aimed at advancing their teaching, research and service to meet the major challenges of the 21st century. A major elements of the initiative include continue creating opportunities for entrepreneurship by stimulating public/private partnerships, supporting student innovation, launching a venture fund to commercialize ideas, and doubling the number of new companies spun out by the UW.

Goal: The U District, one of Seattle’s most vibrant and eclectic neighborhoods, will emerge as the region’s next major hub for innovation and technology.

Commission Leadership Role: Connect with the University District Leadership Partnership, a leadership group representing business and property owners, human services organizations, neighborhood activists, and the UW to encourage investment for a more vibrant, innovative, and diverse U District:

- Establish a vision to guide land use changes, development, and public space. Specifically, follow-up the Urban Design Framework with environmental analysis and legislation that supports the U District’s vision for vibrant, innovative activity and allowing a diversity of building forms from lower residential to high rise towers (especially near the transit station) with design standards to support neighborhood character.
- Attract businesses, major institutions, and employers that support business mix goals with a specific focus on technology and knowledge companies, entrepreneurs, and start-ups.
 - Conduct further research and analysis in partnership with the UW to determine how other districts near universities have successfully attracted businesses and employers.
 - Conduct commercial office analysis so property owners better understand current market and opportunities for growth, with a specific lens on opportunities for innovative companies and start-ups to locate near the UW.
 - Connect entrepreneurs who are closely associated with the UW with property owners that have space to accommodate early-stage and growing technology companies.

Initiative 3: Build strategically on our economic strengths

Rationale: Seattle has made things that have changed the world: Boeing 737s, \$3 cups of coffee, Kindles, Jimi Hendrix and Macklemore, malaria vaccines, and much more. We have to remind ourselves and others that our economy is one of remarkable diversity that includes global brands, deep cultural and economic ties to Asia, the Pacific Northwest's most active industrial waterfront, a socially-conscious entrepreneurial class, and covetous ability to attracting young, tech-savvy, and creative talent.

Despite being home to the nation's largest online retailer, the world's largest philanthropy, and Alaska's fishing fleet and consistently rated as one of America's most desirable places to live, work and play, most of the country (and the world) does not fully appreciate what makes Seattle a great place for talent and investment. Seattle needs to leverage and reinvest in our economic strengths and take pride in our economic story, reminding others why they should bring their ideas and businesses to our community.

Action Area 1: Tell Seattle's compelling economic story – "We make things that change the world"

The recent depiction of Amazon's Jeff Bezos's purchase of *The Washington Post* by several national and international news outlets (most notably MSNBC, CNBC, *The Guardian*) as a major coup by "one of Silicon Valley's most admired and respected figures" is a perfect example of Seattle's lack of clear and consistent identity.

Seattle has a "**spirit of invention**", a unique cultural quality that has played an important role in the creation of products, artists and ideas that have changed the world. We need to craft a narrative centered on this "spirit of invention" and the impact of our ideas. But in order for the narrative to be successful it has to be more than a tagline—it must be a compelling story that rings true to all that hear it. A successful narrative is simple; it does not advertise to an audience—it engages and creates advocates; it builds connections and urges people to act. The narrative must help local entrepreneurs generate excitement and secure resources to grow their ideas; help larger companies convince prospective talent to move to the region; and instill a true sense of pride among Seattleites who love living in our region and are proud of our companies and what they represent.

Goal: Seattle is recognized for the global impact of its ideas and our community ably sheds light on its success stories.

Commission Leadership Role: Partner with the local creative industry and broader business organizations to create a community driven public relations campaign, centered on a multi-media, "open-source" effort that highlights our diverse economic sectors, raising Seattle's profile to where it belongs among America's great cities for people with big ideas and ample opportunity to make things that impact the world.

Action Area 2: Maintain our strength in manufacturing and maritime

Manufacturing, maritime and logistics have long been a key part of Seattle's economy, accounting for about 22% of the Seattle's workforce and is critical to our continued economic diversity. In 2008, the

industrial sector accounted for \$6.1 billion in taxable sales, generating 36% of Seattle’s total retail tax revenue and 38% of the B&O tax revenue. Four areas are particularly primed for deeper attention and investment:

- *Advanced manufacturing:* The combination of technical talent and a rich mix of manufacturers set the stage for continued growth and innovation – the application and integration of composite materials is an area of particular strength and opportunity for Seattle;
- *Shipbuilding:* Seattle is home to some of the most successful shipbuilders on the West Coast, including Vigor and Kvichak Marine – the demand for shipbuilding and vessel refurbishment is strong and expected to increase as the United States fishing fleet is replaced;
- *Trade and Logistics:* One of America’s strongest regional trade economies, more than one in four Seattle jobs are tied to trade and logistics. The Port of Seattle looks to grow its container volume from 2 million “Twenty Foot Equivalent Units” (TEUs) today to 3.5 million and triple annual air cargo over the next 25 years; and
- *Fishing:* The North Pacific fishery is the best stewarded in the world and its fishing fleet, which calls Seattle home, constitutes one-half of America’s total catch.

Challenges facing Seattle’s maritime and industrial community include:

- *Talent:* Demand for trade skills such as welding and machine operation is high; the aging workforce and fewer young people pursuing maritime and industrial jobs are major concerns;
- *Regulations:* Lack of clarity in the regulatory environment prevent many firms from reinvesting;
- *Traffic and real estate:* Increased congestion and decreasing availability of industrial land are impediments to growth; and
- *Macroeconomic trends:* Industrial firms are reinventing themselves to remain competitive through continuous innovation in manufacturing capabilities.

Goal: Seattle will develop and execute a long-term maritime and industrial investment strategy, with the objective of maintaining critical economic diversity and balance for our economy.

Commission Leadership Role: Form a multi-disciplinary task force from the manufacturing, maritime and industrial business sectors to work with the City, Port of Seattle, King County, and Washington state to develop a comprehensive strategy, recommendations and action items focused on the following areas:

- Incentives for industrial business expansion within Seattle’s industrial areas that will increase sustainable family-wage jobs and promote investment and reinvestment;
- Policies to better reflect the needs of modern industrial businesses, promote compatible land-use development, reduce zoning uncertainty and streamline permitting process time;
- Review of water, electricity and stormwater regulations and new course for stewardship that meets a high standard of environmental protection, provides regulatory certainty, and cost effective compliance;
- Transportation improvements that support more efficient movement of freight; and
- Awareness of and means of access to maritime and industrial jobs for younger generations and other job seekers.

Action Area 3: Assert Seattle’s role as a global leader in the knowledge economy

Seattle has significant assets that continue to make this region a destination for knowledge workers and high technology companies. Internationally recognized industry icons are headquartered here and have spun off hundreds of new businesses, the UW churns out ideas, our leading global health and life science organizations are working to eradicate infectious diseases, Facebook and Google continue their expansion, and our vibrant neighborhoods are magnets for talent and technology firms.

Supporting the innovation and knowledge economy, which includes a broad spectrum of sectors such as information technology, the life sciences, and creative industries, is key to Seattle’s long term economic growth and prosperity. For every technology job, five additional jobs are created, resulting in a significant ripple effect through the economy. In 2013, the Progressive Policy Institute identified Seattle as the 7th leading location for technology jobs—between 2007 and 2012, technology related jobs grew 13.5% in Seattle, while non-technology jobs declined -2.9% during the same period.

What Seattle lacks in large measure are “mid-sized” companies and organizations across the range of knowledge companies. These mid-sized companies represent the most promising vehicles for significant job creation and their growth constitutes important critical mass and long-term economic stability. For example, San Francisco, which has a much greater number of mid-sized knowledge firms, is the leading technology center in the country and grew technology jobs nearly 52% since 2007. To cultivate an environment for innovation and build much needed depth in the technology sector, the City and the broader innovation and knowledge community need to make investments and establish a series of action items, including positioning Seattle as destination for knowledge talent and incentivizing new technology investments.

Goal: Seattle develops a culture of public-private partnership that embraces innovation and the knowledge economy as critical to our economic future.

Commission Leadership Role: One of the first projects will be partnering with the City and local technology startup leaders in the execution of StartupSeattle:

- *Startup Business Support:* Partner with early stage business development organizations such as Northwest Entrepreneurial Network, SURF Incubator, TechSTARS, Geekwire and others to support and establish StartupSeattle.com as the “single point of contact” for information on business services, funding, professional development, and networking events.
- *Expanding Opportunities in Technology:* Partner with Startup Weekend, Code.org, Student RND, and others to increase high school student access to experience in the technology startup sector and provide new opportunities for developing talent in this field.
- *Technology Industry Partnerships:* Work with Microsoft, Amazon, and Google to leverage existing services that support qualifying startup businesses, which provides important incentives and resources for emerging companies to locate and grow in Seattle and expands the business network for these larger companies.

Action Area 4: Harness our talent in social entrepreneurship

Seattle has seen an explosion of social entrepreneurship, which is the process of pursuing transformational solutions to deeply entrenched social problems, drawing upon thinking from both the

business and nonprofit worlds. Our city has the talent and networks to promote social innovation as an emerging sector:

- The UW's Foster School of Business, Seattle Pacific University, and the Bainbridge Graduate Institute have special focus on social enterprise and entrepreneurship;
- Several local social enterprises, with for-profit arms and social goals, addressing important social concerns, including Stockbox Grocers (getting healthy food to food deserts), Microryza (crowd-funding for science research), and Zeno: Explorations in Math (education);
- Several potential platforms exist that can help bring together Seattle's most creative thinkers, successful and socially conscious entrepreneurs, and policy makers including:
 - *Center for Impact and Innovation*: Impact Hub Seattle, the Bainbridge Graduate Institute, and Social Venture Partners teamed up to launch the Center in Pioneer Square, which houses one of the largest concentrations of social entrepreneurs in the country; and
 - *City Club Seattle*: A leading civic non-profit connecting citizens, leaders, experts and policy-makers connect people and ideas together to address critical Seattle regional issues.

Goal: Seattle will create a dynamic civic platform that leverages our deep creative and entrepreneurial talent and socially progressive culture to design and deliver solutions to our community's most intractable issues.

Commission Leadership Role: An immediate first year milestone would be partnering with entities such as Impact Hub Seattle and City Club to create the most effective approach to engaging social entrepreneurs:

- Identify the areas of most interest and concern through a series of focused conversations (i.e. an 'applied' version of *TED Talks*), connecting creative and entrepreneurial talent, social advocates, and policy makers; and
- Design a framework that takes the ideas and creates opportunities to develop, test, fund, and scale social ventures.