



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 6077
May 3, 2022
Consent Agenda

AGENDA BILL INFORMATION

TITLE:	AB 6077: 2022-2023 Port of Seattle Economic Development Partnership Grant Award	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
RECOMMENDED ACTION:	Authorize the City Manager to execute Port of Seattle Economic Development Partnership agreement.	

DEPARTMENT:	Community Planning and Development
STAFF:	Jeff Thomas, Interim Director Sarah Bluvas, Economic Development Coordinator Adam Zack, Senior Planner
COUNCIL LIAISON:	n/a
EXHIBITS:	1. 2022-2023 Port of Seattle Economic Development Partnership Grant Program Guidelines 2. 2022-2023 Partnership Agreement
CITY COUNCIL PRIORITY:	3. Implement an economic development program.

AMOUNT OF EXPENDITURE	\$ 77,370
AMOUNT BUDGETED	\$ 25,790
APPROPRIATION REQUIRED	\$ 51,580

EXECUTIVE SUMMARY

City staff are seeking authorization to accept a 2022-2023 grant award from the Port of Seattle Economic Development Partnership program.

- The Port of Seattle Economic Development Partnership program provides grant funding to King County cities to implement local economic development initiatives.
- Grants are awarded on a per-capita calculation, and the City will be reimbursed for eligible project funds upon invoicing the Port of Seattle.
- For the 2022-2023 grant cycle, the City has been awarded \$51,580 to support economic development and recovery projects through December 31, 2023.
- In accepting this award, the City is required to provide at least a 50 percent match of cash and in-kind support. This 2022-2023 award requires a cash match of at least \$12,895, and up to \$12,895 of in-kind support to satisfy the match requirement.
- Staff seeks authorization to accept the grant award of \$51,580 to support economic development planning and “buy local” business activities.

BACKGROUND

The Port of Seattle Economic Development Partnership Program is a cooperative program designed to help fund local economic development initiatives across King County (except Seattle). Since the program's inception in 2016, the Port has awarded \$4 million to King County cities, including more than \$95,000 to Mercer Island from 2017 to 2021. Funding is awarded on a per-capita calculation (between \$5,000 and \$60,000 based on the city's population) and requires a 50 percent match of dollars and in-kind support.

In 2022, the program (Exhibit 1) shifted to a two-year grant cycle to allow cities more time to complete projects. Each city receives two years of grant funding and now has until December 31, 2023, to submit final grant reporting documentation. For the City of Mercer Island, this amounts to a grant award of \$51,580 and a required match of \$25,790, for a total of \$77,370 in expenditures for 2022-2023.

ISSUE/DISCUSSION

On March 15, 2022, the City Council directed City staff to pursue Port of Seattle grant funds to support the following:

- **2022:** Support the economic analysis/technical work needed as part of the process to develop an Economic Development Element for the City's periodic update to the comprehensive plan.
- **2023:** Support the development of an implementation strategy for the Economic Development Element and execute quick action items (where applicable).

The City's awarded project scope (Exhibit 2) includes \$57,370 in grant dollars and required match to fund portions of the work to develop the Economic Development Element (EDE) as part of the City's periodic update to the Comprehensive Plan. Activities include:

- Conducting an Economic Analysis of Mercer Island, which will include profiles of the population and existing economy as well as a summary of strategic economic development themes based on Mercer Island's strengths, regional context, opportunities, and limitations/challenges;
- Partnering with local businesses and other stakeholders to identify near-term opportunities that can be acted on in 2023; and
- Beginning to develop an implementation strategy for mid- and long-term needs based on the results of the EDE community engagement and drafting process.

Additionally, staff was advised that the Port of Seattle prefers that cities continue supporting "buy local" and other recovery-related activities during the 2022-2023 grant cycle. To satisfy this preference, the awarded project scope also includes \$20,000 to partner with local businesses to coordinate "buy local" events and other activities in connection with planned community events such as Summer Celebration! and Illuminate MI as well as to promote business activities, grand openings, and other events via social media and other City marketing channels.

Finally, the Port of Seattle recognizes that cities may need to revisit their project scopes in 2023 and is willing to accommodate Mercer Island's needs if we must adjust projects after the first year of the grant cycle.

See Exhibit 2 for the approved 2022/2023 project scope.

CITY CASH MATCH + IN-KIND SUPPORT

The City is required to provide a 50 percent match of the Port of Seattle grant award, which totals \$25,790. Of this amount, the City is allowed to cover up to 25 percent (\$12,895) of the match in in-kind support such as staff time. At least 25 percent (\$12,895) must be provided as a cash match. The City Council has already appropriated the funds for this effort through the Comprehensive Plan Update budget (DS1100) as well as allocated staff time to complete these projects. No additional budget appropriation is required to satisfy the program's match requirements.

NEXT STEPS

After receiving authorization to move forward, City staff anticipate fully executing the Port of Seattle agreement and beginning projects in June 2022. The City will have approximately 18 months to complete projects, with final reporting documentation due to the Port of Seattle by December 31, 2023. (Note the Port of Seattle added an extra month to the timeline that staff originally presented on March 15.)

Since this grant straddles two City budget cycles (2021-2022 and 2023-2024), staff also anticipate including unused funds in the City's budget carryover request at the end of 2022.

RECOMMENDED ACTION

Authorize the City Manager to sign the Port of Seattle Economic Development Partnership agreement, accepting grant funds in the form substantially as attached in Exhibit A of the agreement.