



City of Seattle

Office of Economic Development

Meeting Minutes for the Seattle Economic Development Commission

Tuesday, September 30, 2014, 1:00pm – 3:00pm

Location: Hotel Nexus, Cascade Ballroom, 2140 N Northgate Way, Seattle, WA 98133

Commissioners Present: Chair: Chris DeVore, Vice Chair: Jill Wakefield. Shaiza Damji, Dave Freiboth, Christine Hanna, Rob Mohn, Alan Nay, Julie Pham, Charissa Raynor, Chris Rivera, John Schoettler, and Michael Young. Commissioner representatives: George Allen (from the Seattle Metropolitan Chamber of Commerce representing Maud Daudon); Mike Merritt (from the Port of Seattle representing Tay Yoshitani).

Mayor's Staff Present: Deputy Mayor Kate Joncas, Brian Surratt (Office of Policy and Innovation)

Office of Economic Development Staff Present: Steve Johnson, Tina Vlasaty, Cassidy Berry, Rebecca Lovell, Michael McVicker, Karl Stickel, Jennifer Tam, Nancy Yamamoto, Karin Zaugg-Black

Facilitator: Claudia Bach, AdvisArts

Welcome – Chris DeVore called the meeting to order and welcomed Commissioners to the meeting with a special welcome to the two newest Commissioners, Charissa Raynor and John Schoettler. Chris highlighted work groups' progress and noted some groups are making steady progress while others are still getting their arms around their assignments. He added that patience and recommitting to the work will be essential moving forward.

Chris noted the Commission would hear from UW President Michael Young regarding the recent launch of Startup Hall and how this is an example of how the EDC played a role in shaping the community and seeing good ideas through to fruition.

Purpose and Meeting Overview – Steve Johnson noted the EDC sought to reflect the perspective of the economic development community and to pursue initiatives that are transformative. Steve introduced Deputy Mayor Kate Joncas and Brian Surratt from the Mayor's Office of Policy and Innovation.

Deputy Mayor Joncas shared a few comments about economic development in Seattle. She noted the Mayor is truly committed to economic development and his expectations are for the EDC to think big about what the Seattle economy needs to be like and how we can successfully push new ideas. She thanked the Commissioners for their service and reiterated the Mayor's big expectations.

Linked Work in the Community – President Michael Young shared details on the recent launch of Startup Hall in the University District. President Young noted the launch was an example of how the EDC can bring people together. He noted that as a university, their responsibility is to train students but also make sure that the university has an impact in terms of creating new companies. He noted Startup Hall gives startup companies open space with access to venture capital partners. He thanked Chris DeVore for his partnership with Techstars, and Chris reiterated how Startup Hall now exists because of the work of the EDC.

George Allen from the Seattle Metropolitan Chamber of Commerce, representing Commissioner Maud Daudon, spoke about the Chamber's upcoming Regional Leadership Conference taking place

from October 15-17. George stated the focus of the conference is to bring together community, academic, political, and business leaders to form concrete ideas and put certain issues forward in a way that is effective, measurable, and comprehensive. He stated the conference will focus on three things: (1) develop and market Seattle's global brand, (2) create an economic initiative to increase foreign direct investment in Seattle, and (3) doubling the capacity for STEM (science, technology, engineering, math) degrees from local institutes of higher education. He noted the conference will have breakout groups and plans to develop detailed next steps and action items.

Guest Presentation – Yasuyuki (“Yas”) Motoyama, a Senior Scholar of Research and Policy at the Kauffman Foundation, was invited to speak to the EDC and the title of his presentation was “Building Seattle's Own Entrepreneurship Ecosystem.” The presentation's focus was to debunk myths about entrepreneurship and help the EDC understand how to create an entrepreneurship ecosystem, a community and environment that fosters the start of new companies and their successful growth.

After the presentation, a question and answer session with the Commissioners yielded the following additional notes from Mr. Motoyama:

- Young companies, those operating for five years or less, create nearly all net new jobs in the United States. However, older companies can also be entrepreneurial and poised for growth. The key is to understand a business's intention and how serious it is about growth.
- Non-compete agreements constrain labor mobility. Enforcement of non-compete clauses hinders the creation of new companies. This is different than in California where non-compete clauses are virtually unenforced.
- Human capital is a driving factor in local growth—this can be measured by high school and college completion rates.
- While STEM degrees are important, when it comes to entrepreneurship, it is imperative that communities embed an entrepreneurial mind early on in a student's academic career. Mr. Motoyama noted this factor may be more important than a blind emphasis on STEM degrees.
- While there is an emphasis on the high-tech sector for growth, it only represents about 25% of all high-growth sectors. The industrial sector has also proven to be an area for high growth.

EDC Work Groups, Metrics and Measures –

Work Group 1: **Improve social mobility through access to college and career** – *Access to college and career for all Seattle residents.* [Dave Freiboth, Tanya Jimale, Charissa Raynor, Jill Wakefield, Michael Young]

Chancellor Jill Wakefield said her group recognized the critical role of education and the development of local talent to feed the economy but noted that current cost growth is untenable. Additionally, she noted financial aid has not grown despite growing need. She stated her work group is focused on figuring out a system to get more students to, and through, higher education by coming up with a new, local financing plan. Her group has been working to understand how much it would take to make a difference while using funds efficiently, if there was a way to get support from local industries, and what the rules of the financing plan would be.

Michael Young added that there is a necessity to have homegrown talent in the area and that the city cannot rely on people coming to Seattle—to do so would allow the possibility that the city fails to compete for talent or overpays for talent. Steve added the group plans to price the unmet need and it may be more than a City levy could support. By February, the goal is to have a proposal or concept to present to the community, explain the group's research, and outline recommendations.

Work Group 2: **Advance our infrastructure and built environment as economic catalysts** – *Envision and create great urban centers, and Build an efficient transportation system and inviting open space in the Center City.* [Shaiza Damji, Maud Daudon, Rob Mohn, John Schoettler]

Rob Mohn reviewed the initial goals of his work group and stated the group recognized early on that some change in direction was needed due to a mismatch of resources and not wanting to replicate the efforts of other groups in the community. Therefore, he stated the group is proposing to pivot to focus on a case study of a Seattle neighborhood. The case study would review an urban village outside of the central core that has undergone extensive city planning, is a transit hub, and is poised for growth in order to understand how the City's planning played out over the years. Then, lessons learned from that study would guide the group's work plan in 2015. The goal would be to complete the case study and develop a 2015 work plan by February.

Steve mentioned John Schoettler also suggested benchmarking the City against its original urban center plans to determine if goals were met as this would also inform future recommendations.

Work Group 3: Advance our infrastructure and built environment as economic catalysts – Maximize the University District as the region's next innovation hub & Build strategically on our economic strengths – Assert Seattle's role as a global leader in the knowledge economy. [Chris DeVore, Chris Rivera, Michael Young]

Chris Rivera began by posing the question their work group initially posed to itself: Where's the next potential innovation hub for tech outside of South Lake Union? The work group's time has been focused on the University District in order to fulfill a vision of utilizing current infrastructure and developing future infrastructure to support entrepreneurs and innovation.

Rebecca Lovell noted that work has been going on for a couple of years in the U District and currently, the work group was reviewing a few different zoning options in the U District. By June, the work group hopes to see a zoning code in place that supports innovation. Additionally, the group hopes to help identify a tech titan anchor tenant for the U District. She stated they envision the U District as the best urban, transit-oriented place in the world where people can live, work, play, and learn. Later, Rebecca gave an update on Startup Seattle work (an update to Startup Weekend and Hack the CD events) and how they feed into EDC work. Chris Rivera noted these Startup Weekend events help to grow the next generation of entrepreneurs.

Rob Mohn commented that the approach to planning in the U District was much different than what is typical. He noted that in the U District, there was deliberate thinking about what economic ecosystem the community wanted beforehand and then that was used to influence planning and zoning. He thought it could serve as an example elsewhere.

Work Group 4: Build strategically on our economic strengths – Tell Seattle's economic story: "We make things that change the world" and Harness our talent in social entrepreneurship. [Maud Daudon, Tanya Jimale, Alan Nay, Julie Pham]

Alan Nay provided an update for his work group noting they recently convened informal focus groups with community members in order to understand current perceptions of Seattle and its economic landscape. He shared the group's goal: "to share Seattle's story to grow and attract business, talent, and investment in the city." The work group will focus on developing a consistent message that goes out across all channels. Julie Pham noted that the focus groups tried to be a diverse set of economic players with varying opinions and that once the message is developed, the next step will be to build a toolkit for storytellers to get the message out.

Work Group 5: Build strategically on our economic strengths – Maintain our strength in manufacturing and maritime. [Dave Freiboth, Christine Hanna, Julie Pham, Tay Yoshitani]

Christine Hanna indicated her work group was one that was still getting a feel for the work. The work group has pulled together a relatively large number of informal members from the private sector, state, county, and elsewhere to help inform the direction of the group. Christine reported the group

pulled together a list of various initiatives (that were in process or stalled) that had to do with infrastructure, workforce, or the manufacturing and maritime sectors as a whole. The group wants to make a work plan in light of these initiatives currently on the table.

Additionally, Christine noted that their work group began discussing a list of indicators and the criteria for what makes a good indicator: is it items that the City has some direct influence over? Are there too many variables to take an accurate measure?

Mike Merritt, representing Tay Yoshitani from the Port of Seattle, provided some additional detail noting that discussions on zoning, the comprehensive plan, the freight plan, and heavy haul network were all underway already and thus, the EDC should try to identify where it can have an impact. He also shared that a recent study from the port showed that the ports of Seattle and Tacoma together supported 48,000 jobs in the region. Dave Freiboth commented these sectors represent old Seattle and there is a natural tension for change.

Seattle Economic Indicators, Draft for Discussion – Steve Johnson and Nancy Yamamoto presented a proposal to include macro-economic indicators about the Seattle's economic performance in the EDC's annual report. Steve noted these indicators would not be one-to-one relationship ties to the work groups work and individual indicators, although the EDC's work would influence them. Steve stated the idea is to have one place where people can come and learn about job creation, startups, equity, and educational attainment not on a regional basis, but for the city. He noted this is something that would be presented as part of the EDC's work on an annual basis. He asked the group if this was an appropriate role for the Commission, if these were the right categories, and who from the Commission might want to be involved in future discussions.

Nancy Yamamoto walked through the draft indicators document noting it was a work in progress. She highlighted the five categories: business climate, area employment, regional competitiveness, workforce pipeline, and socio-economic. She noted the goal is not to inundate people with data but to know what to prioritize and find out what is not currently being measured.

Rob Mohn commented the measures should try to reflect the EDC's foundational areas, if possible. Alan Nay asked about possible indicators of happiness to be included. Christine Hanna wanted to ensure these indicators reflected the EDC's values to create a sustainable, equitable, and resilient economy.

The Commissioners generally agreed the EDC was a reasonable place to share these measures and that the measures would be logical and useful. Chris DeVore added that these should be presented in the spirit of a report card—an honest look at the state of the Seattle economy.

Next Steps – Steve reminded the Commissioners that the next meeting was on Wednesday, November 19th and the guest speaker will be Scott Kubly, the new director of Seattle's Department of Transportation. Chris DeVore volunteered to host the meeting at Startup Hall.

Adjourn – Chris DeVore adjourned the meeting at 3:05pm.