

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Discussing Regional Economic Development Association Initiative
DEPARTMENT:	City Manager's Office
PRESENTED BY:	Dan Eernisse, Economic Development Manager
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

For many years the Economic Development Council of Seattle and King County (EDC) led the effort to promote economic development in the region with the City of Shoreline's support. However, as the Puget Sound grew into one interrelated economy, the efforts of the state designated EDCs and the other various economic development organizations proved disjointed and ineffective, especially in global competitions such as attracting the production of the Boeing 777X or landing the Amazon second headquarters.

To address this lack of a cohesive regional message, former Governor Chris Gregoire and a board of public and private sector business leaders has led an effort to build a Regional Trade and Economic Development Alliance (REDA). The purpose of the organization is to promote and market the entire Puget Sound region. In February of this year, the EDC Board voted to merge with the REDA, following an earlier vote from the Seattle-based Trade Development Alliance. In theory, the economy of each city in the region should benefit from REDA. First, REDA may attract—or retain—a corporate campus or industry directly to that city; for example, REDA would be an invaluable partner to help attract a user that could realize the potential of any future vacant/surplus properties in Shoreline. Second, because the Puget Sound region's economy is so interconnected, each city benefits when jobs and commerce are attracted; Shoreline residents can benefit from nearby job growth. Shoreline, as a place to live, has seen benefit from the economic success of South Lake Union, Fremont, Paine Field, or Redmond. The challenge to our region is to ensure that there is adequate housing stock to enable affordable housing options and a workforce trained with the right skill set to meet the needs of the on-going regional expansion.

The REDA board effort was chaired by Bob Drewel, former county executive of Snohomish County and executive director of the Puget Sound Regional Council. Mr. Drewel will be making a presentation to Council this evening.

RESOURCE/FINANCIAL IMPACT:

The city budgeted \$5,000 for annual support of the EDC. However, given the emergence of the REDA effort, no funding has been committed for 2018. In a letter to

the Sound Cities Association (Attachment A), Governor Gregoire established a \$500,000 fundraising goal from the public sector to fund startup costs; \$50,000 of that amount is being asked from the members of the Sound Cities Association. Shoreline is being asked to contribute \$2,500. Staff anticipates that Shoreline will also be asked for on-going support of REDA once REDA is established.

RECOMMENDATION

Staff recommends the redirection of funds budgeted for the EDC to REDA. Council should provide direction on whether it supports that the \$5,000 budgeted for support of the EDC be redirected to support REDA. \$2,500 will be designated for the initial startup costs of REDA, and the remainder will be used for continuing support after REDA's official launch.

ATTACHMENTS

Attachment A – Letter from former Governor Chris Gregoire

Approved By: City Manager **DT** City Attorney **MK**

January 2, 2018

Deanna Dawson, Executive Director
Sound Cities Association
6300 Southcenter Blvd, Suite 206
Tukwila, WA 98188

Dear Deanna,

Thank you for your continued support of the development of the regional alliance for trade and economic development in the Puget Sound Region. We appreciate your support and commitment in this effort to build a best-in-class organization that will support the region's trade and economic development work by focusing on international engagement, research and analysis, marketing and lead and prospect generation.

We have made significant progress in developing the organization. A search committee has been formed to identify the chief executive officer for the alliance and an executive recruitment firm has been selected. The board of directors for the organization is being developed and the first board meeting will be held first quarter 2018. In addition, over \$1 million has been raised from the private sector and we anticipate securing a total of \$1.5 million from the private sector.

However, to continue the development of the organization we need your financial support as well. Our goal is to raise a total of at least \$500,000 from the public sector to support the private sector contribution. The private and public sector funds will serve as the startup funding for the new organization and will pay for development of a strategic plan for the new organization, recruiting hiring and supporting the chief executive officer, and supporting staff focused on research and analysis, marketing and lead and prospect generation.

Therefore, we are asking your support of \$50,000 to continue the development of establishing a best-in-class organization for our region. This request is one-time support and will be separate from on-going operational support the organization will need once it is fully operational. I know you have budget procedures and thus may need to make a commitment for the actual payment later. By mid-January, could you please let me know when we can expect the payment?

Again, thank you for your commitment toward building a new regional economic development alliance to support the Puget Sound region. With your support, we can help ensure good quality jobs and opportunity for our residents in the future.

If you have any questions, please feel free to call Bob Drewel at 206-200-8903 or myself. Thanks again for your support of this exciting future for our region.

Sincerely,



Chris Gregoire, CEO
Challenge Seattle