

# Regional Recovery Framework

Greater Seattle Region

DRAFT

November 20, 2020

Prepared for:

**Greater Seattle Partners**

Prepared by:





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that are important to decision makers.*

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## INTRODUCTION

In March 2020, the COVID-19 virus brought unprecedented economic disruptions and costs to the United States and regional economies across the country. The virus continues to represent both a public health crisis and an economic crisis with the closure of businesses and disruptions to productivity, along with a severe decline in consumer spending.

As the greater Seattle region takes steps towards re-opening the economy, many entities are discussing and developing plans that vary in focus and scope, from economic mitigation to short-term recovery to long-term recovery. Greater Seattle Partners (GSP) leads a cohesive and coordinated strategy for regional long-term economic recovery.

As greater Seattle's only regional economic and trade development organization, Greater Seattle Partners (GSP) leads coordination of the plan in partnership with other regional partners. The Recovery Framework will enhance and complement other economic recovery plans, both subregional and at the State level.

## REGIONAL ECONOMIC RECOVERY TASK FORCE

In May 2020, Greater Seattle Partners brought together a Task Force of public, private, and non-profit sector leaders representing all aspects of the regional economy. Task Force members provided input through individual interviews and small group meetings, and then began convening through Work Groups in July. The planning process also included regional and sub-regional organizations playing a role in the effort, integrating with the Task Force efforts.

The Economic Recovery Task Force consists of an Organizing Work Group (OWG) and six Work Groups. Members of each Work Group represent public, private, and non-profit organizations from across the Puget Sound region. The Work Groups met independently and discussed needs and solutions. The OWG and each Work Group committed to ensure equity and social justice permeated the recovery strategy throughout all actions.

Engagement began in May with personal interviews of selected leaders to frame the areas of need for regional recovery. The findings from the interviews informed development of a survey that presented five strategic themes and thirty draft strategies to rank and comment for further discussion. The result of the survey shaped a working draft outline that was reviewed and further developed in

subsequent Work Group meetings, stakeholder interviews, and a broad range of stakeholder group meetings.

More than 200 leaders from many sectors within the greater Seattle region have contributed to this draft Framework.

## COVID IMPACTS TO GREATER SEATTLE

The first economic impacts of COVID-19 were disruptions to the global supply chain. In late 2019, the virus forced factory closures and economy-wide lockdowns in China, leading to reduced production and movement of goods to the rest of the world. This supply shock affected manufacturers in Washington state and across the United States.

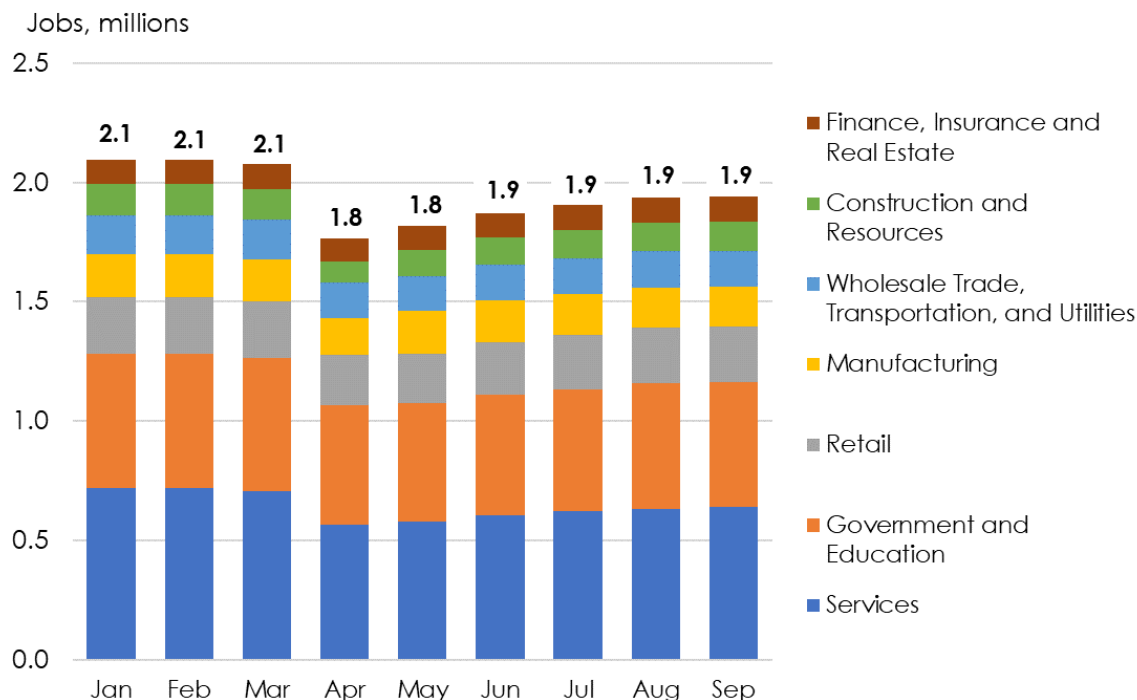
By March 2020, the Seattle region was suffering from a major outbreak, leading the state government to institute a stay-at-home order. Residents were encouraged to practice social distancing and consumer-facing businesses had to shut down operations. Other virus containment policies included border closures, business and school closures, and prohibitions on large gatherings. These measures resulted in a steep reduction in economic activity and a surge in unemployment in the greater Seattle region.

Between March and April, total employment in the greater Seattle region fell by nearly 312,000 jobs (15%). This reduction was most significant in Construction and Resources, which lost more than a third of jobs largely due to project delays. When Washington state's stay-at-home order took effect on March 26, only construction related to essential activities could continue.<sup>1</sup> The Services sector was also disproportionately impacted, having lost nearly a fifth of employment in March. Consumer-facing firms in this industry, such as restaurants and hotels, were severely restricted by mandatory business closures (**Exhibit** ).

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<sup>1</sup> Gov. Jay Inslee's Construction Working Group, *Phase 1 Construction Restart COVID-19 Job Site Requirements* (April 23, 2020), [Link](#).

## Exhibit 1. Employment by Industry, Monthly, Greater Seattle Region, 2020

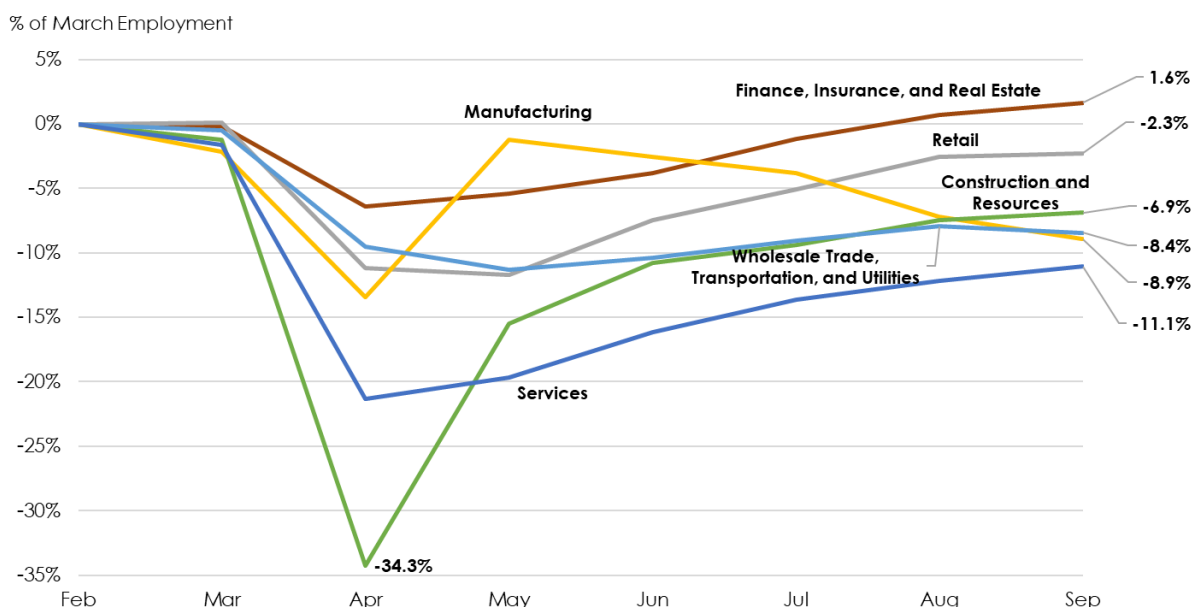


Sources: Washington State Employment Security Department, 2020; Community Attributes Inc., 2020.

As of September, employment recovery has been stronger in some industries than in others. Finance, Insurance, and Real Estate has fared the best, having fully recovered February employment levels and expanded by 1.6%. All other major sectors have not yet recovered, but Retail has bounced back to only 2.3% below February employment. Construction and Resources, which lost more than a third of jobs in April, is now only 6.9% below February levels (**Exhibit** ).

Of all major industries in the greater Seattle region, the Services sector has experienced the slowest recovery. As of September, jobs in this sector continue to lag 11.1% below February employment levels. Social distancing practices and limited indoor capacity will continue to weigh on service-providing businesses into the future, reducing demand and creating additional costs. Additionally, while jobs in the Manufacturing sector had a comeback in May that spiked above February employment levels, the sector has since been declining.

## Exhibit 2. Industries by Employment as a Percentage of February Employment, Monthly, Greater Seattle Region, 2020



Sources: Washington State Employment Security Department, 2020; Community Attributes Inc., 2020.

Manufacturing companies impacted by the pandemic include aerospace manufacturers, which have had to react to a significant decline in demand for passenger aircraft. Boeing is slowing production of jets built in Everett and Renton, and it has announced that the 787 line will be consolidated in South Carolina.<sup>2</sup> Food and beverage processing companies are also dealing with reduced demand from restaurants and events with catering. Other manufacturers such as seafood processors have had to grapple with social distancing guidelines to prevent virus spread in their facilities.

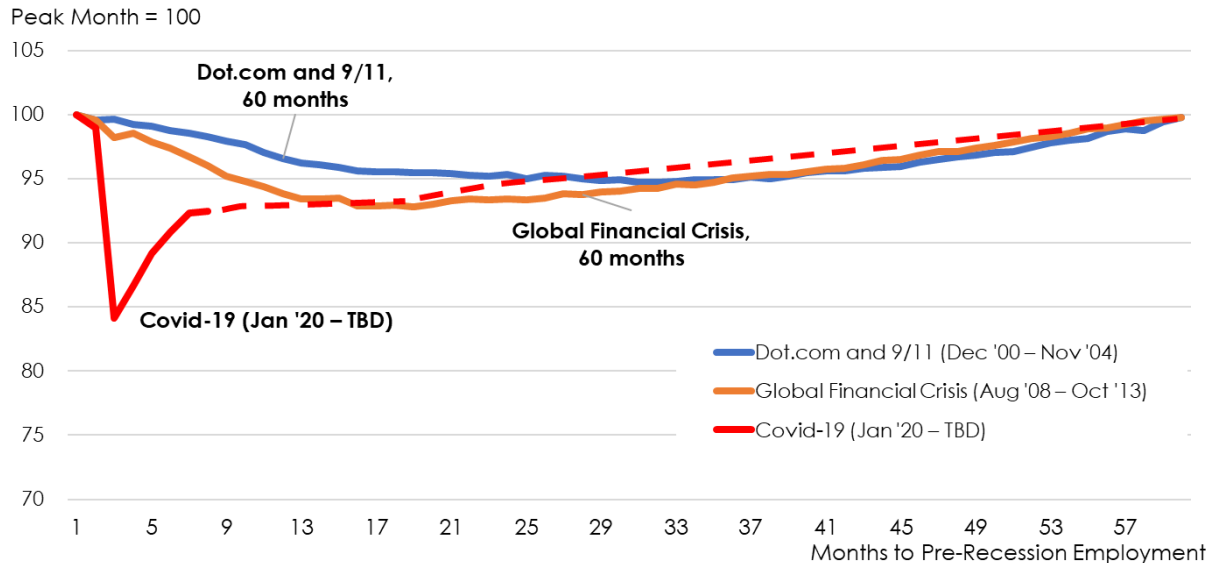
Job growth in the greater Seattle region is beginning to plateau across all major industries, a trend which may persist until a COVID-19 vaccine is developed and distributed. Economic recovery will require confronting multiple challenges. These include damages incurred to the economy from a period of prolonged closure, such as the permanent shuttering of businesses, reduced fiscal resources available to local governments, strains on the public health system, and the slow recovery of global supply chains.

To a certain extent, the economic recovery will follow a pattern of other recent recessions. Starting in December 2000, the economic effects of the Dot.com bust and, later, 9/11 caused the region to remain below its prior peak employment level for 60 months. After August 2008, it similarly took 60 months for employment to reach its pre-recession level. The current crisis caused a deeper dive in regional employment

<sup>2</sup> The Boeing Company, "Boeing to Consolidate 787 Production in South Carolina in 2021" (Oct. 1, 2018), [Link](#).

than these recessions, and the recovery ahead will be long. However, the distribution of a vaccine starting in 2021 may spur a faster employment growth rate than in past recoveries (**Exhibit** ).

**Exhibit 3. Employment Recovery Following Recession, Monthly, Greater Seattle Region**



Sources: Washington State Employment Security Department, 2020; Community Attributes Inc., 2020.

More lasting changes in the economy could pose serious obstacles for economic recovery. The virus has driven accelerated change to how we consume, interact, and work. These include changes already underway, which are now rapidly forcing economic transformation within a short period of time:

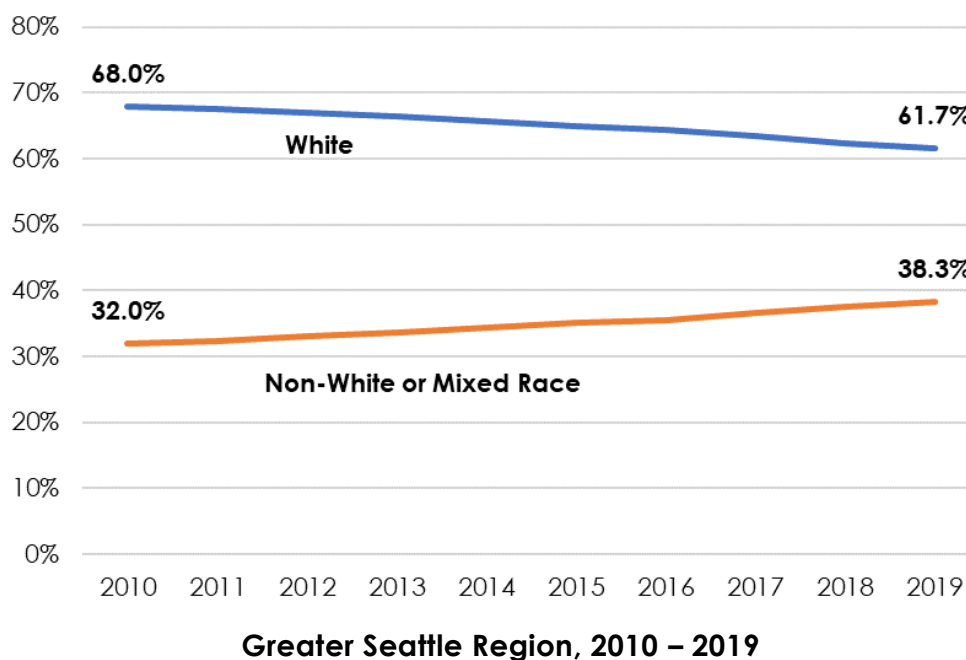
- **Remote work.** WebEx, Teams, Zoom, Slack, and various other online video conference and meeting platforms have emerged in recent years, introducing flexibility in workplace environments. With many indoor office spaces closed or at limited capacity due to social distancing guidelines, even more people are working from home. In the next few years, many workers will continue to engage in remote work even as a vaccine is distributed. Employees will classify as fully remote, hybrid remote, or fully on-site.
- **Office space.** The rise of remote work is compelling employers to reexamine their office footprint. As this transformation continues, it will involve several solutions: owned space, standard leases, flexible leases, co-working space, and remote work. Rent and real estate costs comprise the largest expense for many organizations outside of employee compensation, so these changes may allow businesses to save money. However, they will lead to reduced demand for office space, especially in expensive urban centers like Downtown Seattle.
- **Office nodes and networks.** Reduced demand for centralized office space will have secondary effects for smaller neighboring businesses. Large employers serve as nodes for restaurants, cafes, retail shops, and other

firms that provide services to commuters and their employees. If these large employers move to less dense campuses or continue to work from home, the smaller firms will be forced to close. To mitigate this problem, Amazon established a relief fund for small businesses near its headquarters in South Lake Union.<sup>3</sup> However, this solution is temporary and is not possible for all office nodes and networks in the greater Seattle region.

### *Equity Considerations*

As COVID-19 has disrupted business activity and people's livelihoods, it is important to recognize that the pandemic has impacted some communities more than others. The murder of George Floyd in May heightened concerns across the United States and the world about how to address long-standing inequities. These inequities persist in the greater Seattle region, which has a much smaller share of black residents (5.9%) than the U.S. (13.4%) and is more white than the rest of the nation. In the greater Seattle region, white people account for 62% of the population, compared to 60% nationwide.<sup>4</sup> However, non-white and mixed-race people comprise an increasingly large share of the regional population, growing from 32.0% in 2010 to 38.3% in 2019 (**Exhibit** ).

**Exhibit 4. Percent of Population by Race/Ethnicity  
Greater Seattle Region, 2010 – 2019**



Source: U.S. Census Bureau, 2020.

Non-white or mixed race includes non-white Hispanics.

<sup>3</sup> Meg Coyle, “Amazon provides first batch of grants to neighbors losing business due to COVID-19,” *Amazon* (Mar. 17, 2020), [Link](#).

<sup>4</sup> U.S. Census Bureau, *Vintage 2019 Population Estimates Program*, [Link](#).

Asians and Hispanics have contributed most of the non-white population growth in the Seattle region: each increasing by 47.1% and 32.6% over the last ten years, respectively. Meanwhile, the population of Black people has increased by 27.3%, and the population of Native people has increased by 9.2%.

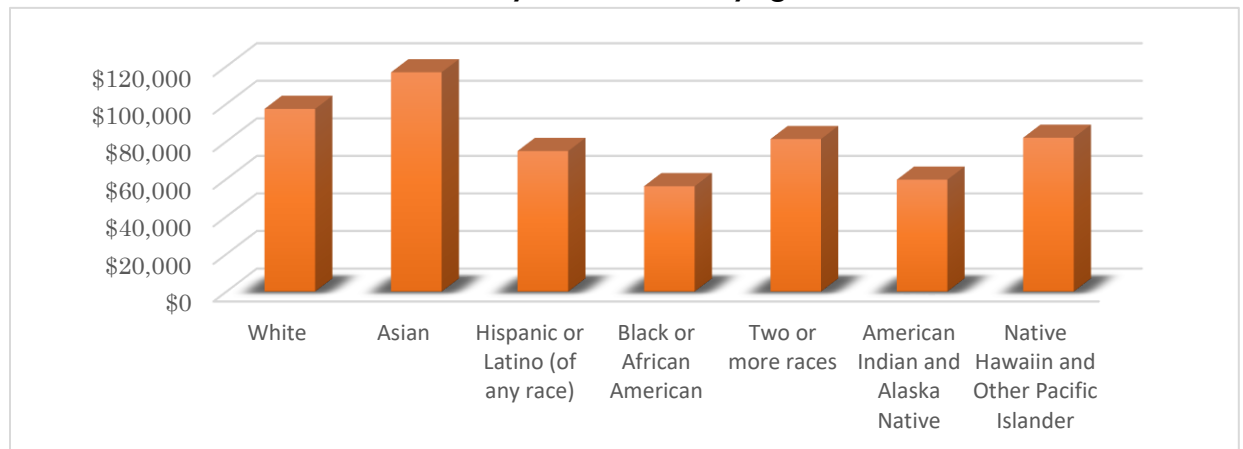
The virus has had uneven impacts across races and ethnicities. Black, indigenous, and people of color (BIPOC) tend to have lower incomes than white people, making them more susceptible to the pandemic's negative economic effects. Job losses have been most severe among workers with lower incomes, and households with lower incomes are more susceptible to food scarcity, housing insecurity, and delayed medical care.

**Exhibit 5** shows that deep disparities in income already exist across races and ethnicities within King County in particular but also across the three-county region. In 2019, the median Black household in King county earned \$52,500, which is barely half of the median income of \$102,600 for all households. Additionally, American Indian and Alaska Native households earned an income of only \$40,300, or 39.3% of the overall median household income.

**Exhibit 5. Median Household Income by Race/Ethnicity, King County, 2019**

| Race / Ethnicity                           | # of Housholds | Median Household Income |
|--------------------------------------------|----------------|-------------------------|
| White                                      | 588,800        | \$109,100               |
| Asian                                      | 156,400        | \$122,700               |
| Hispanic or Latino (of any race)           | 63,400         | \$78,200                |
| Black or African American                  | 55,200         | \$52,500                |
| Two or more races                          | 40,800         | \$85,300                |
| Native Hawaiian and Other Pacific Islander | *              | \$85,300                |
| American Indian and Alaska Native          | *              | \$40,300                |
| <b>All Households</b>                      | <b>904,600</b> | <b>\$102,600</b>        |

**Median Household Income by Race/Ethnicity, greater Seattle MSA, 2019**



Source: U.S. Census Bureau, 2020.

\* = unavailable.

Income inequality across races and ethnicities is the product of many systemic factors, all of which affect communities in the greater Seattle region. In summary, BIPOC have less access to education, less access to healthcare, less access to capital, more indebtedness, and lower rates of homeownership and generational wealth. They also experience discrimination, including in hiring processes. These circumstances lead to variations in the workforce, with proportionately more BIPOC workers in both lower-paying industries and occupations.

## EQUITY FRAMEWORK

The Regional Recovery Framework ensures that principles of equity, justice, inclusion, transparency, and accountability govern all aspects of the Framework. The Framework seeks to recognize and address racial and geographic systemic disparity and inequities in the regional economy and improve access to prosperity for all.

Discrimination against black, indigenous, and people of color (BIPOC) has its own look and feel in the Pacific Northwest, long rooted in past laws, and sustained by social hegemony over time. The region is gifted in 2020 with strong leadership focused on addressing inequities, from many institutions and segments of the economy. Leaders from across the region who focus on addressing equity contributed to the Framework development to ensure more equitable outcomes. The Framework will give a platform to local and regional leaders to help move the region toward a more equitable and shared prosperity. Leaders will adopt a shared definition of an equitable economy, grounded in actionable strategies and quantifiable metrics.

### Race and Demographic Equity

An inclusive economy will yield representation of the region's demographics up and down all wage levels by occupation and by role, across industries, and within companies and organizations. An elevated focus on race helps to address the gross challenges the U.S. grapples with in 2020 and is necessary to undo racist policies and practices that disproportionately burden communities of color across the socioeconomic spectrum; this extends to gender, orientation and all people that face systemic discrimination. While racial equity is the primary lens to focus the efforts of this Framework, the Framework recognizes the connection between racism and other forms of bias that lead to oppression.

### Geographic Equity

Geographic equity within the region is another dimension that the Framework strives to address. The clustering of industry and investments to attract talent has created daunting hurdles for vulnerable populations in the region. Rapidly increasing housing costs drive lower earning workers away from major employment centers, and private investment for employment opportunities has not followed at scale. Over time the market has increased these trends and not all areas in the region have prospered. The Recovery Framework seeks to direct attention and strategies into areas

overlooked, and where opportunities exist to improve access to employment opportunities for the entire region.

## Guiding Principles for Action

The development of the Framework sought direct attention to inequities through Task Force engagement and community outreach. The region is fortunate to have strong leadership with practical knowledge to support the Framework. The Framework seeks to reach everyone in the region for greater participation in the region's enormous wealth and economic opportunities. Furthermore, the Task Force recognizes that elevating the voices of marginalized communities to inform and guide this work is imperative. BIPOC communities have the lived experience and expertise needed to lead effective and new solutions.

For implementation, the Framework must provide adequate capacity to implement strategies as outlined. It will identify metrics to serve measurement and evaluation of equity initiatives. Framework leaders must identify barriers to prosperity and monitor progress to overcome and eliminate them. Regional economic data will track disparities in employment and wages by geography, industry, and occupation.

Most importantly, regional leaders will convene and confront the truths about progress, or lack thereof, and continue to collaborate toward a more equitable region.

## GOALS & STRATEGIES

*The following sections present working draft goals and strategies. All strategies are presented below, followed by detailed explanations and potential actions for implementation.*

### GOAL 1. PROMOTE THE REGION'S ECONOMIC COMPETITIVENESS

- 1.1 **Promote** the opportunity to thrive in Greater Seattle.
- 1.2 Invest in readiness to respond to **corporate expansions** and inbound business recruitment.
- 1.3 Demonstrate the connection between business economic contributions and **community benefits**.
- 1.4 Create a **unified global identity and vision** to unite **stakeholders** and build our **global reputation and competitiveness**.
- 1.5 Accelerate the recovery of **regional tourism, travel and hospitality**.
- 1.6 Promote the region's **start-up economy** and **entrepreneurial spirit**.
- 1.7 Advance a **unified regional policy agenda** focused on **economic development programs and incentives** to attract and retain jobs and investment and promote a business-friendly climate.

### GOAL 2. REALIGN ECONOMIC AND WORKFORCE DEVELOPMENT PROGRAMS EQUITABLY TO CREATE A BROADLY INCLUSIVE ECONOMY

- 2.1 Connect **workforce development systems** with BIPOC and immigrant communities, with particular focus on hiring prospects.
- 2.2 Increase **business ownership and executive leadership** for BIPOC and immigrant communities and women.
- 2.3 Expand **business retention and expansion programs** for BIPOC, immigrant, and women-owned businesses and microenterprises.
- 2.4 Expand assistance for **government contracting** to BIPOC, immigrant, and women-owned businesses and increase percentages of contracting requirements for government entities.
- 2.5 **Elevate stories of BIPOC**, immigrant and women-owned businesses in the region to recruit entrepreneurs to start new businesses in the greater Seattle area.
- 2.6 Build a **regional coalition** that strengthens our collective capacity to **dismantle institutional racism** and advance an inclusive economy.

### GOAL 3. ENSURE REGIONWIDE PARTICIPATION IN INVESTMENTS AND PROSPERITY

- 3.1. Promote **distributed office centers** to respond to permanent changes in office needs, and to prioritize **business and workforce mobility needs**.
- 3.2 Create an approach to **identify places** throughout the region where **inequities** are evident and address those inequities.
- 3.3 **Address infrastructure gaps** throughout the region including transportation, broadband and more.

- 3.4 Include **proactive and substantive community engagement** for policy and strategy decisions.
- 3.5 Invest in **displaced workers** and **decrease unemployment** across the region.
- 3.6 Leverage and invest in higher education to **connect graduates to employment** in the regional economy.

#### GOAL 4. SUPPORT TRADITIONAL AND EMERGING INDUSTRIES WITH POST-PANDEMIC OPPORTUNITIES

- 4.1 **Assess post-pandemic growth prospects** for emerging and evolving industries, such as clean energy, food systems and life sciences, and **align regional BRE efforts** accordingly.
- 4.2 **Support traditionally strong industry clusters**, such as aerospace, maritime, military & defense, and healthcare, to **return to and build on pre-pandemic competitiveness** and prosperity.
- 4.3 Leverage the region's **strong technology foundation** to compete globally and pioneer **new frontiers in tech industry innovation**.
- 4.4 Support **entrepreneurs, local small businesses and microenterprises** to ensure that the region's entrepreneurial spirit can **adapt** to thrive.
- 4.5 **Support county workforce partners** to provide broad coverage of existing and prospective **workforce development** needs.
- 4.6 Prepare the region to respond quickly to **business location RFPs, corporate expansions**, including **R&D centers**, and other industry trends.
- 4.7 Focus **talent attraction** around critical business needs.

#### GOAL 5. PROMOTE SUSTAINABLE ECONOMIC GROWTH TO ADDRESS RESILIENCY NEEDS

- 5.1 Support regional efforts to **address the housing affordability crisis** across greater Seattle.
- 5.2 Collaborate with regional transportation leadership to **prioritize business and workforce mobility** needs.
- 5.3 **Expand relief programs** and pilot innovative approaches to **reducing poverty**.
- 5.4 Work with corporate partners and citizen leaders to further advance **clean energy use, clean tech development, and policies** that combat climate change.

# FRAMEWORK GOALS & STRATEGIES

## GOAL 1. PROMOTE THE REGION'S ECONOMIC COMPETITIVENESS

Regions compete globally and fiercely with one another for talent, capital, companies and innovative ideas. The greater Seattle region's strengths include its powerful and exceptional sense of place, culture, outdoor beauty, and world-class businesses that change the world. The region's leaders and organizations must collaborate to tell the world that the greater Seattle region is the place for business growth and opportunity. Strategies in this section promote our economic competitiveness to the world.

### Strategies At-A-Glance

- 1.1 **Promote** the opportunity to thrive in Greater Seattle.
- 1.2 Invest in readiness to respond to **corporate expansions** and improve inbound business recruitment.
- 1.3 Demonstrate the connection between business economic contributions and **community benefits**.
- 1.4 Create a **unified global identity and vision** to unite stakeholders and build our **global reputation and competitiveness**.
- 1.5 Accelerate the recovery of **regional tourism, travel and hospitality**.
- 1.6 Promote the region's **start-up economy** and **entrepreneurial spirit**.
- 1.7 Advance a **unified regional policy agenda** focused on economic **development programs and incentives** to attract and retain jobs and investment and promote a business-friendly climate.

### Goal 1 Indicators

*Key indicators describe working draft metrics that align with the goal and describe overall economic conditions in the region. The Action Plan provides outcome metrics specific to each action.*

- Foreign Direct Investment (FDI)
- New business creation
- Total jobs and investment
- Advertising and promotional metrics
- Enplanements
- Hotel occupancy
- Visitors and visitor spending
- Employment in hospitality and retail

## Strategy 1.1. Promote the opportunity to thrive in Greater Seattle.

Greater Seattle's environment, culture, and economy provide a high quality of life and should offer everyone a chance to thrive. Promoting the region is a critical part of promoting local businesses, attracting global talent and drawing investment. The region enjoys tremendous access to the outdoors, accessible professional and amateur sports, world-class arts, culture, entertainment and restaurants, beautiful neighborhoods, and quality schools. Strong industries provide a wealth of family-wage jobs that offer opportunities for advancement and contribute to a vibrant economy. Greater Seattle offers all this in the midst of stunning natural beauty.

Business and civic leaders are united toward progress in diversity, equity and inclusion. Residents are committed to social justice and the mission of creating an inclusive economy. These progressive values are a hallmark of our region, and we must actively promote our assets and values to continue to attract investment and global talent, and build committed and vibrant communities.

### **Opportunities for Action:**

- Utilize storytelling and thought leadership to build a platform of content and assets for targeted marketing campaigns.
- Develop and host a centralized website with resources for talent and business attraction, including community profiles to highlight the many cities in the central Puget Sound region.
- Partner with in-market and industry publications, both domestic and global, to reach established audiences of businesses and consumers.
- Work with leading employers to develop and deploy place-based advertisements; promote the value of their location to prospective workers through company advertising; and active and passive employee recruitment efforts.
- Develop focused marketing campaigns with the support of community partners to promote social justice and attract and retain BIPOC talent.
- Create a greater Seattle multi-channel marketing campaign for economic development targeted to key decision makers in specific geographic markets, both domestic and global.

## Strategy 1.2. Invest in readiness to respond to corporate expansions and improve inbound business recruitment.

Global business and the regional economy are dynamic. Companies seek opportunities to expand within and into the Greater Seattle region. Regional leaders must understand the global competition and realize that regions across the U.S. are ready to compete for the greater Seattle region's companies. Moreover, as the pandemic forces major companies to rethink where and how they work, there is an opportunity to be proactive in positioning greater Seattle to capture growth spurred by this reshuffling. As distributed work becomes more common, even post-pandemic, greater Seattle must be ready to make the case for HQ2s and satellite offices.

### **Opportunities for Actions:**

- Formally liaise with industry associations to bolster support for partner strategies and align data needs.
- Develop a regional certified sites program with consistent criteria across cities and counties.
- Create a shared regional data and business intelligence platform for use across economic development organizations.
- Aggregate public and private data to produce a comprehensive, regional site selection inventory to serve business expansion and attraction.

### **Strategy 1.3. Demonstrate the connection between business economic contributions and community benefits.**

The greater Seattle region is home to large and tremendously successful companies, and these companies contribute greatly to our communities. To engender support for local companies, and attract like-minded businesses, the region should highlight and ensure awareness of corporate contributions. Similarly, the region should ask that companies in the region participate fully and take advantage of opportunities to partner to create opportunity, ensure inclusion and enhance livability.

### **Opportunities for Action:**

- Create a collaborative community stewardship group to engage leaders at major companies to assess and address impacts to local communities.
- Develop and disseminate materials, and discuss issues around local tax structure, business contributions and sponsorships.
- Create and promote profiles of businesses engaged in community issues.

### **Strategy 1.4. Create a unified global identity and vision to unite stakeholders and build our global reputation and competitiveness.**

Communicating the region's value proposition for companies is important. The region's leaders need to develop the tools to make sure the message about who greater Seattle is, and what it offers, is broadly distributed and readily apparent. Branding is a long-term project. First, the region must focus on defining its identity rather than a formal "brand" – it should be self-evident based on what the region is, does and stands for. Concerted and consistent action creates a narrative that the region can harness to communicate its value proposition.

Once this regional identity coalesces, we can draw on it to create a regional brand. There are challenges—such as limited national and global awareness of defining assets like Puget Sound - but these are surmountable. Developing a brand and associated assets and ensuring that organizations throughout the region have access to them, can be a force multiplier for other economic recovery and development efforts.

### **Opportunities for action:**

- Launch a formal brand ambassador program to designate regional brand ambassadors and collaborate with existing leaders across tourism, commerce, and trade.
- Conduct a Global Identity Exercise (including visibility, reputation, brand and identity) and a regional marketing audit to align and improve current efforts and inform subsequent regional branding conversations.
- Use broad-based focused groups to deliver a regional identity statement and manifesto and create a regional Brandbox with messaging and assets accessible to all regional partners.

## **Strategy 1.5. Accelerate the recovery of regional tourism, travel and hospitality.**

Visitors are critical to economic recovery. Traveling to and enjoying time in greater Seattle needs to feel safe – from air travel to public safety and perceptions of crime. Restoring confidence in safety allows our hospitality and retail partners to bring visitors and improve sales. Regional tourism assets - gastronomy, craft beer, local wines - allow us to compete with leading regions around the world, while prime access to the outdoors distinguishes greater Seattle from peer regions.

Tourism also serves to attract new companies to the region. When business leaders visit, whether for a convention, business meetings or vacation, they like what they see and may choose to relocate or expand their company. Our tourism industry is one of our best marketing opportunities.

Our regional partners in travel and visitation give the region a chance to showcase communities throughout the region. We must invest in where people arrive and how they travel throughout the area, ensuring a high-quality experience throughout.

### **Opportunities for Action:**

- Develop a strategic blueprint for inclusive and collaborative tourism that highlights the unique characteristics, assets and rich cultural attributes throughout the region.
- Leverage restored access to the Washington State Convention Center to resume business travel and begin hosting events; build on the Convention Center's experience to provide technical assistance in pursuing and attaining Global Biorisk Advisory Council (GBAC) STAR accreditation at venues throughout the region.
- Promote the region's aggressive response to the pandemic and clear focus on public health safety to improve visitor confidence in travel.
- Address vagrancy, homelessness, drug use and other issues detrimental to the street scene and visitor experience.

- Ensure support for hospitality workers that remain unemployed or do not qualify for unemployment insurance.
- Look for specific means of assistance for especially vulnerable small businesses in the tourism and hospitality industries.

### Strategy 1.6. Promote the region's start-up economy and entrepreneurial spirit.

The world's greatest companies were born in the greater Seattle region. New companies form and spin off our established companies to create new investment and employment. Start-ups and entrepreneurs need to see a path to success with access to funding and low barriers to entry to grow new businesses.

#### **Opportunities for Action:**

- Solicit interviews with founders and other successful entrepreneurs in our region to tell the creation story of their businesses and highlight the locational advantages that spurred their success with an emphasis on representation of BIPOC founders and entrepreneurs.
- Create a clearinghouse for the region's entrepreneurial resources and small business support.
- Create or scale a mentorship program that matches young founders and emerging entrepreneurs with experienced business leaders and tech industry veterans.

### Strategy 1.7. Advance a unified regional policy agenda focused on economic development programs and incentives to attract and retain jobs and investment and promote a business-friendly climate.

Recognize that global perception of doing business in greater Seattle includes how civic leaders address social challenges. Public-private partnerships are critical to the region's success and image. Elected officials and civic leaders must collaborate with local businesses at the outset of policy discussion to ensure support for significant measures to address social challenges and civic improvements.

To attract outside investment and new employment opportunities, businesses must see cities that welcome employers and prosperity. Cities must work with businesses for businesses to prominently lead on civic stewardship and establish a highly visible cooperative relationship amongst business leaders and elected officials.

#### **Opportunities for Action:**

- Support Local Redevelopment/Revitalization Financing, and tax increment financing that is used as a subsidy for redevelopment, infrastructure, and other community-improvement projects.

- Allow lending of public funds and credit to support RLFs and other programs to fund small business and entrepreneurship.
- Restore the Economic Development Strategic Reserve Fund
- Protect and expand targeted incentives.
- Expand Sales & Use Tax
- Further policies to increase investment in distressed communities.
- Re-establish R&D tax credits.

## GOAL 2. REALIGN ECONOMIC AND WORKFORCE DEVELOPMENT PROGRAMS EQUITABLY TO CREATE A BROADLY INCLUSIVE ECONOMY

The Puget Sound Region is becoming increasingly more diverse. Black, Indigenous, and People of Color (BIPOC) comprised 19% of the region's population in 2000 compared to 29% in 2019<sup>5</sup>. At the same time, patterns of racial and demographic inequities affecting BIPOC and immigrant communities are more apparent now than ever. Systemic barriers to economic security, low capacity to utilize available resources and support, environmental injustice conditions and lack of access to civic influence are leading factors. The pandemic has also exacerbated inequities facing the region and disproportionately impacted BIPOC and immigrant communities.

The strategies under this goal aim to advance equity in the region by investing in efforts that ensure access to opportunities for everyone; driving both individual- and systems-level change; and transforming culture to see and address disparities.

### Strategies At-A-Glance

- 2.1 Connect **workforce development systems** with BIPOC and immigrant communities with particular focus on hiring prospects.
- 2.2 Increase **business ownership and executive leadership** for BIPOC and immigrant communities and women.
- 2.3 Expand **business retention and expansion programs** for BIPOC, immigrant, and women-owned businesses and microenterprises.
- 2.4 Expand assistance for **government contracting** to BIPOC, immigrant, and women-owned businesses and increase percentages of contracting requirements for government entities.
- 2.5 **Elevate stories of BIPOC**, immigrant and women-owned businesses in the region to recruit entrepreneurs to start new businesses in the greater Seattle area.
- 2.6 Build a **regional coalition** that strengthens our collective capacity to **dismantle institutional racism** and advance an inclusive economy.

### Goal 2 Indicators

Goal 2 indicators include BIPOC, immigrant, and women participation in the following:

- Workforce participation
- Business ownership
- Government contracting
- Corporate and civic leadership representation

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<sup>5</sup> Washington State Office of Financial Management, 2000 and 2019 estimates.

## Strategy 2.1. Connect workforce development systems with BIPOC and immigrant communities with particular focus on hiring prospects.

The ethnic and racial diversity of the residents of the Puget Sound Region is one of the region's strengths. However, BIPOC communities across the region face wide racial inequities in educational attainment, access to training and employment. Additional workforce policies and innovative approaches are needed to counter decades of intentional, structurally racist policies that are undercutting the region's economic competitiveness. Efforts to close race-based skills disparities need to be combined with efforts addressing: occupational segregation (workers of color are more likely to staff low-wage jobs), hiring bias, and providing the same opportunities in the workforce for BIPOC workers as for white workers.

### **Opportunities for Actions:**

- Focus on trades in high school and community college and internship opportunities for college students.
- Ensure Internet and technology access for all students at home to continue learning remotely.
- Allocate resources to support nonprofits that provide job training, mentoring, youth employment, etc. to BIPOC communities.
- Embed racial equity goals in local workforce development plans and develop strategies to achieve these goals.
- Develop education and workforce data systems that can track program access and outcomes-focused data by race and ethnicity to measure progress towards closing equity gaps.
- Enhance the diversity and inclusion practices of sector partnerships that bring together multiple employers within an industry with education, workforce and community organizations.
- Partner with employers to create initiatives that foster more diverse and inclusive work environments.
- Increase upfront investment to scale training and apprenticeship programs such as Apprenti, as well as programs like TAF & Ada Developers Academy that focus on women and BIPOC.

## Strategy 2.2. Increase business ownership and corporate leadership for BIPOC and immigrant communities and women.

Closures imposed by the coronavirus have led to a drop in the number of BIPOC, immigrant and women-owned businesses in the region, especially amongst those racial groups that already had the lowest business ownership rates in the population such as Hispanic and African Americans<sup>6</sup>. This is partly due to lack of financial options, as many lack savings or personal wealth to draw upon to weather financial shocks or to invest in the future. Such groups also face barriers in accessing capital, including discrimination by commercial banks and other private lenders. Many have difficulty accessing government aid and work in industries most impacted by the crisis.

Business ownership is a route to wealth creation. BIPOC businesses most often create jobs for people from the owner's ethnic or racial group, benefiting the community at large.

The corporate workplace is another area that reveals extreme disparities for BIPOC, and immigrant communities and women including underrepresentation in higher paying and leadership positions and numerous barriers to promotion and career advancement. A recent Boston Consulting Group report noted that Black executives account for less than 1.9% of corporate leadership roles in Washington<sup>7</sup>. Our workforce and corporate leadership representation should mirror the demographics of the working age population in our region. Actions that target increases in corporate leadership positions for BIPOC, and immigrant communities and women are critical and present additional opportunities for wealth creation and overall economic benefit for the region.

### **Opportunities for Action:**

- Provide technical assistance for start-up opportunities.
- Develop support networks to aid business owners post-start-up.
- Engage large companies with significant minority customer bases, or supplier spend, to share best practices in DEI.
- Support entrepreneurship for BIPOC and women in sectors such as tech and life science that offer higher potential for greater wealth generation.
- Provide healthcare coverage for women & BIPOC start-up entrepreneurs.

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<sup>6</sup> Data from 2017 from the US Census Bureau Annual Business Survey shows that 1% of all businesses in the region are owned by Black or African American, 4% by Hispanics, 15% by Asians and 82 by White people. Asian ownership represents 73% of all minority owned businesses in the region.

<sup>7</sup> The Commitment to Progress: An Equitable Future for Washington, 2020.

### Strategy 2.3. Expand business retention and expansion programs for BIPOC, immigrant, and women-owned businesses and microenterprises.

BIPOC, immigrant, and women-owned businesses in the region serve the local communities where they are located by offering proximate products and services, hiring locally, providing a pathway to economic self-sufficiency for owners and their families, and empowering community culture. This strategy furthers actions to retain, grow and expand businesses owned by underserved entrepreneurs in underserved communities.

#### **Opportunities for Action:**

- Scale existing programs at community development financial institutions (CDFIs).
- Continue to build relationships with existing companies, understand their needs and connect them to relevant services.
- Design programs and collaborative initiatives to boost networking and the ability to tap into pools of larger businesses for procurement, learning and partnership opportunities for BIPOC and women owned businesses (for example, minority business accelerator programs).
- Design interventions that boost the productivity of businesses through investments in technology adoption and process innovation.
- Work with banks, credit unions and microlenders, along with BIPOC community leaders to understand and document how entrepreneurs access capital and map barriers to entrepreneurial success for historically marginalized entrepreneurs.
- Analyze existing data to inform and set goals, such as increasing the number of originations and total lending to BIPOC, immigrant and women owned business.

### Strategy 2.4. Expand assistance for government contracting to BIPOC, immigrant and women-owned businesses, and increase percentages of contracting requirements for government entities.

At a policy level, Washington State's Initiative 200 passed in 1998 prohibits racial and gender preferences by state and local government. Many local jurisdictions and counties throughout the region and the State of Washington offer small, women and minority-owned businesses opportunities to contract on public works projects, including goods and services, construction and consulting contracts. Most recently, the City of Seattle passed an executive order to advance the City's mission for economic inclusion and equity in contracting. The City of Tacoma is also in the process of implementing a range of programmatic improvements as part of its Equity in Contracting Program. Other organizations such as Sound Transit and the Port of

Seattle have developed policies and strategies to provide meaningful contracting opportunities to minority, women and disadvantaged businesses.

Inclusive procurement can help close racial income and wealth gaps. Local jurisdictions in the region can leverage their buying power to support residents that have been left out of wealth-building activities and contribute to better economic outcomes for all. This strategy is meant to further advance the work the region is already doing in inclusive procurement.

**Opportunities for Action:**

- Use the disparity study as a roadmap to improve regional contracting of WMBE businesses.
- Design and implement a universal procurement system, including a central repository for all contract and vendor information.
- Establish a regional Procurement Reform Task Force to research and review best practices in the region and in other areas in US and recommend solutions to shared regional challenges.

**Strategy 2.5. Elevate stories of BIPOC, immigrant and women-owned businesses in the region to recruit entrepreneurs to start new businesses in the greater Seattle area.**

A 2019 study by American Express<sup>8</sup> ranks Washington state ninth in the nation in economic clout - defined as growth in the number of firms and growth in employment and revenue of women-owned businesses. The same report ranks the state as sixth, and the Seattle metropolitan areas as third in the nation for employment vitality - measured by employment growth rate of women-owned businesses over the past five years, and the average number of employees per women-owned businesses in 2019. Additionally, the Puget Sound Region has a share of minority owned businesses higher than the national average – 21% compared to 19%. Minority owned businesses contribute 11% to business revenues in the region<sup>9</sup>.

Women-owned and BIPOC businesses are driving economic growth in the state and the region, and their stories need to be elevated to attract other businesses to the area.

**Opportunities for Action:**

- Design a campaign that highlights success stories of BIPOC owned businesses in the region.
- Create a virtual marketplace to inventory and promote BIPOC businesses.

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<sup>8</sup> [https://s1.q4cdn.com/692158879/files/doc\\_library/file/2019-state-of-women-owned-businesses-report.pdf](https://s1.q4cdn.com/692158879/files/doc_library/file/2019-state-of-women-owned-businesses-report.pdf)

<sup>9</sup> US Census Bureau Annual Business Survey, 2017.

## Strategy 2.6. Build a regional coalition that strengthens our collective capacity to dismantle institutional racism and advance an inclusive economy.

Establishment of a formal alliance of regional leaders driven by the leadership and wisdom of BIPOC community is necessary to move forward with equitable recovery and inclusive economy strategies. Established and emerging leaders will listen to and collaborate with BIPOC leadership with intent to support and partner on initiatives that address the most fundamental challenges we face as a community, centered on addressing institutional racism, social justice and equitable economic recovery. The alliance will enable BIPOC community leaders to hold our major employers and public sector leaders accountable to equity goals.

The coalition will create and guide policies and initiatives that address the following areas including but not limited to:

- Health outcomes
- Housing
- Public safety, police and criminal justice reform
- Equitable economic opportunities and resiliency
- Small business incubation
- Community access and transportation alternatives
- Homelessness
- Education and career training opportunities
- Community engagement and capacity building
- Wealth Creation and Upward Mobility

### **Opportunities for Action:**

- Convene public, private and community partners to form a BIPOC led regional Equitable Recovery & Reconciliation Alliance.
- Set goals on reduction of poverty, wealth creation and upward mobility and support this effort with development of regional equity data dashboards to monitor progress.
- Establish a coalition of private sector employers committed to advancing and investing in racial equity.

## GOAL 3. ENSURE REGIONWIDE PARTICIPATION IN INVESTMENTS AND PROSPERITY

Throughout the Puget Sound region's history, certain areas and neighborhoods prospered while others lagged far behind. Place-based policies and investments such as redlining, racially restrictive covenants, public subsidies and discriminatory real estate lending and marketing practices contributed to the unequal geographic distribution of wealth and poverty for many generations. Other regional factors that have impacted the spatial structure of wealth and poverty in the region include zoning and land-use regulations, housing policies, suburbanization patterns and agglomeration economies.

This goal seeks to ensure a high quality of life and economic opportunity, regardless of ZIP code. Strategies to achieve this goal aim to create an equitable region where, irrespective of where one lives, every community has its basic needs, health and well-being met; communities are directly empowered in decision-making processes; all communities reap the benefits and share the costs of growth and change<sup>10</sup>.

### Strategies At-A-Glance

- 3.1. Promote **distributed office centers** to respond to permanent changes in office needs, and to prioritize **business and workforce mobility needs**.
- 3.2. Create an approach to **identify places** throughout the region where **inequities** are evident and address those inequities.
- 3.3. **Address infrastructure gaps** throughout the region including transportation, broadband and more.
- 3.4. Include **proactive and substantive community engagement** for policy and strategy decisions.
- 3.5. Invest in **displaced workers** and **decrease unemployment** across the region.
- 3.6. Leverage and invest in higher education to **connect graduates to employment** in the regional economy.

### Key Indicators

- Geographic baseline metrics for inequitable economic distribution (equity index).
- Access to broadband, transit, transportation and other infrastructure.
- Participation by communities in decisions made.

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<sup>10</sup> Definition of regional equity developed by the Coalition for a Livable Future and the Regional Equity Atlas 2.0 Advisory Committee. <http://clfuture.org/programs/regional-equity-atlas/about-regional-equity-atlas-project/defining-regional-equity>

### Strategy 3.1. Promote distributed office centers to respond to permanent changes in office needs, and to prioritize business and workforce mobility needs.

The pandemic and changing work patterns during lockdown have led to a surge in employers' interest in offices in satellite and regional locations. As office needs evolve and more companies are re-imagining the future of work, a more distributed model throughout cities in the region could better support employee performance and organizational resiliency. At a community level, a distribution of organizations throughout multiple locations can improve opportunities and bring new life to obsolete spaces and disadvantaged communities in both cities and suburbs.

#### **Opportunities for Action:**

- Conduct a regional employer survey to determine the extent to which businesses will return to prior office arrangements.
- Work with Puget Sound Regional Council (PSRC) urban centers framework and regional infrastructure plans (transportation, transit, broadband) to identify outlying centers suitable for increased employment regionwide.
- Identify remaining infrastructure gaps around the potential office centers, where evident.

### Strategy 3.2. Create an approach to identify places throughout the region where inequities are evident and address those inequities.

The PSRC data points to disparities in access to opportunity among communities in the region. Almost half of all Black and Hispanic/Latinx households, and 6 out of 10 American Indians live in areas of lower opportunity. Conversely, less than 40% of White households and less than one-third of Asian households live in areas of lower opportunity.

This strategy proposes using the lens of location to look at all manners of inequity such as uneven access to education, health care, housing, transportation and criminal justice to understand where they exist, what are their root causes, and how we can reduce them. Investment alone cannot address these disparities. These communities require systemic policy change to get at the root of discrimination and drive lasting economic change.

#### **Opportunities for Action:**

- Create a tool that combines spatial equity indicators with land utilization indicators to identify areas with economic inequities.
- Develop a marketing plan to showcase the areas identified.
- Identify and support implementation of emerging best practices and models for addressing geographic economic inequities, which are more than

just investment (for example, the Evergreen Cooperative Initiative in Cleveland).

- Partner with local communities to understand how spatial inequity manifests for them and build a road map that will show how economic hardship and poverty can be addressed.
- Ensure a robust mix of uses and accessible quality of life amenities at the neighborhood scale regionally.

### Strategy 3.3. Address infrastructure gaps throughout the region including transportation, broadband and more.

Infrastructure is the foundation of a strong competitive economy and fundamental for health and economic opportunity. The pandemic is highlighting the disparities in access to infrastructure across the region such as high-speed internet. Having affordable broadband is a necessity for people in the region needing to work or study from home, apply for jobs and obtain a variety of vital services from small-business loans, unemployment benefits to telemedicine.

Federal, state and local governments are facing strained budgets due to the pandemic, which could impact the annual gap in infrastructure investment in the short to medium term. As the economic and social environment is undergoing considerable and potentially long-lasting changes, infrastructure investment priorities, particularly in transportation, will need to be rethought. This strategy aims to double down on the commitment to create an infrastructure network that contributes to a more just society.

#### **Opportunities for Action:**

- Assess infrastructure needs to identify critical gaps across the region in provision, including transportation, broadband, water, sewage and electric systems.
- Coordinate with PSRC, Sound Transit and other partners to communicate the business community's perspective on highest-ranking infrastructure needs for broad economic development.
- Adequately fund transportation and other infrastructure needs to up and coming office centers.

### Strategy 3.4. Include proactive and substantive community engagement for policy and strategy decisions.

Community voices need to be heard as part of the decision-making process and work alongside city planners, developers and other stakeholders to ensure their priorities, needs and values are aligned with economic development policies and capital investment plans. In order to help existing communities thrive in place, there needs to be more local involvement in land use decisions and plan implementation. Community leaders and members should have access to political and economic decision-making processes, as well as the know-how to influence them. The advantages of community-based decision making include more roundly equitable decisions and outcomes, better alignment with community priorities and accountability and the ability to prioritize specific opportunities for addressing inequity.

#### **Opportunities for Action:**

- Prioritize funding for community development by local non-profit agencies, community groups and business and neighborhood associations.
- Devise a plan to engage communities in decision making related to this Framework's implementation.

### Strategy 3.5. Invest in displaced workers and decrease unemployment across the region.

Too often in the Puget Sound region low-income communities have no living wage jobs near where they live, and few transit or childcare options that would facilitate access to quality employment elsewhere. Other barriers include past criminal records, language barriers, low educational attainment and discrimination. These factors lead to a spatial mismatch between affordable housing and job opportunities, and thus contributes to persistent unemployment and low earnings in such communities. When people are trapped in cycles of joblessness or low-wage work with little opportunity to advance, they are particularly vulnerable to instability and financial uncertainty that can push them into homelessness. Those that manage to get by do not participate in wealth accumulation that creates prosperity in other communities.

#### **Opportunities for Action:**

- Leverage transferable skills in the workforce to connect unemployed and under-employment individuals with opportunities in other industries.
- Expand evidence-based training programs that build skills and increase education to prepare unemployed and disadvantaged workers to compete in the labor market.
- Increase the quality of jobs in all industries by investing in work supports and benefits that boost wages and make jobs more stable.

- Boost investment in childcare.

### Strategy 3.6. Leverage and invest in higher education to connect graduates to employment in the regional economy.

Small and medium-sized businesses do not have the time and budget to train graduates. They face cost and price competition and would prefer to hire experienced workers. Those that do take the time to “train up” new hires often later experience the sudden loss of such employees to larger firms with better opportunities as their skills increase. Higher education helps develop an agile, capable workforce with the so-called “soft skills” needed to succeed in many industries, as well as increasing trainability and basic aptitudes for the professional world.

However, access to higher education is highly geographically unequal. Members of poorer communities are not educated about the resources available to them to finance higher education, or these resources are insufficient. The actions in this strategy seek to level the playing field for all communities in the region in terms of foundational higher education access.

#### **Opportunities for Action:**

- Invest in and expand existing incubators, accelerators, and mentorship programs that link educational institutions with the private sector to create accelerator and mentorship programs targeting small businesses in underserved communities, such as UW Consulting & Business Development Center, Black Founders Co-op, etc.
- Increase state support for community colleges, which are more widely distributed throughout the region.
- Increase funding aimed at removing financial barriers to higher education for underserved communities, such as the Husky Promise program, and expand such funding structures to other area colleges.
- Create comprehensive Career Pathways.
- Accelerate achievement of Washington’s statewide postsecondary credential attainment goal of 70% by 2030.

## GOAL 4. SUPPORT TRADITIONAL AND EMERGING INDUSTRIES WITH POST-PANDEMIC OPPORTUNITIES

The pandemic has fundamentally changed the landscape for many traditional industries. New opportunities have arisen within traditional clusters and in new and emerging clusters. The strategies in this section address how the region can support these traditional and emerging industries, secondary supportive industries, and the entrepreneurial and small business ecosystems behind them. This also means addressing critical opportunities and challenges in talent attraction, workforce development and business location / relocation in the post-pandemic landscape.

### Strategies At-A-Glance

- 4.1 **Assess post-pandemic growth prospects** for emerging and evolving industries such as clean energy, food systems and life sciences, and **align BRE efforts** accordingly.
- 4.2 **Support traditionally strong industry clusters** such as aerospace, maritime, military and defense, and healthcare to **return to and build on pre-pandemic competitiveness** and prosperity.
- 4.3 Leverage the region's **strong technology foundation** to compete globally and pioneer **new frontiers in tech industry innovation**.
- 4.4 Support **entrepreneurs, local small businesses and microenterprises** to ensure that the region's entrepreneurial spirit can **adapt** to thrive.
- 4.5 **Support county workforce partners** to provide broad coverage of existing and prospective **workforce development** needs.
- 4.6 Prepare the region to respond quickly to **business location RFPs, corporate expansions** including **R&D centers**, and other industry trends.
- 4.7 Focus **talent attraction and retention** around critical business needs.

### Key Indicators

- Jobs and revenues by industry
- New small business licenses
- Key corporate relocations, expansions

## Strategy 4.1. Assess post-pandemic growth prospects for emerging and evolving industries such as clean energy, food systems and life sciences, and align BRE efforts accordingly.

While the pandemic has been devastating in many ways, it has also created surprising and unforeseen opportunities. In numerous emerging and evolving industries in the region, these opportunities will be the key from pivoting into a successful post-pandemic recovery for the regional economy at large. Opportunities at the intersection of life sciences and technology, for example, can create ripple effects across other industries – traditional and supportive – that can help diversify the regional economy and replace jobs and economic activity lost during the pandemic.

### **Opportunities for Action:**

- Enhance the region’s research and analysis capability to identify emerging trends and support action-oriented economic development.
- Develop targeted marketing and BRE strategies for specific sectors that pay strong wages, potentially including:
  - Clean/Green Tech
  - Military & Defense
  - Blue Economy
  - Technology – AI, FinTech, Cybersecurity, Quantum Computing
  - Life Sciences & Biotech Manufacturing
  - Advanced Manufacturing
  - Tourism
- Harness and leverage pandemic-related funding and growth opportunities in life sciences, advanced logistics and related industries.
- Develop a strategy for economic diversification based on both traditional and emerging industries that renders the region stronger in the face of future economic shocks.

## Strategy 4.2. Support traditionally strong industry clusters such as aerospace, maritime, military & defense, and healthcare to return to and build on pre-pandemic competitiveness and prosperity.

So-called “traditional” industries are the stable drivers of the region’s long-term economy. They are those that combine a long and well-established presence with comparative strength in the region. Aerospace, maritime, logistics and healthcare are also increasingly advanced, cutting-edge industries driven more and more by innovation, technology, and reliant on top talent. As the region recovers into the post-pandemic area, it will strive to support the historically strong, stable and growing industries it has nurtured for generations by understanding and responding to evolving dynamics.

### **Opportunities for Action:**

- Increase the amount of foreign direct investment and accelerate exports from this region.
- Convert export partners to investors in advanced industries.
- Leverage institutions such as the Ports of Seattle, Tacoma and Everett to incubate and accelerate businesses and harness emerging opportunities.
- Support the development of the digitization of healthcare in the region, including rapid response and home treatment paradigms.
- Recruit a full complement of up- and down-stream partners in key industries.
- Accelerate manufacturing onshoring or reshoring strategies.
- Engage established industry associations to coordinate recovery efforts and rally businesses toward implementation.
- Recognize and promote philanthropy as an industry cluster; build on the strength of the Gates Foundation, the non-profit hospitals and research centers, and Paul Allen's companies.
- Support further densification in the region to strengthen industries related to real estate development (construction, engineering, architecture) and increase affordability.
- Promote and support mass timber / cross-laminated timber (CLT) as opportunities for growth in the regional timber industry.

### **Strategy 4.3. Leverage the region's strong technology foundation to compete globally and pioneer new frontiers in tech industry innovation.**

The central Puget Sound region was one of the earliest tech industry hubs in the world and this sector continues to define the region and drive its economy. The region must clear the path for continued success and pioneering development within the tech industry by ensuring livability with improved transit and housing affordability, by recruiting top talent and synergistic companies, and by collaborating closely with industry leaders on to ensure shared success.

### **Opportunities for Action:**

- Recruit companies that are pioneering new technologies or new applications of technology, including companies focused on remote working technologies, robotics, AR/VR and new communication tools.
- Consider policy changes including tax incentives and regulatory changes to better support the development of IT, advanced manufacturing, data centers and logistics hubs.
- Leverage opportunities created by those such as Amazon and SpaceX who are implementing low-level satellites for 5G broadband connectivity regionally.
- Produce a region wide strategy to support tech companies and occupations.

#### Strategy 4.4. Support entrepreneurs, local small businesses and microenterprises to ensure that the region’s entrepreneurial spirit can adapt to thrive.

Small businesses have arguably been hardest hit by the economic effects of the global pandemic with hospitality, tourism, retail and other sectors facing profound and ongoing changes to the consumer and business-to-business landscape. While gap measures such as paycheck protection programs and other measures have helped, the region needs to pay particular attention to the needs of this sector now, and ensure that the diverse entrepreneurial and small business ecosystems not only survive this era, but that they can evolve with the changing landscape to thrive post-pandemic. This will mean understanding these changing conditions and supporting the sector in multiple ways, from additional financing, to commercial lease protections, to new workforce development needs, and others.

##### **Opportunities for Action:**

- Ensure no geographic or demographic limitations on who can invest in the Central Puget Sound fund or on the use of funds.
- Engage landlords to protect small businesses from eviction, escalating rent and other threats.
- Identify state and local solutions to fill gaps left by PPP.
- Engage local governments and chambers of commerce in programs to save local jobs.
- Create virtuous partnerships between workforce development and small business development.
- Support entrepreneurial activity and R&D, onshoring vaccine production and PPE, with incentives and other assistance.
- Help SMES access new capital and export markets. Develop and enhance mechanisms by which small and medium-sized enterprises (SMEs) can more readily access foreign capital and export opportunities.
- Develop a Revolving Loan Fund focused on SME exporters.
- Develop a strategy for how venture investors and managers can work with regional public, university, and philanthropic leaders to form a Central Puget Sound fund of funds to increase VC investment in the region.

#### Strategy 4.5. Support county workforce partners to provide broad coverage of existing and prospective workforce development needs.

The face of education and workforce development has changed dramatically in recent months. Through challenges with remote learning, institutions and companies are zeroing in on best practices to improve the quality of offerings and regain trust and a competitive edge in attracting high-performing students and workers to programs. The region must step in to ensure funding sources are secure, to help connect

workforce development with emerging best practices in the post-pandemic landscape, and to continue to leverage the uniqueness of the workplace ecosystem in this region. And the region and workforce partners must listen closely to the changing needs of local industries and respond decisively with program and policy changes where necessary.

**Opportunities for Action:**

- Collaborate to identify changing workforce needs in the post-pandemic economy and tailor curricula and programming to meet identified needs.
- Identify and regionally support the implementation of emerging best practices around remote learning.
- Address industry and business needs for well-trained people at all levels (entry-level certificate educated to PhD researchers).
- Establish a unified vision and regular collaboration across county WDCs, training and education institutions, and major employers.
- Compile and track regionwide data on occupations and skills needed across key industry sectors to develop local workforce for available and future jobs.
- Create a pool of funds and other economic incentives that can cover the upfront costs of training and offset other employer risks for apprenticeship programs designed for in-demand skills and occupations like coding or computer science.

**Strategy 4.6. Prepare the region to respond quickly to business location RFPs, corporate expansions, including R&D centers, and other industry trends.**

The global pandemic has re-shuffled the deck dramatically with regards to physical spaces and land for commercial and industrial development and corporate location. While some companies (such as REI) have perceived less of a need for central physical facilities, other companies see this as an opportunity to upgrade space for physical community for their workers and staff. The only certainty is that a range of typologies will be required to respond to company needs for space in the post-pandemic era. The region needs to take stock of its inventory and identify policy and regulatory reforms to pave the way for new development and redevelopment for companies seeking to locate and relocate here, expand R&D, or develop logistics or data centers.

**Opportunities for Action:**

- Track national developments in emerging industries such as life sciences and technology to position the region to capture major opportunities as they arise.
- Leverage the strong retail industry presence in the region to identify and support e-commerce opportunities for industrial and data centers.

- Develop and circulate a comprehensive package of tax incentives and economic development tools, such as local revitalization financing and TIF, to compete with other regions for top tier industry relocations.

#### Strategy 4.7. Focus talent attraction around critical business needs.

Industries in the region thrive on talent and attracting world-class talent to the region to compete globally. Technology companies, global exporters and companies with business networks that cross the U.S. all require top talent with global perspectives and experience. Even as local companies invest in local educators and workforce training systems, attracting talent from around the world is needed to meet global and post-pandemic opportunities. In the post-pandemic world with more people working remotely than ever, the region must stand out and lead the nation in its post-pandemic response in order to compete successfully with other regions for key talent.

##### **Opportunities for Action:**

- Provide marketing and other assistance to sectors supporting talent attraction and business relocation, including hospitality and tourism.
- Look to high-growth industries to provide guidance on avenues of talent attraction and development in the post-pandemic landscape.
- Implement land use reforms aimed at reducing cost of living and enhancing quality of life in the region.
- Implement reforms aimed at improving regional mobility, public safety and criminal justice reform.
- Showcase the uniqueness of our workplace ecosystem such as the intersection of life sciences and tech unique to greater Seattle.

## GOAL 5. PROMOTE SUSTAINABLE ECONOMIC GROWTH TO ADDRESS RESILIENCY NEEDS

Even before COVID-19, the Puget Sound region was confronting multiple challenges that come with rapid economic growth and success – such as a homelessness crisis, increasing traffic congestion and a housing affordability crisis. The pandemic has further exacerbated some of these issues and the disparities in how vulnerable the region’s residents were to economic downturns, most notably along racial and geographic lines. It has strained social safety nets and made it clear that many of the region’s workers lack basic protections and a sense of financial security.

At the same time, the climate crisis has not gone away and requires immediate action. The Puget Sound region has been impacted this summer by Washington state’s worst fire season on record, after 2015. COVID-19 has put in context the importance of protecting nature. Failure to do so increased the risk of infectious disease emergence and led to immense social and economic damage.

There is a unique opportunity today for the region’s recovery to re-imagine and build a sustainable well-being economy, embracing the economic, social, and environmental dimensions of well-being. Risk and resilience will need to be center stage. This goal aims to increase the economic resilience of the region to economic downturns, disasters and climate change impacts through a risk-based approach.

### Strategies At-A-Glance

- 5.1 Support regional efforts to **address the housing affordability crisis** across greater Seattle.
- 5.2 Collaborate with regional transportation leadership to **prioritize business and workforce mobility** needs.
- 5.3 **Expand relief programs** and pilot innovative approaches to **reducing poverty**.
- 5.4 Work with corporate partners and citizen leaders to further advance **clean energy use, clean tech development and policies** that combat climate change.

### Key Indicators

- Supply of housing at prices aligned with area income brackets
- Commute time and access to jobs
- Emergency response capacity
- Basic needs and family wellness indicators

## Strategy 5.1. Support regional efforts to address the housing affordability crisis across greater Seattle.

Counties in the Puget Sound region (King, Pierce, and Snohomish) are adding new residents and creating more jobs faster than new units of housing. The region's population has increased by almost half a million people and employment grew by more than 420,000 jobs over the past decade<sup>11</sup>. Between 2010 and 2019, the region created just over 160,000 housing units but added roughly 190,000 households<sup>12</sup>.

Home values across the region have soared beyond their 2008 pre-recession peak. In 2019, the median home value was 43.6% above its 2008 peak in King County, 25.7% in Snohomish County and 13.7% in Pierce County<sup>13</sup>. Median gross rent is the fourth most expensive in the country and roughly 47% of renters in the region are rent burdened<sup>14</sup>. The severe housing shortage and one of the worst levels of housing-affordability in the nation is also contributing to the homelessness crisis in the region.

It is safe to assume that the pandemic has only compounded the region's affordable housing shortage by increasing the need and slowing the delivery of new units for people of all levels. The housing challenges fell hardest on people of color, immigrants, those who are consistently disadvantaged by our economy, or others who were already too close to a financial cliff prior to the pandemic. Some steps have already been taken to provide immediate relief for individuals who are now at risk of losing their homes, such as temporary state and local bans on evictions and public and private rental assistance programs. However, these short-term mitigation measures should not divert from the long-term focus on correcting the region's housing shortage. This strategy aims to look beyond recovery and create a better future that gives everyone in the Puget Sound region the opportunity to have a stable home.

### **Opportunities for Action:**

- Work with existing regional coalitions to create an aligned larger regional network to address the housing affordability crisis across the entire greater Seattle region.
- Help affordable housing advocates uncover how existing systems produce housing inequities and bring into focus the specific ways these systems must change.
- Identify whether existing regional efforts addressing housing affordability are meeting the needs of all communities in the region, to ensure that solutions address the impacts of systemic racism and displacement risk.

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<sup>11</sup> Washington State Office of Financial Management, 2020; Washington State Employment Security Department, 2020.

<sup>12</sup> United States Census Bureau, 2020.

<sup>13</sup> <https://www.psrc.org/sites/default/files/peer201805-pres-zillow.pdf>

<sup>14</sup> <https://www.nationalcapacd.org/wp-content/uploads/2020/06/COVID-19-Housing-Costs-.pdf>

- Catalyze stronger investments in programs that provide housing near jobs and schools to reverse the trend of income segregation.
- Advocate for policies and tools that aim to change land and zoning regulations to allow a variety of housing affordable to people at all income levels.
- Increase regional cooperation to provide financial incentives, standardize building codes and streamline permitting requirements for developers to build more affordable housing options and reduce the cost of construction.
- Work together with leaders across the region to make the most of existing funding and to identify innovative ways to increase funding for housing.

## Strategy 5.2. Collaborate with regional transportation leadership to prioritize business and workforce mobility needs.

The Puget Sound Region has experienced a significant decline in travel across all modes of transportation since COVID-19 related restrictions came into effect at the beginning of March 2020. The decline in travel due to the COVID-19 pandemic has financial repercussions on the state's revenue sources from fuel tax, tolls and ferry fares. Fuel tax, tolls and ferry revenues represent roughly 45% of transportation funds.

The pandemic also risks undoing years of transit growth. A 'new normal' of home working is anticipated for many employees, which means there is no guarantee that peak period travel market will fully recover to previous levels, and even if so, the mode split may look very different. Furthermore, as fares are not being collected and tax revenues have plummeted, transit projects may suffer delays or cancellations with potential negative impacts on traffic congestion in the region.

As the region adapts in this transitional period, there is an opportunity to become better prepared to account for the unexpected and build a more resilient transportation network. The pandemic has surfaced the need for an infusion of resilience planning into the design, construction, operation and maintenance of public transit systems.

### **Opportunities for Action:**

- Identify and develop a plan to address long-term implications wrought by the pandemic to traffic and transit, such as changing customer needs, behaviors, and expectations.
- Advocate for increased public spending on priority investments in infrastructure as part of the stimulus spending.
- Work with transportation agencies and other partners to understand how changes to access and mobility needs brought by the pandemic impact financing priorities of transportation infrastructure.

### Strategy 5.3. Expand relief programs and pilot innovative approaches to reducing poverty.

The pandemic and acute economic disruption that followed carries particular risks for poor households in the Puget Sound region whose livelihoods are already precarious. Many low wage jobs in the service sector will not reappear in the short or medium term, many people cannot work from home, and enhanced unemployment benefits will expire, leaving many exposed. Workers being laid off are losing their health coverage due to reliance on employers as the primary provider of health insurance.

But poverty is not new to the region and has been rising despite the region's overall prosperity. The number of people in poverty increased by 70 percent in King County and doubled in Snohomish County in the past 30 years<sup>15</sup>. The recession will exacerbate this trend and rising poverty can overwhelm an already strained human services infrastructure. This strategy aims to expand economic opportunities and provide a more robust safety net for people in our region.

#### **Opportunities for Action:**

- Inventory existing relief and safety net programs and assess their effectiveness through an equity lens.
- Work with local or state leaders to learn more about radically different models to fight poverty and create economic stability, evaluate their potential merits and set out the time and resources to test them in real world situations (e.g. negative income tax, federal jobs guarantee, universal basic income / services).
- Strengthen short and long-term workers' protections and benefits, focusing on recovery of displaced and at-risk workers first.
- Expand access to more affordable childcare for all parents and work with employers to ensure all workers benefit from paid leave and fair, predictable work schedules.

### Strategy 5.4. Work with corporate partners and citizen leaders to further advance clean energy use, clean tech development and policies that combat climate change.

The region must respond to climate change by reducing emissions and preparing for a resilient future by adapting to the potential effects of climate change. The region has strengths in key sectors that can be leveraged to respond to the environmental challenges being experienced with climate change. Elements of green infrastructure and emerging opportunities in the green economy can make a meaningful contribution to economic recovery in the near term while also responding to the environmental challenges brought about by climate change.

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<sup>15</sup> U.S. Census Bureau, 2020.

**Opportunities for Action:**

- Identify climate change goals that will also promote job creation and can be an important element of the economic recovery.
- Champion the blue economy and clean tech industries.
- Promote sustainable industries across the region.
- Using an environmental justice lens focus on addressing pollution in underserved communities.
- Drive regional utilities toward renewables such as solar, wind, hydro and geothermal sources of energy with policies and incentives aimed at maintaining profitability.