

City of Redmond

SMALL BUSINESS ECONOMIC DEVELOPMENT SERVICES

December 2021

Submitted by:



Resonant Strategic Consulting, LLC

Submitted to:





High Peak Strategy LLC

Spencer Cohen, PhD
Principal and Founder
9604 8th Ave NE
Seattle, WA 98115

www.highpeakstrategy.com

EXECUTIVE SUMMARY

The COVID-19 pandemic has upended supply chains, curtailed household consumption for many local services and goods providers, and forced dramatic changes in business operations. Many businesses have permanently or temporarily shuttered, including restaurants, local gyms, and various forms of retail. Small businesses have been acutely impacted by mandatory restrictions on operations, including many immigrant- and minority-owned establishments. The City of Redmond, with the support of federal stimulus and recovery funds, is seeking ways to best utilize these resources to assist local businesses. In order to ensure the highest yield on these economic development investments, the City has requested this analysis of existing programs and services, investments in these programs, and to compare these resources with local small business needs.

Small Business Plays a Vital Role in Redmond's Economy

Small businesses represent a significant share of the City of Redmond's economy. In 2020, approximately 10% of all workers in the City of Redmond were employed business establishments of less than 20 workers. In the retail sector, more than one quarter (27.5%) of workers were employed at workplaces of less than 20 employees. Within the services sector—including software, professional and technical services, arts, and accommodations—there were 1,683 workplaces with between 1 and 4 workers; 86% of all workplaces in the services sector employed less than 20 workers.

As of November 1, 2021, there were 48 businesses located in Redmond certified with the Washington State Office of Minority & Women's Business Enterprises, of which half (24) were engaged primarily in professional and technical services. The most recent data on business owners, for 2017, shows that minority-owned businesses in Redmond generated \$1.3 billion in sales; Hispanic businesses generated \$284.7 million in sales. These revenues support wage and salary income, a large share of which is re-spent in the form of household consumption on local, Redmond-based goods and services.

Many businesses directly impacted by the pandemic and mandated closures and limited indoor capacity rules were small businesses in the arts, entertainment, recreation, and food and accommodation industries. Within the City of Redmond, taxable retail sales among accommodation and food services, heavily reliant on in-person service models, fell from \$103.9 million in sales in 2019 Q3 to just \$28.2 million in 2020 Q2 (73% decline); as of the second quarter of 2021, sales were still roughly half (\$52.0 million) the pre-pandemic high.

Small Business Support System Alignments and Gaps

Alignments

Existing small business support services are well aligned with business needs in the following areas:

- **Training resources.** There is a comprehensive scope of training resources available to small businesses in Redmond, accessible from an ecosystem of various services providers.
- **Interconnections among services providers.** There are extensive interconnections already exist among multiple services providers supporting Redmond small businesses. This enables greater efficiency of resources and reduces redundancies.

Gaps

The following areas have been identified as gaps that can be addressed through City of Redmond investments.

- **Lack of connectivity and community trust.** Small business support programs and community-based organizations (CBOs) reported difficulties establishing trust between service providers and immigrant and minority-owned small business owners.
- **Cultural and linguistic barriers.** Even well-designed training programs are not adequately reaching certain small businesses due to the lack of bilingual materials and cultural relatability between the service provider and the recipient business. Context is often critical, often requiring smaller settings and more direct engagement to ensure important information is not lost in translation.
- **Access to capital.** Community-based organizations and service providers identified access to capital by small businesses as a more pressing need than training. Two common themes we heard from interviewees contributing to limited access to capital were: 1) information gaps due to cultural and/or linguistic barriers and sessions that were not aligned well with small business owner scheduling and work conditions; and 2) administrative factors, such as criteria that often disqualified certain types of small business, especially sole proprietors, from federal grant and loan programs.
- **Diversity, equity, and inclusion.** Some service providers noted that small businesses they work with are grappling with what DEI means for them. For example, where to find information on creating a DEI environment for their customers and within their business and how to adapt DEI to their business model. Moreover, service providers noted that diversity in Redmond and the Eastside is different from diversity in Seattle, which shapes the kinds of needs and services best positioned to support these communities.
- **Sector-specific needs.** Food businesses are required under state law to use kitchens that meet various codes and requirements. For some small businesses, this requires renting a commercial kitchen,

which can be very difficult to find in the greater Seattle area and a significant cost burden for small businesses.

- **Non-profit organization and CBO capacity building.** Numerous CBOs work with volunteer mentors to provide free technical assistance to community business owners. This includes financial guidance and advice, help on business plans, marketing, and accounting. CBOs have reported that these mentorship programs are most successful when the mentors come from within the community and are able to relate linguistically and/or culturally with beneficiary business owners. Limits on capacity also adversely affect the rate of follow-through support and success of mentorship programs. Multiple CBOs indicated that they are at capacity and need more resources to both recruit local, community-based mentors and manage the mentorship program.
- **Digital gap and computer and technology access.** Service providers highlighted the challenges that small businesses faced with having a digital presence. Many small businesses lack an IT back office or capabilities that larger businesses have in-house. Training small business owners in going digital and identifying resources is a common need.

Considerations for Future Investments

Findings in this report highlighted several key areas that would benefit from targeted economic development investments. Below, we provide several considerations for potential future investments for the City of Redmond, based on this analysis.

- **Subregional approach.** A subregional approach to Redmond—and potentially inclusive of other Eastside communities—may offer a more effective approach than a larger countywide initiative, given the significant differences between underserved small business stakeholders and communities in Redmond compared to those across other regions of King County.
- **Investing in FTE capacity for CBOs to address gaps in trust.** Look at successful models elsewhere in developing tailored programs that engage leaders and businesses owners within diverse communities to build trust and long-term relationships.
- **Investing in capacity building and training available to non-profits and CBOs,** including an FTE, will help them prepare to accept and disburse federal, state, and local grants to small businesses and manage and expand a community-based mentorship program.
- **Increase the level of small business support and training opportunities available outside of regular business hours, and in person.** This will enable the participation of small business owners and staff who are unable to participate in these activities during their work hours, and who lack the required internet and computer access required to participate in virtual meetings and training sessions.

- **Facilitate access to capital not restricted by federal government rules.** Potential approaches could include establishment of a revolving loan fund, Flex Funds, and other similar initiatives.

Executive Summaryi

Introduction1

Role and Importance of Small Business Assistance2

Small Business Existing Conditions3

City of Redmond Small Business Policies7

Economic Development Ecosystem for Small Businesses9

Small Business Needs Assessment 17

Summary: Alignments, Gaps, and Considerations 21

Bibliography 25

Appendix: Interviews..... 26

INTRODUCTION

The COVID-19 pandemic has upended supply chains, curtailed household consumption for many local services and goods providers, and forced dramatic changes in business operations. Many businesses have permanently or temporarily shuttered, including restaurants, local gyms, and various forms of retail. Small businesses have been acutely impacted by mandatory restrictions on operations, including many immigrant- and minority-owned establishments.

As vaccination rates have risen, we are now in a period of economic recovery. The City of Redmond, with the support of federal stimulus and recovery funds, is seeking ways to best utilize these resources to assist local businesses. In order to ensure the highest yield on these economic development investments, the City has requested this analysis of existing programs and services, investments in these programs, and to compare these resources with local small business needs.

Findings from this report will be used to inform investment decisions to support small business economic recovery in the City of Redmond.

Data and Methods

This report draws on publicly available reports, documents, and information on business services within the region, under state, county, local jurisdiction, and nonprofit administrations. Married to this research, we spoke with existing programs to understand their scope of services, target beneficiaries, resources, and other key information. Interviews were conducted with small business leaders and representatives within the City of Redmond, in coordination and concert with city staff, to understand and identify small business needs either unaddressed or insufficiently addressed by the existing small business-supporting economic development services ecosystem.

Organization of Report

The remainder of this report is organized as follows:

- **Small business existing conditions.** Review of economic indicators for the City of Redmond and role of small businesses. This includes an overview of the City of Redmond's policies on small businesses within its economic vitality agenda.
- **Economic development ecosystem.** Detailed inventory of programs, both public and nonprofit, designed to support small businesses across a wide range of needs.
- **Small business needs assessment.** Discussion of key services needs among small businesses in Redmond, based on stakeholder interviews and engagement.
- **Summary: alignment, gaps, considerations.** Where needs are satisfactorily fulfilled, and where more resources and investment are needed to support small business economic recovery.

ROLE AND IMPORTANCE OF SMALL BUSINESS ASSISTANCE

Small businesses are integral to economic prosperity, and to community and neighborhood vitality. More than half of Americans either own or work for a small business, and small businesses create about two-thirds of new jobs in the United States each year, according to the U.S. Small Business Administration (SBA). Small businesses range from sole proprietors and microenterprises to advanced technology manufacturers; from retailers and daycare providers to financial services professionals and information technology startups. Around half of small business owners start their businesses with less than \$20,000.

In assessing the importance of small businesses to Redmond's economic development, it is important to consider more broadly what economic development entails, and the ecosystem required to support thriving small businesses. Economic development is defined by the International Economic Development Council (IEDC) as "a program, a group of policies, or a set of activities that seeks to improve the economic well-being and quality of life for a community by creating and retaining jobs that facilitate growth and provide a stable tax base."

Small businesses and entrepreneurs play a vital role within a community's economic development ecosystem. They create local employment opportunities and generate revenue by broadening the community's tax base. They own property as well as lease space from local owners, filling vacant storefronts in downtowns and neighborhoods, as well as industrial parks. Small businesses tend to be more rooted in their communities and neighborhoods, and are more likely to hire local residents, have a supply chain including local suppliers, participate in community organizations and events, and are less likely to relocate to outside communities. They are often more nimble and able to adapt more quickly to changes in market demand. In these and other ways, small businesses are important contributors to the economic stability and vitality of their communities. (International Economic Development Council, 2015)

Small businesses need, and benefit from, a number of forms of assistance—depending on their stage of development—provided by communities, chambers of commerce, economic development organizations, financial institutions, and for profit and nonprofit organizations. These include technical assistance, education, and training; assisting with marketing and market research; facilitating technology transfer; improving access to capital and developing financial alternatives; reducing disincentives and barriers including challenging local regulatory environments; investing in basic infrastructure; providing legal info on loans and permits; providing market and demographic information; assessing small business clients' potential; and highlighting success stories to help promote more entrepreneurship within the community (International Economic Development Council, 2015).

SMALL BUSINESS EXISTING CONDITIONS

In 2019, just prior to the COVID-19 pandemic, covered employment in Redmond total 95,500 jobs, of which 75% were in the services sector, which includes the software industry (**Exhibit 1**). In 2020, employment in the City actually increased by 2,440 jobs (3%), though this came primarily from the services sector and increased hiring by Microsoft. Retail services experience a 340 net job loss within the City in 2020 (**Exhibit 2**). Accommodation and food services, primarily represented by small businesses, experienced a net job loss of 259 workers.

Exhibit 1. Covered Employment in the City of Redmond, 2010, 2019 and 2020

Sector	2010	2019	2020
Construction & Resources	2,440	3,270	3,330
Finance, Insurance, and Real Estate	1,890	1,990	2,310
Manufacturing	6,550	7,950	7,420
Retail	3,970	3,940	3,600
Services	55,690	72,030	75,220
Wholesale Trade, Transportation, and Utilities	3,900	3,900	3,750
Government	1,060	1,050	1,000
Education	880	1,370	1,310
Total	76,380	95,500	97,940

Source: Puget Sound Regional Council (2021).

Exhibit 2. Covered Employment Change, Net and Percentage, City of Redmond, 2010, 2019 and 2020

Sector	Net Change 2010-2019	Net Change 2019-2020	Percent Change 2010-2019	Percent Change 2019-2020
Construction & Resources	830	60	34%	2%
Finance, Insurance, and Real Estate	100	320	5%	16%
Manufacturing	1,400	-530	21%	-7%
Retail	-30	-340	-1%	-9%
Services	16,340	3,190	29%	4%
Wholesale Trade, Transportation, and Utilities	0	-150	0%	-4%
Government	-10	-50	-1%	-5%
Education	490	-60	56%	-4%
Total	19,120	2,440	25%	3%

Source: Puget Sound Regional Council (2021).

Countywide, approximately 88% of business establishments across the state (defined as business locations with payroll) employed less than 20 workers in 2020 and represented 18% of all jobs (Washington State Employment Security Department, 2021). Small businesses represent a significant share of the City of Redmond's economy. In 2020, approximately 10% of all workers in the City of Redmond were employed in firms of less than 20 workers (**Exhibit 3**). In the retail sector, more than one quarter (27.5%) of workers were employed at workplaces of less than 20 employees. Within the services sector—including software, professional and technical services, arts, and accommodations—there were 1,683 workplaces with between 1 and 4

workers; 86% of all workplaces in the services sector employed less than 20 workers (**Exhibit 4**).

Exhibit 3. Covered Employment Shares by Workplace Employment Size and Sector, City of Redmond, 2020

Sector	Employment Size					
	1-4	5-9	10-19	20-49	50-99	100+
Construction & Resources	4.5%	4.6%	9.3%	16.5%	18.4%	46.7%
Finance, Insurance, and Real Estate	9.0%	11.7%	9.2%	9.7%	*	*
Manufacturing	1.2%	1.8%	4.3%	10.6%	9.6%	72.4%
Retail	6.5%	7.5%	13.5%	13.0%	15.5%	44.1%
Services	2.0%	2.2%	3.7%	6.8%	*	*
Wholesale Trade, Transportation, and Utilities	5.6%	7.6%	11.0%	21.6%	12.1%	42.1%
Government	0.6%	1.4%	6.2%	16.2%	14.1%	61.5%
Education	0.0%	0.6%	0.0%	0.0%	43.5%	55.9%
Total	2.5%	2.9%	4.7%	8.3%	8.6%	73.1%

Source: Puget Sound Regional Council (2021).

* denotes data suppression due to small number.

Exhibit 4. Worksites Count by Covered Employment Size, City of Redmond, 2020

Sector	Employment Size						Total
	1-4	5-9	10-19	20-49	50-99	100+	
Construction & Resources	225	24	22	17	9	7	304
Finance, Insurance, and Real Estate	185	40	16	7	7	5	260
Manufacturing	124	20	23	26	10	13	216
Retail	155	33	34	16	8	9	255
Services	1,683	229	190	170	73	112	2,457
Wholesale Trade, Transportation, and Utilities	239	42	31	27	6	6	351
Government	3	2	4	5	2	4	20
Education	0	1	0	0	7	4	12
Total	2,614	391	320	268	122	160	3,875

Source: Puget Sound Regional Council (2021).

Covered employment estimates represent only payroll employment; estimates exclude self-employed workers and independent contractors, which by some estimates represent up to 15% of total workers. The actual share of small businesses in Redmond is thus even higher than values reported above.

There is no comprehensive data on businesses by ethnicity, race, and/or gender. However, the Washington State Office of Minority & Women's Business Enterprises reports businesses in Redmond that have received relevant certifications, such as "Disadvantaged Business Enterprise," "Minority Business Enterprise," and "Minority/Women Business Enterprise." As of November 1, 2021, there were 48 such businesses resident in Redmond, of which half (24) were engaged primarily in professional and technical services (**Exhibit 5**). The most recent data on business owners, for 2017, shows that minority-owned businesses in Redmond generated \$1.3 billion in sales; Hispanic businesses generated \$284.7 million in sales (U.S. Census Bureau, 2021).

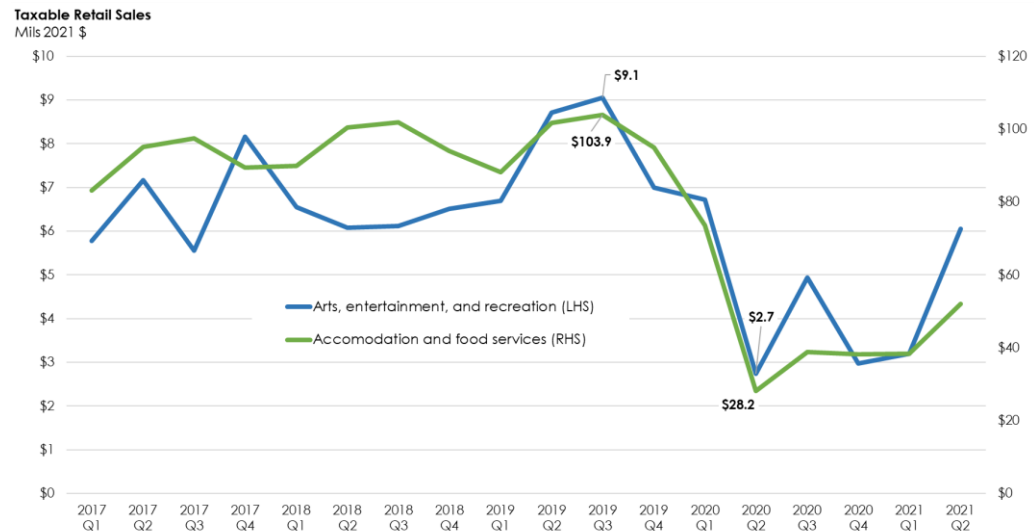
Exhibit 5. Washington State Minority and Women Enterprise-Certified Businesses, City of Redmond, 2021

NAICS Description	OMWE-certified Businesses
541 Professional and technical services	24
236 Construction of buildings	3
621 Ambulatory health care services	3
518 Data processing, hosting and related services	3
531 Real estate	2
812 Personal and laundry services	2
445 Food and beverage stores	1
484 Truck transportation	1
624 Social assistance	1
611 Educational services	1
448 Clothing and Clothing Accessories Stores	1
562 Waste management and remediation services	1
512 Motion picture and sound recording industries	1
444 Building material and garden supply stores	1
237 Heavy and civil engineering construction	1
238 Specialty trade contractors	1
424 Merchant wholesalers, nondurable goods	1
Total	48

Source: Washington State Office of Minority & Women's Business Enterprises (2021).

Many businesses directly impacted by the pandemic and mandated closures and limited indoor capacity rules were small businesses in the arts, entertainment, recreation, and food and accommodation industries. Within the City of Redmond, taxable retail sales among businesses primarily engaged in "arts, entertainment, and recreation" fell from a pre-pandemic high of \$9.1 million in the third quarter of 2019 (inflation-adjusted) to just \$2.1 million in the second quarter of 2020, recovering to \$6.0 million as of the second quarter of 2021. Accommodation and food services, also heavily reliant on in-person service models, fell from \$103.9 million in sales in 2019 Q3 to just \$28.2 million in 2020 Q2 (73% decline); as of the second quarter of 2021, sales were still roughly half (\$52.0 million) the pre-pandemic high (**Exhibit 6**).

Exhibit 6. City of Redmond Taxable Retail Sales for “Arts, Entertainment, and Recreation” and “Accommodation and Food Services,” 2017 Q1 to 2021 Q2, Mils 2021 \$



Sources: Washington State Department of Revenue (2021); U.S. Bureau of Economic Analysis (2021).

In 2020, local business & occupation taxes generated in Redmond from “arts, entertainment, and recreation” declined 41% in nominal terms, reflecting the overall downturn in consumer spending outside the home due to the pandemic. Accommodations, including hotels, fell 52%. The decline was less severe among restaurants and food services (25% contraction), likely due to the ability of many businesses to adapt to alternative business models, such as outdoor dining and delivery (Washington State Department of Revenue, 2021).

CITY OF REDMOND SMALL BUSINESS POLICIES

City of Redmond Comprehensive & Long-term Recovery Plans

The City of Redmond has identified as a top priority supporting small and locally owned businesses. This objective is incorporated within the Redmond 2050 long-term planning process, ongoing updates to the city's Comprehensive Plan, and the City's Long-term Recovery Plan guiding its resiliency emerging from the COVID-19 pandemic, among other strategies.

Redmond 2050: The City has identified multiple policy considerations that align and relate to the input collected as part of the small business needs assessment for this report. Small, BIPOC, and Legacy Businesses are identified as one of three broad categories for the city's Economic Vitality Policy Considerations, with specific policy considerations including:

- Identify strategies to retain and support local businesses that enrich Redmond's character.
- Focus retention and recruitment efforts on businesses that provide living wage jobs, women- and minority-owned small businesses and start-up companies including, but not limited to, funding and grant opportunities.
- Use regulations and programs that promote and protect small, non-profit, and culture organizations in the local and legacy business focus.
- Support and incentivize small neighborhood-based businesses, retail, and startups to enhance walkability and provide daily services near residences and employment centers.
- Mitigate the displacement of existing businesses as development occurs through financial policies, development incentives, and programmatic support.
- Consider policies and regulations that prioritize small and locally owned business development.
- Ensure all businesses have access to economic recovery resources through clear and supportive processes.

Moreover, the City has noted the importance of new King County Countywide Planning Policies for economic vitality which include "stabilize and prevent economic displacement of small, culturally relevant businesses and business clusters during periods of growth, contractions, and redevelopment. Track and respond to key indicators of displacement and mitigate risks through data collection, analyses, and adaptive responses" (City of Redmond, Washington, 2021).

Long-Term Recovery Plan: The above policy considerations interrelate with multiple strategies targeting small business resiliency that were incorporated in the City's Long-term Recovery Plan (2020) released in August 2020 and updated in 2021. These include, but are not limited to:

- Work on long-term ways to support business' ability to generate profits in coming years.

- Work with local partners such as OneRedmond, GRTMA, Hopelink, IAWW, CISC to organize partner-led solutions with the community for longer-term.
- Consider permanent policy changes and flexibility to support small businesses and development.
- Cross-departmental streamlining of business practices and processes...to address staff workloads, inconsistencies, and increasing cost and time of doing business within the city.
- Prepare plan for streamlined processing of business license renewals beginning in January 2021.
- Develop and maintain a public outreach database as a way to coordinate and add diversity and efficiency to our typical stakeholder outreach and prevent stakeholder fatigue.
- Explore specific ways to support local restaurant businesses during winter months.
- Participate in welcome back campaigning and public relations for local businesses.
- Develop small business advisory panel to share impacts and needed support over next two years.

Small Business Resiliency Grant Program (2020): As part of these recovery efforts, the City of Redmond partnered with OneRedmond to develop and execute three grant programs through which \$1.85 million was allocated among 336 small business to address needs and impacts from the COVID-19 pandemic. Some noteworthy findings of this grant program included:

- *Business Longevity*: 39 percent of grant recipients (131) businesses) were young businesses that had been in operation for less than 5 years, while 25 percent of recipients (83 businesses) had been in operation for 6 to 10 years.
- *Number of Employees*: A large majority of grant recipients—77 percent (or 258 businesses) operated with between 1 to 5 employees. (Grants were limited to organizations with 25 or less full-time employees.)
- *Diversity, Equity, and Inclusion*: A majority of grant awardees—51 percent (or 172 businesses) were women-owned companies. Thirty-five percent (35%, 117 businesses) were minority-owned businesses, and two percent (eight businesses) were veteran owned.
- *Industry Sectors*: The top five industry sectors that received grants included restaurants (20.2 percent), health services (14.3 percent), personal services (12.2 percent) retail (12.2 percent), and daycare establishments (6.3 percent). These five sectors accounted for more than 65 percent of all grant recipients.
- *Prior Funding Received*: The vast majority of recipients (78 percent, or 262 businesses) indicated they had received prior funding such as PPP, EID, and other grants.
- *Training*: Top business advising topics for Redmond small businesses during 2020 included COVID-19 resources, financing/capital, managing a business, marketing and sales, buying and selling a business, and human resources/employee management.

ECONOMIC DEVELOPMENT ECOSYSTEM FOR SMALL BUSINESSES

The economic development ecosystem for small businesses in Redmond extends across program type, scope, administration (private nonprofit, federal, state, county, or local government), targeted industry or constituency base, and resources and capacity. We examined a wide range of programs and services accessible for different types of Redmond-based small businesses. These programs range from specific technical assistance programs to those broader in types of assistance but specific to a community, e.g., immigrant or BIPOC business owners. **Exhibit 7** below provides an overview of business support services and programs by business need.

Exhibit 7. Regional Small Business Support Direct Services by Business Need

Category of Small Business Need	Program
Access to Capital	Business Impact NW Ventures SBA
Legal Services	Communities Rise Ventures* Seattle Business Education Hub
Business Training and Counseling	SBDC SCORE Startup 425 Ventures Seattle Business Education Hub
Financial Literacy	Business Impact NW Ventures Seattle Business Education Hub SBDC
Accounting Support	OneEastside SPARK
IT and Digital Presence	Startup 425 Ventures Business Impact NW
General Resources	SBDC SCORE OneEastside SPARK Ventures Startup 425 Seattle Business Education Hub
Business Mentorship Programs	Community-Based Organizations (numerous)

**In partnership with Communities Rise.*

The discussion below summarizes select organizations and programs offering direct assistance to small businesses in Redmond. We focused our research on programs that deliver technical assistance.

Small Business Assistance Programs and Service Providers Available for Redmond Businesses

Business Impact NW

Business Impact NW is a nonprofit organization that provides assistance to both small businesses and start-ups across the Pacific Northwest, though with a strong geographic focus in Western Washington and Oregon. The organization provides small business support through two channels: 1) loans to underserved small businesses as a Community Development Financial Institution (CDFI); and 2) business technical assistance. Their goal is to support underserved communities through entrepreneurship.

Scope of Services

Financial assistance is primarily through Business Impact NW's role as a CDFI. Business Impact NW provides direct loan products for businesses that are underserved by traditional banking. Sometimes these businesses or business owners have low credit scores or lack sufficient collateral. Originating funds for CDFI lending comes from a variety of sources, including the Small Business Administration, other federal programs, and credit unions and banks. In addition to loans, they also provide assistance helping businesses navigate SBA loan programs (especially during the rollout of PPP loans), submit applications, and prepare for future applications.

Technical assistance offerings through Business Impact NW include business coaching, advising, and classes on financial planning, developing and executing a business plan, and various financial and accounting elements to running a business. Business coaching and training is focused on providing the necessary skills for small businesses. However, during the pandemic Business Impact NW did create some programs to support payment of professional services for small businesses, for example five hours of a web developer's time to help a business build an online presence.

Capacity and Staffing

Forty (40) staff in the Northwest, including 20 for technical assistance, across offices in Seattle and Tacoma (with a Portland office planned). Business Impact NW's largest concentration of services and support is in South King County. Geographic focus areas include Washington and Oregon for food businesses, veteran-owned business outreach programs in Washington, Idaho, and Alaska, and women-owned business outreach programs in Washington. There is one part-time staff focused on eastside cities.

Startup 425

Startup 425 is an interlocal agreement-based initiative of five communities on Seattle's Eastside (Redmond, Bellevue, Kirkland, Issaquah, and Renton), in partnership with the Port of Seattle, that supports entrepreneurship on the Eastside. It does this through activities including providing access to tools and lowering barriers to entry that experienced workers, students, and

entrepreneurs need to go from idea to working business in a successful, sustainable manner.

Scope of Services

Startup 425 offers programs throughout the year specializing in business education to support small businesses and entrepreneurs, conducted in partnership with other service providers. These include their Foundations program, a partnership with SCORE and the King County Library System that targets people who want to start a business and offers a broad overview of the startup process, from business plan preparation to financing, marketing, and networking, and including focus on risk management and running a business remotely. Building on this is their Small Business Essentials classes, supporting small businesses that have been around for a while with a menu of training options. Additionally, the Innovation Lab is a business accelerator conducted in partnership with Bellevue College to help existing businesses and new entrepreneurs acquire new knowledge and adapt to the changing environment created by the COVID-19 pandemic, and to build connections with mentors and with the region's broader business ecosystem. This program focuses on women and BIPOC-owned businesses, as well as communities that are traditionally underserved and have language barriers.

Since the onset of the COVID-19 pandemic, Startup 425 has partnered with Business Impact NW to support businesses with questions about federal and other resources available. It also partners with OneRedmond to conduct BOOST Your Business, a free workshop targeted at sustaining and growing small businesses disproportionately affected by COVID-19 (with an emphasis on women and BIPOC-owned businesses) by providing access to complementary and low-cost solutions to get their business online and/or boost their existing digital presence, and one-on-one consultations with regional consultants, service firms and technology providers to engage and gain their insights on going digital. Startup 425 also has longstanding relationships with other economic development organizations, CDFIs, incubators and other stakeholders with important roles in the Eastside economic ecosystem.

Capacity and Staffing

Startup 425 is currently administered by the City of Kirkland. It has no full-time employees; there are two part-time employees with which the City of Kirkland contracts to administer the program, conduct business engagement, and organize programs. Many of its services are carried out through contractual relationships such as those with Bellevue College. Each participating city contributes \$15,000 annually to support the program, which leverages funding from the Port of Seattle and other available funding resources.

OneEastside and SPARK

OneEastside was established by OneRedmond to respond to the COVID-19 pandemic, by pivoting its OneRedmond 501c3 foundation and creating a new brand to connect 23 communities across East King County, together with

chambers and other nonprofits, and help them collectively maximize resources and align priorities. OneEastside's mission as recovery from COVID-19 continues is to advance coordinated action and a unified voice in East King County to sustain and grow the economy, with particular focus on affordable housing, transportation, education, and economic development are four immediate areas of concern.

Scope of Services

OneEastside's regional efforts have included the Eastside Recovery Hub portal and financial webinar series (now folded into OneEastside SPARK) which has become a robust nexus for information and resources that is used by cities and chambers across the state and beyond. As reopening began, OneRedmond was a leading partner and worked with over 20 chambers and cities to help deliver over 2 million masks and PPE to small businesses throughout King County.

SPARK was initially funded by a U.S. Economic Development Agency (EDA) grant, with the majority of SPARK programs launched in May 2021. This grant funded SPARK programs offered at no cost to small business and non-profit participants, including:

- One-on-one marketing advising
- One-on-one accounting advising (up to 2 hours per business with a CPA from the accounting firm Clark Nuber)
- Webinars, focused on financial resources. Updated with SBA, State of Washington, COMCAST, etc.
- Online database of funding opportunities and other resources.

SPARK is diversifying its programming to incorporate topics such as how nonprofits can build capacity for accepting grant funding, etc. SPARK is also partnering with programs such as Startup 425 to help small businesses and nonprofits go digital or enhance their digital presence.

Programs in highest demand have included funding-related webinars. There is a high need for nonprofit advising, and they are also seeing demand from nonprofits for seeking advising and mentoring. SPARK is exploring how it can support these activities through its EDA funding.

Capacity and Resources

One employee dedicated exclusively to SPARK, four other employees from OneRedmond, OneEastside (partially funded by the EDA grant), and SBDC. SPARK is also supported by an intern.

According to OneEastside SPARK, the one-on-one services have had sufficient capacity for businesses seeking them. Between May and October, 20 organizations had reached out for support in marketing and accounting advising.

Washington Small Business Development Center (SBDC)

Washington SBDC is part of the national SBDC program and governed by a cooperative agreement between the U.S. Small Business Administration (SBA) and Washington State University, in partnership with other institutions of higher learning and economic development organizations. SBDC's mission is to help Washington businesses grow and succeed through advising, education and research. It is funded in part through a cooperative agreement with the U.S. Small Business Administration. SBDC partners with OneRedmond to provide small business advisory services in Redmond.

Scope of Services

SBDC business advisors work with entrepreneurs and small business owners to start, grow or buy/sell a business. They provide one-on-one, confidential, no-cost advising on all phases of small business development. These activities include supporting clients with developing a business plan they can take to lenders, and helping entrepreneurs build up their skill sets, such as advising on business leadership culture and human resources. They also conduct no-cost or low-cost workshops on a variety of business topics and customized market research services.

SBDC does not make direct introductions between its clients and larger companies for contractual arrangements, nor can it directly provide financial assistance to businesses.

Capacity and Resources

SBDC has one full-time business advisor based in Redmond, in partnership with OneRedmond. SBDC small business clients can also leverage the expertise and resources of the 30+ statewide advisor network. Resources are available in Spanish.

SBDC services are available to owners who are the principal of a U.S.-based business. Depending on the state of incorporation and the way that the business is organized (for example, the S-corp allows no foreign shareholders), being at least partial owner qualifies them. SBDC does not provide services or mentorship to nonprofit organizations. As a federally-funded entity, SBDC is not able to provide services for enterprises selling cannabis and other federally-illegal products.

SCORE

SCORE is a national network of volunteer expert business mentors; it is a non-profit organization funded in part by the U.S. Small Business Administration and works closely with the Washington SBDC. SCORE engages volunteer mentors who all have experience as business executives, owners, etc. Many SCORE volunteers serve both nonprofits and business, while others advise businesses exclusively.

Scope of Services

SCORE offers free 1:1 confidential mentoring, to pre-venture, new business, and established small business clients. It provides these services in partnership with Washington SBDC and the King County Library System. SCORE offers webinars on topics from starting a business to marketing and finance, small business resilience, and other topics. It also offers an online resource library.

SBDC does not offer this mentoring to nonprofits; SCORE can accommodate nonprofits, but it depends on whether a SCORE advisor is available to support nonprofits as some work only with businesses.

Capacity and Resources

OneRedmond has one SCORE expert in-house who has expertise in the life sciences sector.

Ventures

Ventures is a Seattle-based nonprofit that empowers aspiring entrepreneurs across the state with limited resources and unlimited potential. It serves those in the community for whom traditional business development services are out of reach, with a focus on women, people of color, immigrants, and individuals with low income. It provides access to business training, coaching, and hands-on learning opportunities for entrepreneurs. It is also a CDFI that also offers access to capital including loans. Ventures' ultimate goal is to support individuals to increase their income potential, achieve long-term financial stability, provide for their families, and enrich their communities through small business ownership.

Scope of Services

Ventures offers an extensive menu of training opportunities and other services targeted at small businesses at all stages.

- **Business Basics** is an eight-week course covering the basics of business marketing, sales, financial management, and operations, during which participants will complete a business feasibility plan. The eligibility of businesses to participate is based on total household income, in order to ensure focus on Ventures' target clientele of low-income households (income levels are specified on Ventures' website). This course is a prerequisite to accessing all specialized services offered by Ventures, including other business courses, loans, incubators, and coaching.
- **Other Training Courses:** Ventures offers specialized courses covering financial management, operations, marketing, leadership training, and other business fundamentals.
- **Access to Capital:** Ventures offers loans and savings programs, which are paired with financial management and literacy courses and workshops.
- **Coaching:** Ventures offers free, customized 1:1 business coaching and support.

- **Legal Services:** Ventures partners with Communities Rise to host free monthly legal clinics for Ventures' entrepreneurs who are enrolled in its specialized services programs.
- **Incubator:** Ventures offers its client businesses incubator and retail opportunities, including its store at Pike Place Market in Seattle, and its business directory which offers online business-to-business marketing opportunities. It partners with Seattle Commissary Kitchen to offer affordable kitchen space located in Seattle.
- **Advocacy:** Ventures offers coaching, training, and advocacy support to its client microbusinesses to navigate regulations, permits, and other legal considerations.
- **Other services:** Ventures managed CARES Act funding for other King County cities.

Capacity and Staffing

Ventures has 18 full time employees, of which 10 specifically teach courses. It also has two part-time employees who work at the incubator and retail store at Pike Place Market. Ventures offers Spanish-speaking staff and training instruction.

Most of Ventures' clients are in King County, and they have worked with a number of Redmond businesses.

Communities Rise: Microenterprise/Small Business Legal Services

Communities Rise is a nonprofit whose mission is to work with organizations, small businesses, and communities located in Washington state that have been impacted by systemic oppression to increase capacity and build power. Target beneficiaries are Washington state-registered businesses that are unable to pay for legal fees "without significant impairment to operations" and whose owner's household income is below 80% of the King County HUD guidelines (all owners must qualify if more than one).

Scope of Services

The Small Business Legal Clinic is for low income Washington state business owners who have short questions for an attorney. Their clinics are staffed by volunteer attorneys and designed for questions that can be answered in the 60 minutes the clinic provides. In partnership with Ventures, volunteer lawyers give free legal advice to small business owners at our monthly Small Business Legal Clinics. The organization provides legal assistance on a business or organizational matter. They also have conducted legal clinics for small businesses navigating COVID, which have been offered through the King County Library System.

Services

Provides small business assistance, including: business entity formation (LLC/PLLC, sole proprietor, partnership, c-corporation, social purpose corporation); drafting agreements (shareholder agreements, operating agreements); advice on corporate governance; maintenance and compliance with state and federal law; taxes (advise regarding federal, state, and local taxes); contracts (drafting and advising on business contracts); employment

(preparing, reviewing and revising personnel policies, independent contractor agreements, vendor agreements, employment contracts, and confidentiality agreements); real estate (drafting or reviewing property leases and purchase and sale agreements); intellectual property (assistance with registering trademarks, and advising on copyright protection, license agreements, or website-related agreements—but not for patent matters); and risk and liability assessment (waiver and release forms, and advice on insurance coverage).

Capacity and Resources

Clinics are staffed by volunteer attorneys and designed for questions that can be answered in the 60 minutes the clinic provides. In partnership with Ventures, volunteer lawyers give free legal advice to small business owners at our monthly Small Business Legal Clinics.¹

Seattle Education Business Hub

The mission of the Seattle Education Business Hub (SEBHUB) is to enable and empower small businesses and entrepreneurs who are economically and socially disadvantaged, including through business technical assistance, coaching, and mentoring, while assisting owners in creating livable-wage jobs, protecting their assets, developing equity, and building a legacy for future generations. It focuses on microbusinesses, and minority business owners and others from underserved and underrepresented communities, including immigrants, refugees, and women, though will provide services to everyone who seeks them.

SEBHUB assists business owners to learn how to apply entrepreneurial methods and tools to assess and refine their business ideas; test ideas to reduce risk of failure; understand the different aspects of launching a business idea; design value proposition and business models that support growth; learn to assess and provide evidence that their business ideas are viable, desirable and feasible in order to gain buy-in from stakeholders; and to improve their persuasion and pitching skills. SEBHUB provides a culturally competent environment to help business owners and families from underserved communities smoothly transition from receiving government assistance to entrepreneurship and higher skilled positions.

Scope of Services

SEBHUB offers business education workshops, including an entrepreneurs program for people exploring starting a business; and a comprehensive

¹ To be eligible for free legal services through Communities Rise, all business owners must demonstrate the following: 1) the business is registered in Washington state; 2) is unable to pay for legal fees without significant impairment to operations; 3) owner(s) household income is below 80% of the [King County HUD guidelines](#); (all owners must qualify if more than one); 4) seeks legal assistance on a business or organizational matter. To qualify through Ventures program with Communities Rise, small businesses must have graduated Ventures Business Basics course and be enrolled in their Specialized Services.

training program for new entrepreneurs and established small businesses to develop business plans and overcome barriers to growth and expansion. It offers financial literacy workshops, together with needs assessments, counseling, business coaching, and mentoring services with focus on microentrepreneurs. Access to capital is an important focus area, and SEBHUB does loan packaging for its clients. Marketing is another important focus area, and it provides clients support with how to use social media to build an online presence. It offers these services online and in-person, including on-site at the client business, and in other locations such as coffee shops that are convenient for business owners.

SEBHUB offers a free legal clinic to represent small and micro-business owners, particularly from underserved low and moderate-income communities together with immigrant and refugee community members, and who have limited financial resources and are starting or growing businesses. These legal services include structuring business entities, financing regulations, drafting of investment and employment agreements, and protection of intellectual property. It also represents lower-income taxpayers having disputes with the Internal Revenue Service in matters such as collection action, audits and earned income tax credits; and offers assistance with immigration-related matters.

Capacity and Resources

SEBHUB does not have full-time employees; its director is part time (0.4 FTE) and is supported by graduate students who conduct needs assessments with businesses. It has received grants and contracts and has participated in broader grant programs from time to time.

Community-Based Organizations that Provide Business Mentorship and Support Services

In addition to programs that deliver technical services to businesses, there are also numerous community-based organizations (CBO) that play an important role supporting member businesses. CBOs connect these services to local businesses as a key intermediary, including inviting programs to attend CBO meetings and helping bridge language and cultural gaps. Some CBOs also recruit local mentors from their communities they serve to work, oftentimes on a volunteer basis, with community-based small businesses on topics ranging from taxes, marketing, and business planning. CBOs are often organized by cultural or ethnic communities and work more frequently and closely with immigrants and sole proprietors.

SMALL BUSINESS NEEDS ASSESSMENT

To understand small business needs, we spoke for 14 business organizations and community-based organizations representing the interests of their members based in Redmond. Several common themes surfaced throughout these conversations, summarized below.

Business Needs

Training

Several CBOs and business services providers we spoke with pointed to a common range of training needs that small business clients require. Several of these were exacerbated by the COVID-19 pandemic, particularly the rapid required transition to fully digital business activities and engagement.

Priority training needs identified include the below:

- **Administrative support**, including human resources-related operations, finances, and executive leadership. Bookkeeping in particular was identified as an important need.
- **Technical skills**. Many small business owners come out of their fields and have excellent trade skills. However, they lack experience in the room with bidders or project managers, and important required skills including how to estimate and put a bid together, how to read schematics and how to utilize required technologies.
- **Financial literacy**, including supporting small businesses as they transition from borrowing money from family members and friends to demonstrating to lenders that they have their house in order to qualify for loans.

Mentors and Administrative and Program Capacity

Ethnic-specific CBOs often rely on volunteers to provide free mentorship to small businesses. These services range from legal counseling and advice, support for managing taxes, and marketing, business and human resources operations, to financial advice and complying with COVID-19 safety protocols and vaccine requirements. Community-based mentors provide necessary and often critical assistance in a cultural familiar way and in the native language of the business beneficiaries. Even within the Latinx community, mentors who are from the same country (e.g., Mexico) or even sub-national region as the business owner are more effective conveyors of critical small business information compared with a native Spanish speaker from another Spanish speaking country. Strong linguistic and cultural relatability greatly increases the chances of follow-up and future success of the mentorship program.

IT Support, Digital Literacy, and Going Digital

Service providers highlighted the challenges that small businesses faced with having a digital presence. Many small businesses lack an IT back office or capabilities that larger businesses have in-house. Training small business owners in going digital and identifying resources is a common need. Multiple service providers offer training courses to their small business clients on IT and going digital. **Multiple interviewees reported that a large number of immigrant business owners lack regular access to a computer or a basic level of computer proficiency.**

With the onset of the COVID-19 pandemic, service providers noted that the transition for small businesses to going digital was disruptive. Making the

shift to e-commerce can be very expensive for small businesses, as much as \$20,000 to \$30,000. Additionally, privacy was a major concern for many small businesses when it came to using Zoom and other virtual meeting platforms.

Access to Capital

Community-based organizations and service providers both highlighted the acute challenges of financing and access to capital. Many small businesses have struggled to continue to cover payroll and rent obligations during the pandemic. Programs made available to small businesses, such as payroll protection program (PPP) and other federal loans and grants require significant time and resources to review and complete the application process. Oftentimes, small businesses do not pursue these assistance programs due to lack of capacity. In other cases, cultural and linguistic barriers and lack of community trust may also inhibit the success of existing small business access to capital programs. Moreover, many small businesses are sole proprietors without payroll, precluding them from apply for PPP loans.

According to interviewees, access to capital also varies by industry. Restaurants have fared better in securing loans and other forms of capital and credit, while other industries have struggled much more.

Barriers to Access

Linguistic and Cultural Adaptability

Several organizations we spoke with, including those representing Indian-American and Latinx business owners, pointed to a common, persistent challenge of adapting small business support services to local ethnic communities. Redmond has a cultural demographic composition unique from many other parts of King County. Program outreach should be designed to accommodate these unique attributes.

According to interviewees, small business support programs were inadequately connecting to those small ethnic and immigrant businesses most in need of support due to language and cultural barriers. Several key, specific barriers were identified:

- **Lack of bilingual materials.** Some immigrant small business owners lack full proficiency in English, or at least at a technical level sufficient to fully understand and complete loan and grant applications.
- **Technical language barriers.** Some small business owners encountered difficulties understanding PPP and other applications, not only in English but even where these were translated into their first languages, because the terminology used was too technical and academic. Simplified and easier to understand applications would be helpful.
- **Online-only platforms and time required for applications.** Many small business owners, especially those in food services, retail, and

various household and personal services such as landscaping and beauty salons, often do not have the time and/or regular access to the internet to review, understand, and file applications for small business-purposed grants and loans. When information sessions are made available, they are typically during the day—a time when many small businesses owners cannot afford to step away from their business to attend.

- **Cultural barriers.** Many immigrant small business owners do not have the technical familiarity to fully understand or engage with the application process and materials. There is also a higher degree of reticence among these small businesses to increase debt. Additionally, some service providers commented that offering trainings and other services at a public library was a more comfortable venue for some immigrant small business owners than a government office.
- **Concerns over federal audits.** Immigrant small business owners involved in food services, landscaping, and other related services are more likely to employ undocumented workers. Owners are thus reticent to apply for federal support for fear of being audited.
- **Access to information.** Information about RFPs and other local government procurement opportunities often does not get provided to smaller CBOs and other organizations that work with smaller contractors and underrepresented communities.

Building Business and Community Trust

The above linguistic and cultural barriers adversely impact the success of mentorship and technical assistance programs. Critically, numerous organizations we spoke with **emphasized the importance of trust**. According to both program providers and community-based organizations, mentorship programs have been most successful when the mentor individual comes from an ethnic, racial, and/or cultural background similar or relatable to the recipient business owner. When this relatability is not present, it has been very challenging to establish trust within the business community. When this occurs, the mentor is often less successful in conveying necessary information and insights. For similar reasons, it has become difficult to encourage follow-up between the mentor and business owner.

Program providers and CBOs alike emphasized the importance of having a strong partnership with a community-based organization. The absence of strong partnerships with the community often complicates the ability to handoff a program and future follow-up. Some programs have attempted to improve the handoff in business support by inviting a community-based organization staff member to participate early on in technical assistance meetings.

Some businesses are also resistant to change. For example, some businesses were quite successful prior to the pandemic without an online presence. Supporting organizations and services without local trust have had difficulty working with these businesses to alter and improve their marketing plans, such as even the basics of being searchable in Google.

Administrative and Bureaucratic Barriers

Some businesses can qualify for government support as a minority and/or women-owned small business. However, for many of these businesses, they seldom have time and/or capacity to apply for and be certified as a qualifying firm, precluding them from accessing these programs. Moreover, the application process can be onerously time consuming for many small businesses, especially those in the food and personal services sectors. According to multiple interviewees, many of their constituents were unable to find adequate time and resources to pursue and complete these applications, despite eligibility and benefits.

Limits to Federal Aid Based on Targeting that Excludes Many Types of Small Business

During the pandemic, several federal programs, such as Payroll Protection Program, by definition excluded many types of small businesses. These include sole proprietors who would not be eligible for these programs. Some programs are only available to U.S. citizens or permanent residents, including those offered by SCORE.

Moreover, Eastside communities are sometimes not eligible for federal grants and funding because they are too affluent to qualify, even when there are needs. This has generated interest in identifying other funding resources for working capital and low-interest loans, such as revolving loan fund programs and Flex Funds, among others.

Provider Capacity

Some programs, including CBOs, indicated they face capacity constraints that limited their ability to fully meet services in demand. Examples of this were the mentorship programs offered by multiple CBOs to provide free advice to small businesses.

SUMMARY: ALIGNMENTS, GAPS, AND CONSIDERATIONS

The above discussion detailed areas of alignment and gaps in the small business economic development system. In this section, we summarize key findings and conclude with a set of recommendations for the City of Redmond to consider for future economic development investments.

Alignments

Training Resources

There is a comprehensive scope of training resources available to small businesses in Redmond, among the various services providers.

Interconnections Among Services Providers

Based on interviews and research, we found there are extensive interconnections already among multiple services providers supporting Redmond small businesses.

Gaps

Lack of Connectivity and Community Trust

As outlined above, it has been challenging for service providers to establish trust. This has been particularly the case for business owners in communities where cultural relatability and sensitivity has not been present. Training programs are well-aligned with business needs but are not sufficiently reaching certain small businesses due to a lack of trust and linguistic and cultural barriers.

Additionally, some service providers felt that organizations supporting small businesses on the Eastside are all trying to offer the same services, competing with each other rather than specializing, with the larger organizations receiving the majority of government support and grants, yet relying on the smaller service providers and CBOs for important data and information required for their projects.

Access to Capital

Community-based organizations and services providers identified access to capital by small businesses as a more pressing need than training. Two common themes we heard from interviewees contributing to limited access capital were: 1) information gaps due to cultural and/or linguistic barriers and sessions that were not aligned well with small business owner scheduling and work conditions; and 2) administrative factors, such as criteria that often disqualify certain types of small business, especially sole proprietors.

East King County lacks any Community Development Financial Institutions (CDFIs) that specialize in SBA-guaranteed small business loans, and small businesses need to go to Seattle to work with CDFIs that offer these. This presents challenges for many small businesses, including given the several weeks required for them to obtain a cash flow loan. Having a structure in place to help guarantee CDFIs will enable more businesses to locate in Redmond and the Eastside and increase the local tax base.

Service providers noted that business in the City of Redmond and other Eastside communities are often not eligible for federal grants, due to their comparative affluence, and that it can be challenging to get federal funding. Potential solutions to help fill this gap include the Flex Fund and establishing revolving loan funds, among other options.

Diversity, Equity, and Inclusion

Some service providers noted that small businesses they work with are grappling with what DEI means for them. DEI can mean different things to different people. Some questions to resolve include:

- How do businesses create DEI for their customers (if they do), and in their own companies?
- Where can businesses get this information, and how can they adapt it to their business models?

Moreover, service providers noted that diversity in Redmond and the Eastside is different from diversity in Seattle, which shapes the kinds of needs and services best positioned to support these communities.

Sector-Specific Needs

Food businesses are required under state law to use kitchens that meet various codes and requirements. For some small businesses, this requires renting a commercial kitchen, which can be few and far between in the greater Seattle area and a significant cost burden for small businesses. There are efforts to advance legislation in Washington similar to laws in California that would allow some small food businesses to prepare food at home. Many immigrant-owned small businesses are also in the household and personal services sectors, such as landscaping, various home maintenance and construction work, and beauty salons. These businesses operate under business operating schedules and workforce needs unique from office-based operations.

Non-Profit Organization and CBO Capacity Building

Numerous CBOs work with volunteer mentors to provide free technical assistance to community business owners. This includes financial guidance and advice, help on business plans, marketing, and accounting. CBOs have reported that these mentorship programs are most successful when the mentors come from within the community and are able to relate linguistically and/or culturally with beneficiary business owner. Conversely, follow-through support and mentorship are less successful when there is a low degree of relatability. Multiple CBOs indicated that they are at capacity and need more resources to both recruit local, community-based mentors and manage the mentorship program.

Additional funding resources would support some of these organizations in hiring the staff they require to increase their caseload and support a greater number of micro- and small businesses in getting loans.

One observation made was that many non-profit organizations serving Redmond small businesses, including but not limited to CBOs, lack the full capacity and training to be able to receive and distribute federal and other grant funding. Moreover, training resources and opportunities for non-profits to build this capacity are also limited.

Considerations for Future Investments

Findings in this report highlighted several key areas that would benefit from targeted economic development investments. Below, we provide several considerations for potential future investments for the City of Redmond, based on this analysis.

Subregional approach

For impactful engagement, a subregional approach to Redmond—and potentially inclusive of other Eastside communities—may offer a more

effective approach than a larger countywide initiative, given the significant differences between underserved small business stakeholders and communities in Redmond compared to those across other regions of King County.

Investing in FTE capacity for CBOs to address gaps in trust.

Look at successful models elsewhere in developing tailored programs that engage leaders and businesses owners within diverse communities to build trust and long-term relationships that bring these businesses within the local small business ecosystem.

Potential models could include the Latino Business Retention and Expansion Initiative previously conducted by the Economic Development Alliance of Skagit County (EDASC), as well as related initiatives by the NW Agriculture Business Center (NABC) in Mount Vernon and the Latino Educational Training Institute (LETI, based at Edmonds Community College). The EDASC and NABC programs provided tailored small business support and training in Spanish including from local members of the Latinx community to develop trust and connections. LETI offers the Latino Leadership Initiative, a program similar to Leadership Tomorrow in King County, and partners across multiple community and technical colleges to offer bilingual training and support for members of the Latinx community in computer skills, business administration, financial literacy, and OSHA training, among other areas.

Investing in capacity building and training available to non-profit and CBOs, including an FTE, will help them prepare to accept and disburse federal, state, and local grants to small businesses and manage and expand a community-based mentorship program.

Increase the level of small business support and training opportunities available outside of regular business hours, and in person.

This will enable the participation of small business owners and staff who are unable to participate in these activities during their work hours, and who lack the required internet and computer access required to participate in virtual meetings and training sessions.

Facilitate access to capital not restricted by federal government rules.

Potential approaches could include establishment of a revolving loan fund, Flex Funds, and other similar initiatives.

Facilitate greater access to information on resources and opportunities.

Ensuring that service providers and CBOs are proactively included and have the same level of information and opportunities to pursue grants and funding opportunities will contribute to building trust and relationships.

BIBLIOGRAPHY

- City of Redmond. (2020). *Long-Term Recovery Plan*. Redmond: City of Redmond.
- City of Redmond, Washington. (2021, May). *Economic Vitality (Redmond 2050)*. Retrieved from Redmond, Washington:
<https://www.redmond.gov/DocumentCenter/View/19371/Phase-One-Existing-Conditions-Report---May-2021>
- City of Redmond; OneRedmond. (2020). *Redmond Small Business Resiliency Grant Program*. Redmond: City of Redmond.
- International Economic Development Council. (2015). *Introduction to Economic Development*. Washington, DC: International Economic Development Council.
- Puget Sound Regional Council. (2021). *Covered Employment Estimates*. Retrieved from Puget Sound Regional Council: <https://www.psrc.org/covered-employment-estimates>
- Puget Sound Regional Council. (2021, October 13). Covered Employment Estimates by Establishment Size and Sector, City of Redmond for Year 2020 (Custom Data Request). Seattle, WA, USA.
- U.S. Bureau of Economic Analysis. (2021, August 30). *Gross Domestic Product: Implicit Price Deflator [GDPDEF]*. Retrieved from FRED, Federal Reserve Bank of St. Louis;: <https://fred.stlouisfed.org/series/GDPDEF>
- U.S. Census Bureau. (2021). *Annual Business Survey: Statistics for Employer Firms by Industry, Sex, Ethnicity, Race, and Veteran Status for the U.S., States, Metro Areas, Counties, and Places: 2017*. Retrieved from <https://data.census.gov/cedsci/table?t=Other%20Owner%20Characteristics%3AOwner%20Race%20and%20Ethnicity&g=1600000US5357535&d=ECNSVY%20Annual%20Business%20Survey%20Annual%20Business%20Survey&tid=ABSCS2017.AB1700CSA01>
- Washington State Department of Revenue. (2021). *Quarterly Business Review*. Retrieved from Washington State Department of Revenue:
<https://apps.dor.wa.gov/ResearchStats/Content/QuarterlyBusinessReview/Report.aspx>
- Washington State Department of Revenue. (2021). *Taxable Retail Sales*. Retrieved from Washington State Department of Revenue:
<https://apps.dor.wa.gov/ResearchStats/Content/TaxableRetailSalesLocal/Report.aspx>
- Washington State Employment Security Department. (2021). *Employment Size*. Retrieved from Washington State Employment Security Department:
<https://media.esd.wa.gov/esdwa/Default/ESDWAGOV/labor-market-info/Libraries/Industry-reports/FirmSize/Establishment-size-2020.xlsx>
- Washington State Office of Minority & Women's Business Enterprises. (2021, November 1). Business Directory. Olympia, WA, U.S.

APPENDIX: INTERVIEWS

Organizaton	Individual
BizDiversity	Samuel Rodriguez
Business Impact NW	Domonique Juleon
Centro Cultural Mexicano	Angie Hinojos
Eastside for All	Debbie Lacy
Greater Seattle Buiness Association	Toraya Miller
Indian Association of Western Washington	Lalita Uppala
National Association of Minority Contractors - WA Chapter	Vicki Masui
NISO Promotores	Alma Gonzalez
OneEastside	Samantha Paxton
SBDC	Shawn Palmer
Seattle Education Business Hub	Felix Ngoussou
Start-up 425	Ellen Miller-Wolfe
Ukrainian Chamber of Commerce	Valeriy Goloborodko
Ventures	Jose Vasquez