

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. We have committed \$360,000 in federal Community Development Block Grant (CDBG) funds for the renovation of tenant spaces and intend to seek matching funds from other sources such as federal grants and foundations. These investments in tenant improvements will help lower the entry costs for small business tenants. Moreover, we will explore other affordability features such as small sized tenant spaces and flexible lease terms. Over the next six months, we will finalize the project concept with input from community stakeholders and then select a partner through a competitive process to operate the project. This project will serve as a model of commercial affordability that could be applied in other projects.

## 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. The consulting team will offer services such as the design of tenant spaces for small businesses, feasibility analysis in renovating buildings, and business plan development that will help small businesses grow and remain competitive. We committed at least an annual \$65,000 CDBG funds for this ongoing work.

### Financial Support for Microbusinesses

The City will assist low- and moderate-income owned microbusinesses (i.e., five or fewer employees) overcome a critical obstacle to growth – low-cost capital. The City’s support will be provided through two products: Individual Development Accounts (“IDAs”) and 0% interest loans. An IDA is a type of savings account in which a business deposits funds and has that amount matched by City and federal grants. The City will also partner with a community lender to offer 0% interest loans to micro businesses. The City’s contribution will cover the interest costs, and the private lender will provide the loan capital. We have committed an annual \$122,000 CDBG funds for the IDA and 0% interest loan products.

Additionally, Mayor Murray directs his Office of Economic Development (OED) to work with small businesses, business districts, developers and other stakeholders to do the following:

- Explore the creation of an entity or partnership focused on providing **financial and technical** assistance services to small businesses and small-scale building owners.
- Explore **financial incentives** that encourage property owners to support local small businesses in various ways. Potential tools include:
  - Commercial affordability tax abatement (a commercial equivalent to the Multi-Family Tax Exemption (MFTE) program;
  - Incremental property tax adjustments where property tax assessment is tied to a property owner's building income rather than the general market value;
  - Commercial affordability fund that would provide low-cost financing for small businesses and small-scale property owners

Explore changes to policy that support small businesses across all sectors and neighborhoods of Seattle. Potential changes in policy include:

- Prioritizing, where appropriate, the long-term lease or sale of underutilized public property for small business use;
- Integrating commercial affordability priorities within the affordable housing funding process without minimizing unit development goals;

- Co-locating affordable commercial uses within public space or transit-oriented properties;
- Promoting small-scale commercial pockets in residential areas especially where prior commercial use existed;
- Reducing small business displacement tied to chain development

Explore changes to the permitting process that reduce barriers to entry for local small businesses, provide for higher functioning commercial designs, and enable greater neighborhood input on tenant selection. Potential changes include:

- Fast-track permitting for small businesses;
  - Strengthen design guidelines that are supportive of creating successful small business and retail spaces;
  - Coordinated development of the project between the City, and various other involved entities at critical development milestones
- Expand **technical assistance programs** significantly to support early stage, as well as small-scale property owners and work with Councilmember Herbold to develop a legacy business strategy. Additional programs include:
    - Improved coordination among City departments and other organizations providing assistance with an emphasis on ensuring outreach assists underserved communities;
    - A small business marketplace exchange that provides an online directory of tenants, brokers, building owners, business chambers and others that will facilitate communication in exploring commercial affordability projects