

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

<p>AGENDA TITLE: Community Capital Development program in Shoreline DEPARTMENT: Economic Development Program PRESENTED BY: Tom Boydell, EDP Manager, and Jim Thomas, CEO of CCD</p>
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PROBLEM/ISSUE STATEMENT:

The Community Capital Development (CCD) program is meant to provide business training, business mentoring, and loan capital for Shoreline's small businesses. More than 80% of the employment in Shoreline is in businesses of 20 or fewer employees. These businesses require a special level of service and many do not have adequate access to bank capital. In other jurisdictions since 1997, CCD has made more than \$12 million in private capital loans to businesses that did not have access to bank capital through mainstream channels. These borrower businesses have achieved greater than 4% annual sales increases as a result. Without CCD loan capital, training, and other services, many of them may not have survived or grown at all. The proposed contract is for three years, after which time CCD is to become self-supporting in Shoreline.

ALTERNATIVES ANALYZED:

CCD is unique in the nation in terms of their non-profit organizational structures and type of work that they do, and, therefore, a sole source contract is justified. It requires local sponsorship and enjoys broad support from government, businesses, the community and environmental groups in other jurisdictions from Tacoma to Everett.

The CCD Shoreline pilot program, which ended in January 2006, reached 120 businesses. Activity measures includes number of business contacts, businesses surveyed, services provided, loan candidates identified and/or loans completed. In its different activity measures, CCD met or exceeded its performance targets. In the case of two loans offered by CCD, the agency stood ready to make the loans at generous terms, but the businesses failed to complete their applications and close the loan. One loan was to be for \$3,000 to \$5,000 as a tenant improvement loan; the other was a \$35,000 to \$50,000 working capital loan. The second loan may still close in the near future. CCD also assisted in numerous discussions with property owners about future redevelopment plans.

Based on the outcomes (needs identified, service successes, lessons learned) of that pilot effort, I believe that it is worthwhile to proceed with a longer-term commitment.

FINANCIAL IMPACT:

The proposed contract is for \$150,000 over a three year period - \$75,000 for year 1; \$50,000 for year 2; and \$25,000 for year 3 – after which the program is to become self-sustaining. The role of City of Shoreline funding is not to provide loan capital or any direct gift of funds to private businesses. City of Shoreline funding will subsidize the level of direct services by CCD staff to local businesses. This work includes business training classes, business plan mentoring, door-to-door types of problem-solving and meeting business owners, and similar services.

From CCD, the Shoreline program is expected to generate the following outcomes:

Project Target Goals

MILESTONES	OUTCOMES		
	YEAR 1	YEAR 2	YEAR 3
Total Contacts	102	122	146
Annual Counseling Sessions (Short-term)	60	72	86
Annual Trained	25	30	36
Annual Counseling Sessions (Long-term)	20	24	29
Total Business / Marketing Plans	12	14	17
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Incubator Counseling	2	3	4

There is \$75,000 in the current 2006 budget to cover the first year costs of the CCD program.

Attachments:

1. Exhibit A from the contract: 3 year workplan
2. CCD Pilot Project Final Report

RECOMMENDATION

Staff recommends that Council authorize the City Manager to execute the three-year contract with Community Capital Development.


Approved By: City Manager  City Attorney _____

EXHIBIT A
Community Capital Development (CCD)
Scope of Work

Project: Shoreline Small Business Assistance

The City of Shoreline wishes to establish a capability to outreach to and assist the large number of small and micro-sized businesses in the Shoreline community. CCD (or “the Consultant”), a non-profit Community Development Financial Institution whose organization model is unique in the country, has been identified as a potentially key partner in this effort.

Purposes:

The two purposes of the Shoreline Small Business Assistance Project are:

- To provide information, training, and improved access to private sources of capital
- Support the retention and growth of existing small and micro businesses,
- To respond as a valuable partner to the needs of minority and women-owned businesses, To support entrepreneurship, and
- To assist the successful relocation of businesses within the Shoreline community or from outside Shoreline to become part of the Shoreline community; and

Timeframes:

This agreement is a commitment of City of Shoreline funding that pertains to a three-year program, beginning June 1, 2006. After three years, the CCD program in Shoreline is expected to become self-supporting.

Compensation:

Total compensation will be \$150,000. For the first year, the compensation will be \$75,000 in equal monthly increments of \$6,250, which will include any staff costs, other fees and expenses. For the second year, the compensation will be \$50,000 in equal monthly increments of \$4,166.66, which will include any staff costs, other fees and expenses. For the third year, the compensation will be \$22,083.33 in equal monthly increments of \$6,250, which will include any staff costs, other fees and expenses.

This will not be used to provide any direct capital or gifts to businesses. This is to be used for professional services in the set up of the Shoreline pilot program, including the outreach and consultation services provided to local businesses, development of the local program structure, and discussions with City staff in planning and performance evaluation. One or more CCD staff persons will be assigned to Shoreline for door-to-door outreach and direct meetings with businesses. The costs of administrative overhead, expenses, and program management are included in the monthly service fee amount.



**Community Capital Development
City of Shoreline
Economic Development Small Business Assistance Phase II Project Work Plan
Three Year Plan (May 2006 – 2008)**

Community Capital Development (CCD), a non-profit Community Based Development Organization (CBDO) proposes the following scope of work for three (3) year work plan based on the results of the five month pilot program of business assistance to businesses in the City of Shoreline.

Approach

As outlined in the Success Pyramid and worksheets on the following pages, during the three year project CCD will provide one-on-one business assistance including short term business counseling (less than four hours of business counseling per client) and long term counseling (over four hours of counseling per client), business training, and access to capital (including loan packaging, financial assistance, and access to alternative financial options such as equipment financing and micro-loans), as well as a dedicated pool of funds for businesses within the City of Shoreline as approved through the standard credit underwriting processes of Community Capital Development.

One-on-one technical assistance will be provided at least once to more than 100 business owners, with long-term assistance provided to at least 50. We expect to provide business retention services, potentially including access to capital, to at least 20 businesses during the duration of the Project.

As outlined in the Scope of Work, during this Project we will be performing outreach, training and business technical assistance to Shoreline businesses, and will report to the City our status related to the goals outlines in this Work plan on a quarterly basis as requested by the City.

Note: It is anticipated that the Business Assistance Officer (BAO) assigned to this project will be located on site in the City of Shoreline within one year from the start of the contract period. In the interim the BAO will be housed at CCD's headquarter office in Seattle or the Northwest Washington Women's Business Center in Edmonds, Washington.

Three-Year Work Plan

The following is a Success Pyramid based on the City of Shoreline's Economic Development Program preferred format for Scope of Work. The timeline for these deliverables is three years.

The following goals are outcome targets for pilot management and planning purposes, but they have no ties to compensation or other contract terms related to payment. The numbers may exceed minimum activity levels that are defined above. They are subject to adjustment at the discretion of CCD's Chief Executive Officer provided that they meet minimum activity levels.

There are approximately 1350 businesses in Shoreline. From this number, the CCD program will identify 200 or more businesses as potential candidates for CCD services.

Target milestones include distribution of the business needs assessment survey tool, collecting and aggregating a contact database of all businesses located within the city limits, one-on-one contact businesses, and completed surveys. In response to the needs assessment, a business assistance technical training opportunity will be developed and offered to the business owners in the Shoreline community. Of these, it is expected that a certain number of business owners will attend an information session and at least one-half of those will then be trained on an aspect of business management or planning that is deemed important by them. Of those trained, we expect a certain number to participate in one-on-one business technical assistance counseling with one of CCD's business professionals. Business retention services, potentially including access to capital assistance in the form of loan packaging, making a direct loan, SBA loan, or assisting to secure other business financing,

Subject to consultation with the Shoreline Economic Development Manager, CCD may adjust its sequence of activities to better respond to opportunities to help businesses.

Education and training will be coordinated and conducted by CCD's Northwest Washington Women's Business Center (NWWBC). To establish continuity and credibility with business owners in Shoreline, CCD's Director of the NWWBC will assist CCD in identifying additional one-on-one and group counseling services that could be offered to local Shoreline business owners to help build business retention and growth. For example, Shoreline business owners could be offered membership (not mandatory) in the NWWBC to receive ongoing business counseling and mentoring services at a subsidized cost using federal funds designated to help businesses grow.

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Projected Outcomes for Year 1													
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Total
Technical Assistance													
Contacts	8	9	8	9	8	9	8	9	8	9	8	9	102
Short-term Assistance	5	5	5	5	5	5	5	5	5	5	5	5	60
Training	2	2	2	2	2	3	2	2	2	2	2	2	25
Long-term Assistance	1	2	2	1	2	2	1	2	2	1	2	2	20
Business & Marketing Plans	1	1	1	1	1	1	1	1	1	1	1	1	12
Jobs													
Jobs Retained		1	1		1	1		1	1		1	1	8
New Jobs Created		1		1		1		1		1		1	6
Loans & Business Retention			1			1			1			1	4
Incubator Counselling						1						1	2

Projected Outcomes for Year 2	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Total
Technical Assistance													
Contacts	10	10	10	10	10	11	10	10	10	10	10	11	122
Short-term Assistance	6	6	6	6	6	6	6	6	6	6	6	6	72
Training	2	3	2	3	2	3	2	3	2	3	2	3	30
Long-term Assistance	2	2	2	2	2	2	2	2	2	2	2	2	24
Business & Marketing Plans	1	1	1	1	1	2	1	1	1	1	1	2	14
Jobs													
Jobs Retained		1	1	1	1	1		1	1	1	1	1	10
New Jobs Created		1		1		1		1		1	1	1	7
Loans & Business Retention			1			1			1		1	1	5
Incubator Counselling						1			1			1	3

Projected Outcomes for Year 3													
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Total
Technical Assistance													
Contacts	12	12	12	12	12	13	12	12	12	12	12	13	146
Short-term Assistance	7	7	7	7	7	8	7	7	7	7	7	8	86
Training	3	3	3	3	3	3	3	3	3	3	3	3	36
Long-term Assistance	2	2	2	3	2	3	2	3	2	3	2	3	29
Business & Marketing Plans	1	1	1	2	1	2	1	2	1	2	1	2	17
Jobs													
Jobs Retained	1	1	1	1	1	1	1	1	1	1	1	1	12
New Jobs Created		1		1		1		1	1	1	1	1	8
Loans & Business Retention		1		1		1		1		1		1	6
Incubator Counselling			1			1			1			1	4

Reporting

CCD will submit brief, monthly reports summarizing accomplishments and activities that support the goals and outcomes of the pilot. In addition, CCD will participate with the City of Shoreline Economic Development Manager and the staff of ECOSS in, at minimum, quarterly meetings to discuss outreach, activities, achievements, and lessons learned.

In addition, the Consultant shall prepare an Annual Report for the end of each year of the three year contract period. The report will include

1. Summary of activities, business outreach contacts, and referrals, including the location, number and type of businesses receiving services/technical assistance/financial services
2. Highlight 6 mini-case examples (one page or less each 3)
3. Documentation of creative problem-solving on property issues related to business stability, growth, or relocation that was achieved during the pilot project.
4. Summary information of business needs
5. Analysis and design of a longer-term program structure and its potential value to economic development in Shoreline.

Annual Reports will be due to the City of Shoreline at the end of May in 2007, 2008 and 2009. The 2009 report will be considered a final report for the 3 year Shoreline program. As such, it should include a three year summary of performance vs. goals and identification of any major changes that occurred to the program during that time.

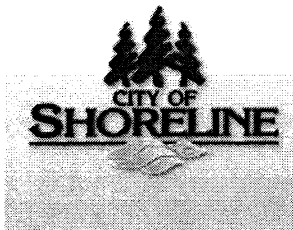
Other Requirements

All reports shall be submitted the City of Shoreline Economic Development Program, and the Economic Development Manager will be responsible for review, approval, and distribution to other city staff, managers, economic development partners, and elected officials.

The City of Shoreline will be acknowledged for support of this pilot project by utilizing City of Shoreline logo or other appropriate identifying information on any information sheets, brochures, publications, and reports.

Business Survey Instrument

The draft of the survey tool is attached.



City of Shoreline Business Development Project
Small Business Survey

Name of Business and Owner _____

Address/Phone/Email _____

Describe Property Size _____ Terms ___ Leased ___ Owned

Type of Business Retail Services Service ___ Medical ___ Dental
 Wholesale ___ Accounting ___ Real Estate
 Other _____ Other _____

Name of Person Interviewed _____ Owner Manager Operator

1. How long has this business been operating here? _____

2. How many employees? _____

3. Describe your services or goods that are sold?

4. What do you see as the biggest barrier or challenge to your business success?

5. What is your unique or competitive strength in the Shoreline marketplace?

6. If business classes were available at low cost and at reasonable hours, would you take advantage of these?

7. Do you presently belong to a Chamber of Commerce or business association?
 Yes No

8. Is there anything you would like for us to take back to the City of Shoreline about helping businesses?



Memorandum

DATE: May 2, 2006

TO: Robert Olander, City Manager

FROM: Tom Boydell, EDP Manager

RE: CCD and ECOSS programs – New Contracts for Review/Approval

It is my pleasure to send you the proposed contracts for the two small business assistance programs that were developed from the two successful pilot programs –

1. Community Capital Development (CCD) program for business training, business mentoring, and loan capital, and
2. Shoreline Sustainable Business Pilot Project (by ECOSS), which focused on private and confidential assistance to businesses on environmental and business issues of various kinds.

CCD and ECOSS are each unique in the nation in terms of their non-profit organizational structures and type of work that they do, and, therefore, the sole source contracts are justified. Each requires local sponsorship and enjoys broad support from government, businesses, the community and environmental groups in other jurisdictions from Tacoma to Everett. Each non-profit organization has a long track record of measurable successes – expanding employment, growing business sales, reducing business costs, and solving difficult technical and regulatory problems. For example, since 1997, CCD has made more than \$12 million in private capital loans to businesses that did not have access to bank capital through mainstream channels. These borrower businesses have achieved greater than 4% annual sales increases as a result. Without CCD loan capital, training, and other services, many of them may not have survived or grown at all.

Under the pilot programs, the CCD and ECOSS programs significantly exceeded their performance targets, in terms of number of business contacts, follow up services, and identification of loan candidates. For example, CCD reached 120 businesses. ECOSS reached 33 businesses for which they identified an average initial savings of \$1500 and annual savings of \$400. The time period of the pilot was too short for implementation of many of the recommendations, however, we believe that this will occur during the next program phases.

New work programs with specific activity and performance measures were delineated. These are shown in Appendix A of each of the respective agreements.

The role of City of Shoreline funding is not to provide loan capital or any direct gift of funds to private businesses. City of Shoreline funding will subsidize the level of direct staff service to local businesses, including business training classes, business plan mentoring, door-to-door types of problem-solving meetings, and similar services.

From CCD, the Shoreline program is expected to generate the following outcomes:

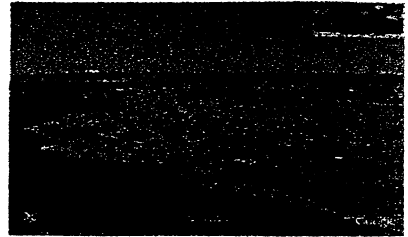
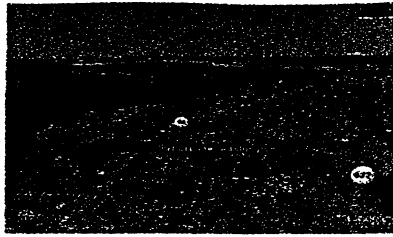
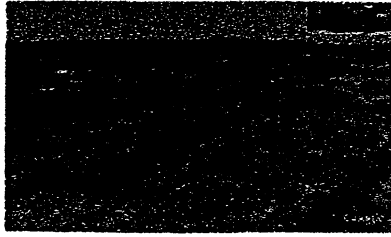
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From ECOSS, the Shoreline Sustainable Business Extension Service will help save money and improve the environmental performance of a minimum number of 50 to 75 participating businesses plus others as assigned by the EDP Manager. Outcomes, expectations and pilot performance measures will consist of:

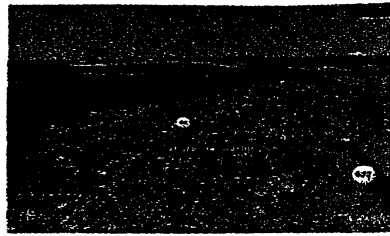
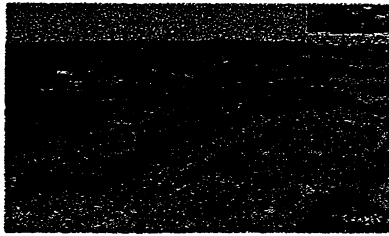
1. Savings due to program participation (in hundreds to thousands of dollars)
2. Site assessments as part of Brownfields program
3. LEED certification considered for new development
4. Regular emails and site visits to dynamic business contact list
5. Positive media exposure for participating businesses

Note: The CCD contract, because it is for \$150,000 over three years (subject to annual budget authorization), needs to go to City Council for their authorization to proceed. The ECOSS contract is written as only a one-year agreement for \$18,000, and so it can be signed by the City Manager on sole authority.



City of Shoreline
Economic Development Pilot
Small Business Assistance Project
Final Report





City of Shoreline

Small Business Assistance Project

A partnership with Community Capital Development

Project Team

The following highlights the staff members responsible for the success of the City of Shoreline Economic Development Small Business Assistance Pilot Project and their responsibilities at Community Capital Development (CCD).

Jim Thomas, Executive Director, Community Capital Development

As Executive Director and founder of CCD, Jim has been responsible for establishing strategic and operating plans and budgets to enable the organization to achieve its mission in developing new entrepreneurs, creating jobs, and growing the various loan funds and business assistance programs. Jim has built relationships with investors, supporters, partners, as well as with the general public, and community development organizations. He has been instrumental in developing, testing, and launching new community development products with a dual focus on building income to support operations and create new sustainable jobs in distressed communities. Jim supervises and directs community development loan and business assistance activities. He is responsible for reviewing lender's activities and making recommendations on loan program initiatives that help small businesses finance activities that increase employment and business growth opportunities. He also reviews loan presentations to the loan committee and reviews all loan proposals of the loan officers. Jim earned his undergraduate and graduate degrees in Business Administration at the University of Washington in Seattle.

Suzanne Tessaro, Sr. VP Operations, Community Capital Development

Suzanne Tessaro has been with CCD since 1998, bringing over 20 years of business planning experience in private and highly regulated industries. Suzanne supervises the administrative and loan support staff, coordinates overall asset and liability management and risk efforts and carries out employee relations programs and activities. She reports to the Executive Director. Prior to joining CCD, she spent a year as a Registered Representative at John Hancock Financial Services. Suzanne's banking experience includes eleven years at Metropolitan Savings of Seattle, where she served as an Assistant Corporate Secretary, Compliance Officer, and Risk Manager. She also spent six years at the Bank of California, in Seattle, as a Credit and Industry Analysis Officer and Real Estate Loan Processor. Her formal education includes a Bachelor of Arts and MBA from the University of Washington.

Tiffany McVeety, Project Manager, Community Capital Development

Tiffany McVeety has served Community Capital Development as Director of the business technical assistance program known as the Northwest Washington Women's Business Center since 2003. In this role, Tiffany provides business assistance to clients and manages a team of technical assistance providers who serve women, Latino, rural and otherwise disadvantaged business owners covering six counties. She reports to the Executive Director. Tiffany currently serves the community as board member of the Washington Association of Small Business Incubators (WASBI), is a member of the Community Development Venture Capital Association (CDVCA) and serves on their Rural Business Investment Committee, and sits on the Everett Public Schools Business and Technology Curriculum Advisory Board. She has presented CCD as a best practice in economic development to the World Affairs Counsel, the Chinese Consulate, and the Washington State Incubators Best Practices Conference. Tiffany earned her BA with a focus on Entrepreneurial Business and MBA in Information Systems Management from Seattle Pacific University and was trained in non-profit leadership by the Drucker Institute.

Dr. Diana Morelli, Latino Business Assistance, Community Capital Development

Latino Technical Assistance Officer, Dr. Diana Morelli provides part-time technical assistance to the Latino business community through a special grant-funded program. The program partners are Community Capital Development's Northwest Washington Women's Business Center, Economic Development Counsel of Skagit County, Skagit Valley Community College's Business Resource Center, and Whidbey Island Bank. Through this program, Dr. Morelli provides bi-lingual technical assistance and loan packaging to the Latino business community with a focus on the four northernmost counties. Dr. Morelli has a Ph.D. from the University of Washington in Romance Languages, Literature and Linguistics. She launched and teaches the Intensive Spanish Institute for professionals for Washington State University and Skagit Valley College.

Rhonda DeVito, Shoreline Outreach Officer, Community Capital Development

Rhonda DeVito is President of Ideas International, a business consulting firm dedicated to serving entrepreneurs and small business owners through transitional periods including growth and expansion, partnership dissolutions, and bankruptcy. Rhonda has over 25 years experience developing and administering successful companies. She is a specialist in consulting to small and medium-sized businesses.

About Community Capital Development

Community Capital Development (CCD) is an economic development organization composed of three sister 501(c)(3) nonprofit organizations formed in 1997. The three organizations are legally distinct, but share staff, operate in the same office space, and do business collaboratively under the trade name of Community Capital Development.

- Seattle Economic Development Association is the overall administrative and strategic planning arm of CCD. This organization is a traditional 501c3.
- Seattle Economic Development Fund is a Community Development Financial Institution (CDFI). The CDFI structure allows us to administer other entities loan programs, such as the Bellevue Entrepreneurial Center's loan program.
- Seattle Business Assistance Center provides small business consulting services, training and networking to entrepreneurs throughout Washington State. This organization is a traditional non-profit 501c3 organization that operates several business advice and training programs.

Community Capital Development's mission is to create opportunity, economic self-sufficiency and job creation through entrepreneurial development and access to capital throughout Washington.

In that regard, CCD has been serving small business owners and entrepreneurs throughout Washington State through its technical assistance programs.

Business Advise and Training Programs

- **Washington State Minority Business Development Center (MBDC).**
This state-wide program provides professional business consulting services to fast growth, minority-owned businesses with revenue in excess of \$500,000 or the potential for rapid growth.
- **Small Business Development Center (SBDC).**
Specializing in providing professional business development assistance to help you grow a successful business in today's marketplace. Our assistance is primarily delivered in the form of one-on-one, confidential business counseling provided at no charge. Winner of the Washington Small Business Development Center "Million Dollar Club Award".
- **Procurement and Technical Assistance (PTAC) Program of King County.**
In 2004, over \$80 million in government contracts were awarded to Washington State businesses through this program.

PTAC helps business owners navigate the federal and state government contracting opportunities. Assists business owners through several state and federal "certification" processes. And, matches businesses with potential government contract opportunities through a fee-based electronic service.

- **Seattle Business Assistance Center (SBAC).** Providing business assistance throughout King County.
- **Washington Business Center at CCD (WBC) (formerly Women's Business Center).** An SBA Public/Private partnership.

Helping women business owners succeed in all Washington counties, with a focus on the greater Seattle Metropolitan area since 1999. Proud founding partners of the Women's Network for Entrepreneurial Training (WNET) program.

- **Northwest Washington Women's Business Center (NW WBC).** An SBA Public/Private partnership.

This program was established in 2001 to serve the women business owners Snohomish, Skagit, Whatcom, Island, San Juan and Kitsap counties. It has since evolved to specialize in creating and delivering entrepreneurial development training and counsel to Women, the Latino Business Community, US Veterans, Native American entrepreneurs, and through economic development activities.

Small Business Loan Programs

Community Capital Development became certified as a Community Capital Development Financial Institution (CDFI) in 1997 and has provided small business loans through its lending unit, the Seattle Economic Development Fund (SEDF), since that time.

Since our inception in 1997, CCD has provided loans to 311 unbankable small businesses, totaling over \$12.2 million. These businesses were responsible for creating or sustaining more than 1,143 jobs, 68% of which went to persons of low-to-moderate income. In addition the organization assists economic development organizations and municipalities in creating their own Small Business Loan Programs

Some of our Small Business loan Programs include:

- **USDA Intermediary Relending Program (IRP)**
- **Small Business Administration Pre-Qualification Program, 7(a) Loan Program, Microloan Program**
- **Child Care Micro-Loan Program**
- **King County Loan Fund**
- **Latino, Women, and other Minority Loan Fund (LWM Fund)**
- **CDFI Fund**



City of Shoreline Economic Development Pilot Small Business Assistance Project

Project Overview

The Small Business Assistance Project was developed by the City Economic Development Manager to provide the City and its economic development stakeholders a clear picture of the business community and their perceived needs.

This project was designed in such a way that one-on-one interviews with business owners in four distinct areas within the City limits were conducted with small business owners using a survey tool developed with input from the City, economic development officers, and community development specialists.

The interviews and their analysis were successful in providing the City with a clear understanding of the business technical assistance needs of small business owners and their access to capital needs.

This project was designed to provide the small business community within targeted areas immediate access to information, resources, capital assistance, problem solving, and to ensure a feeling of support by and from the City during the planned growth.

The Economic Development Pilot Small Business Assistance Project was a success in both providing immediate resources in the form of technical business assistance and access to capital programs to the business community within the City limits.

In addition, three specific needs for further assistance were identified including:

- 1) a need for an ongoing business assistance program;
- 2) a need for small business training in the areas of loan packaging, marketing, cash flow and income projections, record keeping, and taxes; and finally
- 3) a small business loan program specifically for those businesses who might be otherwise not bankable.



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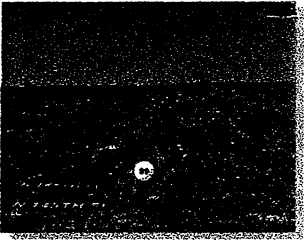
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- 3) a small business loan program specifically for those businesses who might be otherwise not bankable.



Outreach

Project Summary and Goals:

1. To meet in person with small businesses in Shoreline to determine what kind of help, resources and services they require to enhance their profitability.
2. To understand better what kind of barriers are prohibiting business success.
3. To assess the nature of business owners' involvement in their community business associations.
4. To gather general data on the businesses: size, number of employees, type of service/products provided.

Targeted Outreach Areas

- A. 145th to 175th at Aurora Ave.
- B. Richmond Beach Area
- C. North City at 145th to 205th
- D. 175th to 205th at Aurora Ave.

Needs Assessment Methodology

Survey Research

Survey Research is the systematic gathering of information from respondents for the purpose of understanding and/or predicting some aspect of the behavior of the population of interest. The survey research is concerned with sampling, questionnaire design, questionnaire administration and data analysis.

In-person Interviews

An in-person interview consists of an interviewer asking the respondent questions in a face-to-face situation. The interviews in this Needs Assessment were conducted in the Small Business Owner's or Manager's Place of Business.

Over 100 Businesses Surveyed

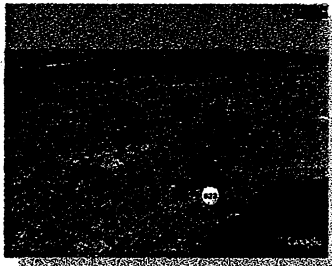
Survey Methodology

Generally, each business owner or manager surveyed spent up to one hour with the consultant. A business owner was approached, and the consultant would introduce herself and tell them that she was doing a survey of small businesses for the City of Shoreline to determine what kind of business assistance would most likely help them grow their businesses.

Some business owners were hesitant to answer the survey questions at first. Others had already met with other City surveyors/personnel and/or had already answered a different survey via mail or email [small business directory questionnaire sent by the City] and were somewhat reluctant to share their time.

The Shoreline Project Coordinator shared with the potential survey respondents that Community Capital Development was a non-profit organization that has been helping businesses succeed for many years. A brochure with the "Now in Shoreline" sticker was then handed to the business owners which included services available to them now locally.

This process allowed the coordinator to launch into the actual survey questions.



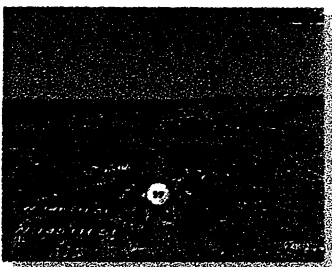
Survey Results

Excerpt from the Project Coordinator's Internal Reports

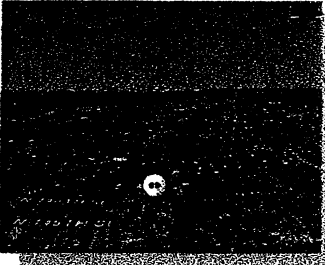
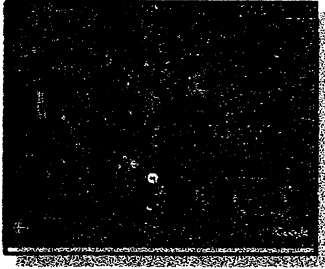


Coordination with the Chamber of Commerce

"To get a better map of the area, I stopped by and met with the Shoreline Chamber of Commerce. The entire staff is brand new. Blaine Parkening, who does Membership Development, gave me great information on the business atmosphere, especially regarding the construction and ideas how to keep business flowing during it. Blaine has been getting lots of calls from businesses about their decline in income, same as I've been hearing. The subject is the 800 lb. gorilla that greets me in every conversation."



OUTCOME—AREA 1 Aurora Corridor



Businesses Interviewed:

South of 185th, West of Aurora
#42

South of 165th, East of Aurora
#74, #75, #76

South of 155th, East of Aurora
#66, #67, #68, #69, #70, #71, #72,
#73

South of 150th, West of Aurora
#58, #59, #60, #61

South of 150th, East of Aurora
#62, #63, #64, #65

Numbers refer to the record-number of each individual survey.

What would help you grow or expand your business in Shoreline?

#67: *Needs help understanding record-keeping and taxes.*

#64: *Needs help testing the feasibility of expansion.*

#76: *Needs training in QuickBooks.*

Aurora Avenue

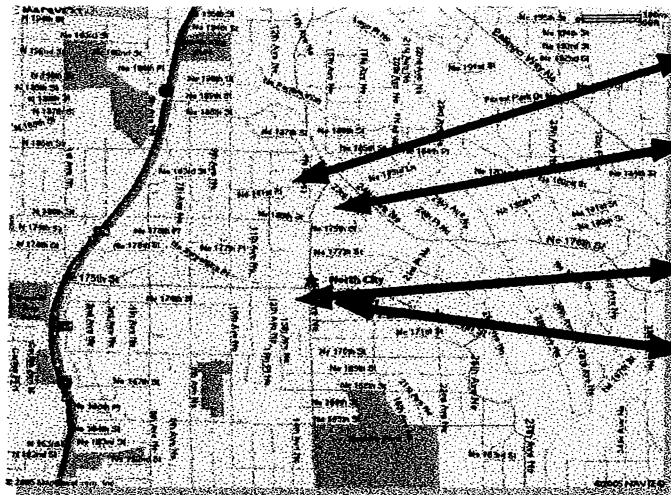
Excerpts from the Project Coordinator's Internal Reports

“The small businesses here think the City is favoring large businesses over them.”

“Some [business owners] have indicated they will have to go out of business due to the construction, some feel the improvements will not help bring increased sales.”

“Business owners are aware of the fast-rising property values [in Shoreline] and are concerned that they will not be able to afford to stay in Shoreline. Most believe taxes will go up soon to pay for all the improvements.”

OUTCOME—AREA 2 North City



Businesses Interviewed:

- South of 185th, West of 15th NE
#46, #47, #48, #55, #56, #57
- South of 185th, East of 15th NE
#1, #2, #3, #4, #5, #6, #7, #8, #11, #14, #43, #44, #45, #49
- South of 175th, West of 15th NE
#50, #51, #52, #53, #54
- South of 175th, East of 15th NE
#9

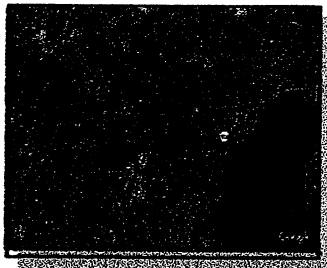
Numbers refer to the record-number of each individual survey.

What would help you grow or expand your business in Shoreline?

#5: Needs financing to grow their business.

#3: Needs to learn how to market the business.

#49: Needs a bridge loan.

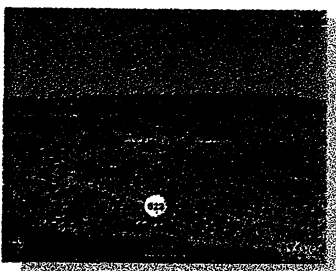
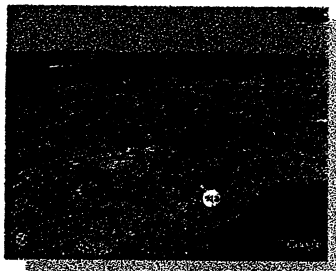


North City

Excerpts from the Project Coordinator's Internal Reports

“North City on 15th Ave. NE is a tighter, smaller neighborhood than the large areas on Aurora. Although the construction is ongoing and getting around on foot was a bit tricky, it gave me a good sense of what the businesses are up against with restricted access and traffic messes; which is predominantly the feedback I heard from the business owners.”

“I happened upon the North City Project construction field office and introduced myself to the Construction Inspector, Steve Miller. Nice guy! He explained the project to me, showed me blue prints, and gave me a bunch of cards to give to businesses about the construction project.”



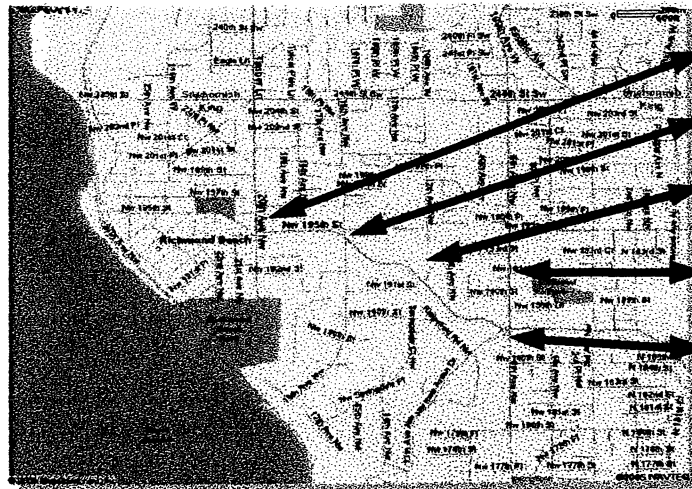
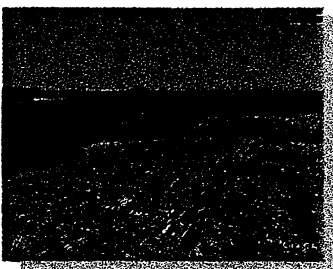
North City

Excerpts from the Project Coordinator's Internal Reports

"They've [North City Project construction Field Office] been doing lots of weekly meetings for the businesses sprinkled around the area. It really helped me understand what the outcome will be for the neighborhood and gave me a way to deflect some of the emotional feedback about business decline. I'm trying to get beyond construction in the interviews and get owners to focus on the future."

OUTCOME—AREA 3

Richmond Beach, Richmond Highlands



Businesses Interviewed:

20th and 195th
#15, #24

15th and 195th
#12, #13

12th and 195th to 185th
#16, #17, #18, #19, #20, #21,
#22, #23, #25, #26, #27, #28,
#29, #30

8th and 195th to 185th
#32, #33, #31

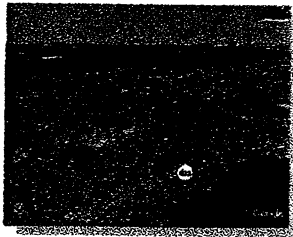
8th South of 185 as it be-
comes Richmond Beach Rd.
#34, #35, #36, #37, #38, #39,
#40, #41

*Number refers to the record number
of each individual survey.*

What would help you grow or expand your business in Shoreline?

#21: *Would like to see a community-based marketing program.*

#23: *Needs management and marketing training in Spanish.*



Long-term Business Counseling (more than 5 hours) and Business Retention Services

The Community Capital Development team had several follow-on meetings with small business owners in conjunction with the Pilot Project partners.

In particular, the project brought forth a community of Latino business owners who were in need of bi-lingual business assistance. Community Capital was able to bring in its Latino Business Assistance Counselor to share, in Spanish, the resources available to the businesses, and to discuss funding and technical assistance options with them. Four follow-on meetings with the Latino Business Community followed.

In addition, joint meetings with the real-estate placement consultant provided a unique opportunity for business owners to gain answers to lease and building ownership questions related to the pending displacement from Aurora.

There is a clear need for follow-on service for both the Latino Business Community and non-minority business owners.

**Community
Capital
Development**
A Community
Development
Financial Institution
Providing Business
Expansion, Retention
and Job Creations
Services in
Washington State
since 1997.

Summary

Findings:

- Need for Ongoing Business Assistance
- Demand for Financing Options
- Desire for Training
 - Marketing / Website Development
 - Record Keeping / Taxes
 - Financial Statements

Excerpts from the Project Coordinator's Internal Reports

“The make up of the business community has all the right ingredients for success—good location, a diverse cultural base, and an excellent labor base.”

“It appears that business owners in Shoreline want change, a clear identity, and business assistance.”

Identify issues

Our knowledge and expertise help determine what the greatest needs are in the business community and how to most effectively address them.

A thorough understanding of the problems faced by small business owners enables us to craft better solutions.

“The key [to growing a vibrant business community] will be keeping the businesses here. Increasing the availability to capital, education and information are the most important factors to keeping these businesses happy and healthy.”

The need for Small Business Technical Assistance (TA)

It is our experience that, of those new businesses established every year, approximately 60% remain in business for at least five years if they have received some form of technical assistance, especially entrepreneurial training.

Those who have not received such assistance typically end their operation by the end of year two. It was no different for those businesses within the City of Shoreline City limits.

Recommendation

Technical assistance, along with education and entrepreneurial training provides an integral element to increasing entrepreneurial literacy, skills and experience.

In many cases, technical assistance, education and training programs must be provided in languages other than English to serve the needs of the Hispanic/Latino community and other minority populations.

It is our recommendation that a dedicated small business assistance counselor be contracted in order to provide the ongoing business assistance this growing business community demands. It is further recommended that a Spanish Speaking counselor be made available to the Shoreline Business Community as needed.

Invest in solutions

Community Capital Development operates a variety of business technical assistance programs to meet the needs of diverse business owners throughout Washington State.

Our approach to economic development allows us to tackle the most common business mistakes, before they affect your bottom line.

Our technical assistance programs and access to capital programs can be used in the midst of a business crisis, or in the business planning or expansion stages.

Our overall community is strengthened when our small business owners have the cash flow to earn a living, hire employees, and thrive in the way they planned.

The Interest in a Small Business Incubator

There is a growing interest in Statewide funding and support for Small Business Incubators.

Community Capital Development is recognized as a Best Practice in Small Business Incubator development and operations. Community Capital Development received funding from the Washington State Office Community Trade and Economic Development to launch a Small Business incubator in its headquarters in Seattle. One of the Incubator tenants received the Washington Association of Small Business incubators (WASBI) Best Practice Awards in 2005, while another of its programs won the "Rookie Incubator of the Year Award" for serving the Latino, Native American, and Women entrepreneurs in the northern counties.

Recommendation

It is our recommendation that a feasibility study be conducted in order to determine the best location for a Small Business Incubator facility. Form our findings through the one-on-one interviews with small business owners, and with our partners in economic development, the Shoreline Community College, it was found that small business incubator services are desired in this community.

Further there is support from the Shoreline Community College and the Washington State Association of Small Business incubators to introduce such a facility to serve the Northern part of King County and South Snohomish County.

The Demand for Access to Capital Programs

During this project it was clear that some businesses are simply not-bankable for a variety of reasons. Some businesses in this circumstance are simple 'disadvantaged' by a language barrier, or a lack of knowledge of the business lending process.

In our experience it can take up to eight (8) hours to package a loan for a lending institution. Many business owners not only have limited experience in accessing capital through traditional lending institutions, but have not developed the relationships with their banker that are required to develop a successful loan

application package. This can especially be true in the Latino business community and was found to be the case in Shoreline as in many cities.

The demand for access to capital is great. The lengthy technical assistance needed to train the entrepreneur to package the loan request is not yet available.

Recommendation

It is our recommendation that a dedicated small business assistance counselor be contracted by the City in order to provide the financial literacy technical assistance needed in order to assist with the Access to Capital Programs – both existing and to be established.

It is our recommendation that a small business revolving loan program be established for City of Shoreline Business Owners to encourage business expansion, job creation, and new business relocation to the City.

Community Capital Development City of Shoreline Phase II

Position Description: Business Assistance Officer Seattle Business Assistance Center d/b/a Community Capital Development

Community Capital Development (CCD) is Washington State's leading community development and business assistance company headquartered in Seattle, Washington. CCD invests in people and their communities to create economic equity, create jobs, and create wealth for entrepreneurs. An integral part of our mission is to meet the unique business education, training, and financing needs of non-bankable business owners and provide borrowing financial services to meet those needs. For more information about CCD's history, mission, and services, please see our website: www.seattleccd.com.

Position Purpose

Establishes and maintains business development relationships through delivery of high quality face to face customer service primarily in the City of Shoreline. Provides administrative support for documenting customer contacts and help small businesses make applications for loans to meet growth and operational needs. This position also provides customer service support to the Northwest Washington Women's Business Center as needed.

Essential Duties and Responsibilities includes some or all of the following. Other duties may be assigned. An employee's specific duties, priorities and performance expectations are outlined in his/her individual performance plan.

1. Provide prompt, professional, courteous service to customers responding to inquiries and service needs in person, as well as via phone, email and US Mail as needed.
2. Provide daily routine service at the position's primary setting as needed. This could include data entry of customer information into more than one data base.
3. Develop new relationships with small businesses and other economic development partners in Shoreline.
4. Troubleshoot and resolve small business problems and complaints.
5. Contribute to the growth of CCD and its affiliates' loan portfolio (Seattle Economic Development Fund) through actively recruiting new loan customers. Make referrals for acceptable loans totaling \$250,000 in year one, \$350,000 in year two, and \$400,000 in year three.
6. Prepare reports and enter data on counseling contacts and needs analysis.
7. Assist with preparation and execution of various campaigns, conferences, seminars and other events.
8. Maintain potential and current customers in various database systems.
9. Assess customer needs continually and recommend new strategies, products or other services, including financial planning, preparing loan and investor packages, and preparing financial projections.
10. Assist with market research, promotion, advertising and sales.
11. Assist with the preparation and delivery of training presentations as needed
12. Develop knowledge of CCD's history and mission, the socially responsible investment field and community development financial institutions as well as the ability to share with customers, prospects, and team members.

Minimum Education Requirements

College degree or equivalent work experience.

Minimum Work Experience

Two to five years experience in banking, economic development, community development or small business management

Other Qualifications

Excellent oral and written communication skills

Team player

Self-motivated, problem solver, organized and detail oriented

Self-starter, able to work independently without constant supervision or direction and able to handle high level of responsibility

Must have ability to make good sound judgments/decisions

Adaptable to change, including willingness and capacity to work at other CCD locations

Must have reliable transportation

Hours are primarily business hours, but must be able to work occasional evening, weekend and early morning hours.

Must be proficient in Microsoft Suite, including Excel, Word, Outlook and PowerPoint

To apply for this position please contact:

Suzanne Tessaro

Senior Vice President & Operations Manager

Suzannet@seattleccd.com

P.O. Box 22283

Seattle, WA 98122

QUALIFYING FOR A LOAN:

- ▲ Applicants must be financially responsible and successfully meet credit guidelines.
- ▲ Business owners must have equity invested in the business.
- ▲ Businesses must meet all funding source criteria, such as job creation and benefit to the area.
- ▲ Business owners must complete training provided by the Business Assistance Center if the business is a start-up.

APPLYING FOR A LOAN:

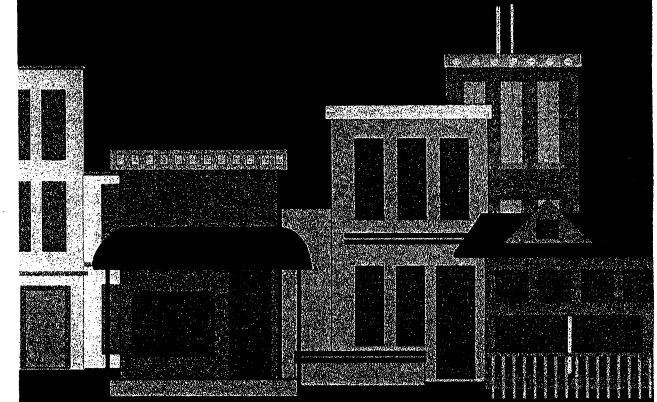
- ▲ Call us. We will ask questions about your business to help determine if you are eligible for a loan.
- ▲ We may refer you to our Business Assistance Center which can work closely with you until you are ready to apply for a business loan.
- ▲ If you are eligible to apply now, you will receive an application form and a checklist that outlines the items we will need to see in order to review your loan request.
- ▲ Throughout this process, we are available to answer your questions and provide assistance.

Community Capital
D E V E L O P M E N T
PO BOX 22283
Seattle, WA 98122

Now
in Shoreline!!

Community Capital
D E V E L O P M E N T

Small Business Assistance and Loans



1437 South Jackson, Suite 201
Seattle, WA 98144

PO BOX 22283
Seattle, WA 98122

Phone: (206) 324-4330
Fax: (206) 324-4322
Email: info@seattleccd.com
Website: www.seattleccd.com

BUSINESS ASSISTANCE CENTER

The availability of business assistance is critical for small businesses at every level from start-up, to rapid expansion, to controlled growth, to sustained profitability. Community Capital's Business Assistance Center has counselors on site to provide this crucial service to small businesses.

Our business assistance services include the following:

- ▲ General Management
- ▲ Marketing
- ▲ Financial Planning
- ▲ Contract Procurement
- ▲ Entrepreneurial Education

Successful participants of our Business Assistance Center training programs may be offered financing through our small business loan program. The cost of business assistance is affordable and based on a sliding fee scale.

To obtain business assistance information, please call our Business Assistance Officers.

SMALL BUSINESS LOANS

Healthy businesses strengthen our neighborhoods and provide jobs for the people who live here. That's why Community Capital Development offers a variety of business loan products.

LOAN PRODUCTS:

Community Capital Development has several commercial categories for its small business loans. Terms and interest rates for each loan differ, depending on a variety of factors such as the type of loan, needs of the individual business, and ability to repay the loan. Loans are up to \$250,000, with loans over \$100,000 requiring an SBA Guarantee. The maximum loan term is 7 years.

Community Capital Development
is an equal opportunity lender.

LOAN CATEGORIES:

Equipment, Inventory and Working Capital

Manufacturing or Technology Based Production Needs

Commercial or Mixed Use Real Estate

Funds can be used to purchase renovate, refinance, or build commercial or mixed-use real estate projects.

Franchises

Funds can be used for the start-up or purchase of an existing franchise. The business must be approved by the franchisor.

Contract Financing

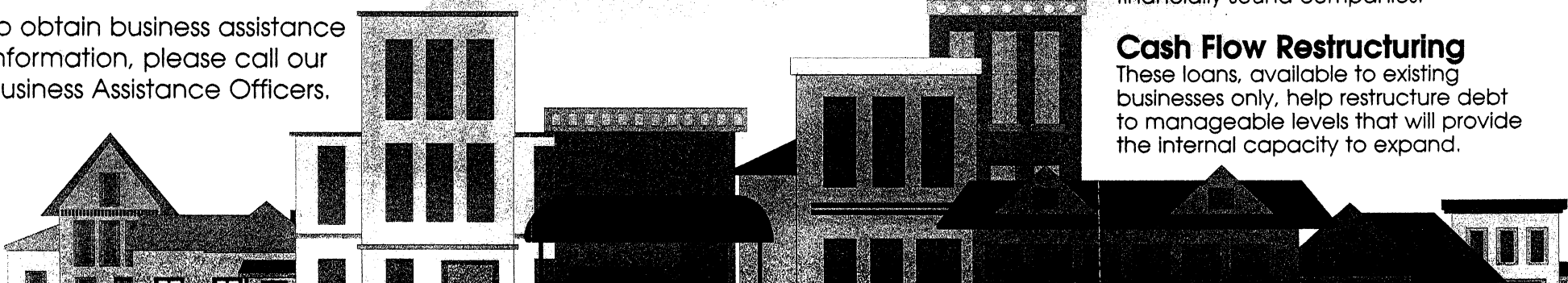
Loans are available to businesses that contract to provide goods or services. Funds can be used for payroll or to purchase equipment or supplies needed to complete or partially complete a contract.

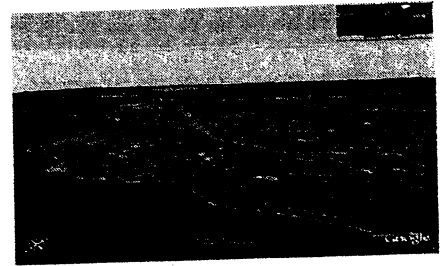
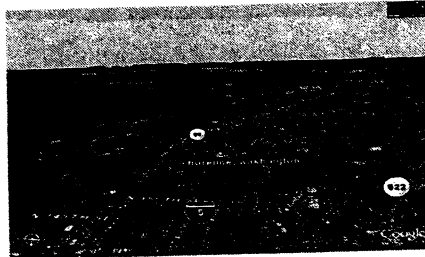
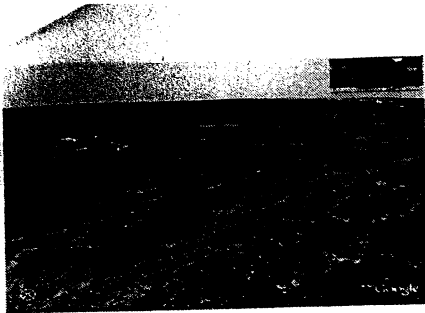
Contract Receivables Financing

These loans provide accounts receivable financing for businesses that have contracts as Prime or Sub-Contractors with public sector agencies or with large, private, financially sound companies.

Cash Flow Restructuring

These loans, available to existing businesses only, help restructure debt to manageable levels that will provide the internal capacity to expand.





City of Shoreline

Small Business Assistance Project

Addendum to the Economic Development Pilot Project Final Report

Summary of Project Milestones as Compared with Goals

Area of Service	Outcomes Projected	Actual Outcomes
Make Immediate Contact with Businesses in Targeted Areas	100	120
Develop a Needs Assessment Tool and Conduct Surveys of Business Owners	50	102
Providing Business Retention / Long-term Technical Assistance	4	Worked with 4 clients to teach them the loan application process and requirements
Provide Access to Capital / Business Loans	2	No completed loan applications were received