Seattle’s rapid growth has caused significant commercial affordability challenges for small businesses:

- **Price**: Space is becoming more expensive.
- **Availability**: Space is harder to find, particularly in appropriate sizes for small businesses.
- **Construction**: The amount of new construction is impacting small storefront business.
- **Financing**: Small businesses have difficulty accessing lending capital.
- **Resources**: Small businesses are disproportionately affected by knowledge or skills gaps, primarily due to lack of resources.
- **Permitting**: Lapses in the permitting and design review processes place undue burdens on small businesses.

To address these challenges, Mayor Ed Murray assembled the Commercial Affordability Advisory Committee in April 2016. The committee has set forth its recommendations, which are intended to:

- **Strengthen and reduce** displacement of existing and legacy small businesses.
- **Activate** the ground-level public realm of Seattle’s pedestrian-oriented neighborhoods.
- **Enable** space for business incubation, including light craft manufacturing.
- **Increase** the overall economic and cultural vitality of our neighborhoods.
- **Make it more viable** for emerging businesses, artists and organizations to thrive.

Committee’s recommended immediate solutions:

**Explore a new entity focused on commercial affordability.** This entity would provide support services for small businesses and small-scale building owners, including technical assistance, help navigating real estate issues and City processes, support from non-public funding resources, activation of public agency-owned property, and coordinated advocacy.

**Institute new financial incentives.** Advocate for legislative changes that would make it advantageous (via property tax exemptions and property tax assessments tied to building income) for property owners to support local small businesses. Stimulate a non-City fund that would provide alternative financing options for both small businesses and small property owners.

**Make changes to public policy.** Specifically, focus on the sale/lease of public property; affordable commercial space within mixed-use housing developments, public spaces or transit oriented properties; zoning that encourages small-scale commercial pockets in residential areas; and policies that promote healthy mix of local, small businesses and chain/big box retail tenancy.

**Improve the permitting process.** Reduce permitting requirements for qualifying “light-impact” small business projects, strengthen design guidelines that favor small business and retail spaces, and enable greater neighborhood input on tenant selection.

**Expand technical assistance programs.** Increase or supplement the Office of Economic Development’s existing small business resources to include a third-party commercial affordability consulting team, coordinated and diversified outreach (more languages and formats), and an online “Marketplace Exchange” for the small business and property owner community.

Through these recommendations, the City is working to create an equitable sense of place that honors both Seattle’s history and its future. These recommendations speak to our values as a city: equity, inclusion and economic development that benefit all.
Based on the Commercial Affordability Advisory Committee’s recommendations, Mayor Ed Murray will implement the following initiatives:

**King Street Station Activation** The City will transform the second floor and plaza space of King Street Station into affordable food and retail space that will serve as an attractive gathering place for neighboring residents, workers, and travelers.

**Funding:** $360,000 in federal Community Development Block Grant (CDBG) funds for the renovation of tenant spaces, plus possible matching funds from other sources (e.g. federal grants, foundations).

**Commercial Affordability Consulting Team** The City will create a commercial affordability consulting team to assist small businesses and small-scale property owners with a broad range of real estate and business expertise (e.g. design of tenant spaces, feasibility analysis in renovating buildings, business plan development).

**Funding:** at least $65,000 annually in CDBG funds.

**Financial Support for Microbusinesses** The City will assist low- and moderate-income owned micro-businesses (i.e., five or fewer employees) to overcome a critical obstacle to growth: low-cost capital. The City will partner with a nonprofit lender, Mercy Corps NW, in providing Individual Development Accounts (IDAs) and 0% interest loans.

**Funding:** $122,000 annually in CDBG funds for the IDA and 0% interest loan products.

Additionally, Mayor Murray directs his Office of Economic Development to work with small businesses, business districts, developers and other stakeholders to explore the implementation of the Commercial Affordability Advisory Committee’s above recommendations.

*For details on these recommendations, recommended long term solutions and other considerations, visit seattle.gov/commercialaffordability.