



Memorandum

Date: 10/17/2023
Meeting of: City Council

File No. AM No. 23-140
Type: Consent Item

TO: Members of the City Council
FROM: Mayor Angela Birney
DEPARTMENT DIRECTOR CONTACT(S):

Planning and Community Development	Carol Helland	425-556-2107
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DEPARTMENT STAFF:

Planning and Community Development	Seraphie Allen	Deputy Planning Director
Planning and Community Development	Philly Marsh	Economic Development Manager

TITLE:

Approval of Startup425 Interlocal Agreement Amendments

OVERVIEW STATEMENT:

Startup425 is a collaborative effort of five Eastside cities and the Port of Seattle that began in 2016 with a focus on fostering new business creation across all industries. The City of Bellevue began as the administrator of the collaborative effort between the cities of Bellevue, Issaquah, Kirkland, Redmond, and Renton. Kirkland has been the administrator of the program for the last four years and the program is now returning to City of Bellevue administration.

The ILA requested for approval is an update to the ILA approved by Redmond City Council on January 15, 2019. The ILA reflects the administration change and allows the opportunity for additional cities to join the collaborative effort.

Pre-pandemic the program found success in partnering with King County Library System (KCLS) to offer a series of classes for business creation. With the COVID-19 pandemic, the business assistance landscape changed. Many new business assistance providers entered the ecosystem to focus on business support and recovery.

Due to the changes in the entrepreneurship and business assistance landscape, it was important for the city partners to re-assess the Startup425 program to ensure it was meeting the current needs of businesses and gaps in business support. In 2022, the partners retained High Peak Strategies to identify opportunities to best fill gaps and needs with the Startup425 program.

In addition, the Eastside is now at a new unique moment economically. After a decade of strong growth at larger employers, those employers are reducing headcounts. Many experienced and highly skilled individuals may consider new opportunities in entrepreneurship. Historically, economic and employment downturns are booms for starting new businesses. Currently, the Eastside has limited resources dedicated to helping individuals navigate the path to business ownership.

In 2023, the program will focus on piloting programming and assessing the best organizational alignment for meeting entrepreneurship needs and sustainable business success.

☒ **Additional Background Information/Description of Proposal Attached**

REQUESTED ACTION:

- ☐ Receive Information ☐ Provide Direction ☒ Approve

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
Comprehensive Plan Economic Vitality Policies:
EV-9 Encourage and recognize incubator space in Redmond for existing and future small businesses.

EV-19 Participate in partnerships with other agencies, businesses, nonprofits, and other organizations that further the City's economic vitality goals.

EV-20 Implement, in conjunction with business, education, and other community partners, the Strategic Plan for Economic Development to... Identify regional and national economic development programs and the means to access their resources for the city.

EV-21 Initiate or participate in the following activities in support of economic vitality: • Monitor future trends and economic conditions; • Prepare information for businesses on available public sector financing; • Support federal and state funding of cost-effective business financing programs;
- **Required:**
Interlocal agreements require Council Approval
- **Council Request:**
N/A
- **Other Key Facts:**
N/A

OUTCOMES:

Startup425 program outcomes include new business creation and sustained business survival that results in economic vitality and vibrancy for the City of Redmond and the region. This is measured by number of businesses and job creation.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
N/A
- **Outreach Methods and Results:**
N/A
- **Feedback Summary:**
N/A

BUDGET IMPACT:

Total Cost:
\$32,200

Approved in current biennial budget: ☒ Yes ☐ No ☐ N/A

Budget Offer Number:
0000040 Community/Economic Development

Budget Priority:
Vibrant and Connected

Other budget impacts or additional costs: ☐ Yes ☒ No ☐ N/A
If yes, explain:
N/A

Funding source(s):
Port of Seattle Grant

Budget/Funding Constraints:
N/A

☐ Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
10/3/2023	Committee of the Whole - Planning and Public Works	Provide Direction

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
	No meetings proposed at this time.	N/A

Time Constraints:

The ILA is needed to support the program and to be reimbursed from the Port of Seattle Grant

ANTICIPATED RESULT IF NOT APPROVED:

Redmond would not participate and benefit from the program

ATTACHMENTS:

Attachment A: Startup425 ILA

Attachment B: Startup425 Analysis

Attachment C: Redmond Small Business Gap Analysis