



Snohomish County
Office of Economic Recovery & Resiliency

COVID-19: Small Business Equity & Resiliency- Addressing the Economic Damage Done to Small Businesses of Historically Underrepresented Populations

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Snohomish County
Economic & Workforce
Recovery Task Force Report





STRATEGY HIGHLIGHTS - Q4 2020

Prepared for:
Snohomish County

Prepared by:
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Executive Summary

About the Project:

In order to understand the COVID-19 pandemic’s impacts on historically disadvantaged small businesses, the economic contributions of the small business sector and the services available to small firms and entrepreneurs, the Snohomish County Small Business Equity & Resiliency project team undertook a multi-pronged information gathering effort. An economic and in-depth data analysis was conducted. Small businesses were surveyed and interviewed. Small business service providers, economic developers and key stakeholders were interviewed and two workshops — one for economic development/small business practitioners and one for small businesses — were conducted. A framework for assessing the strength of the small business service delivery ecosystem was developed and extensive research on promising practices being implemented elsewhere was conducted. Based on the information gathered and analyzed, a set of action recommendations was developed.

Beyond the scope of this project, it is important to note that further implementation design work is needed on the ground with potential implementers and significant engagement with intended small business beneficiaries once decisions are made about what actions to prioritize. The Snohomish County Economic and Workforce Recovery Task Force and the County’s Office of Economic Recovery and Resiliency are well-positioned to help lead this work, but community-driven engagement and leadership is needed across multiple public, private and nonprofit organizations in Snohomish County. Local, regional and state economic development partners including, but not limited to, Economic Alliance Snohomish County, Workforce Snohomish, local chambers of commerce, city economic development staff, Greater Seattle Partners and the Washington State Department of Commerce have crucial roles in leading and supporting inclusive economic recovery strategy and implementation.

Economic Response & Recovery Efforts Already Underway:

Significant economic response and recovery work took place in Snohomish County in 2020, mostly focused on the immediate and widespread impacts on businesses from mandated closures due to the pandemic. The Snohomish County Economic and Workforce Recovery Task Force, a blue ribbon panel of public, private, and nonprofit sector officials, provides strategic advice to support economic stabilization, recovery and resiliency of businesses in Snohomish County and those workers who have been laid off as a result of the pandemic. The Task Force’s July 2020 report included recommendations to focus on “equity and inclusion to ensure all businesses and workers are able to take part in economic recovery” and to coordinate implementation with the Snohomish County Office of Social Justice. The Task Force’s report also emphasized opportunities in “Placemaking and Revitalization” and “Manufacturing Growth” on which recommendations in this Strategy & Action Plan are connected

(Task Force Report - Strategy Recommendations, page 9). As Snohomish County moves toward economic recovery, much more work will be needed to build resiliency and support business stabilization, particularly for the most vulnerable small businesses from historically underrepresented populations.

Key Learnings:

- Small businesses are the core of Snohomish County's economy: even with the presence of Boeing and other large firms, 9 in 10 of the County's employer firms - a total of 15,250 firms - have fewer than 100 employees and generate 4 in 10 of the County's jobs. The vast majority of these firms are companies with fewer than 20 employees.
- Small businesses are the key job creators for the County's economy: firms with fewer than 500 employees create 3 out of 4 of the County's net new jobs every year. This is mainly a result of the economic dynamism and employment generated by local startups.
- Prior to the pandemic, the County hosted approximately 3,000 minority-owned and 3,100 women-owned employer firms: together, these accounted for 19% and 20% of all employer firms in the County, respectively.
- 70% of the County's private employer firms are in five sectors, in descending order: manufacturing, retail trade, health care and social assistance, construction and accommodation and food services.
 - Three of these sectors — manufacturing, retail trade and health care — have a mixture of small, medium and large employer firms.
 - The accommodation and food services sector hosts a mixture of small and midsize firms, with a strong concentration of Asian-owned firms.
 - Small firms prevail in the construction sector where Latino-owned firms are overrepresented.
- Between 2012 and 2017, the County's minority-owned firms and women-owned firms doubled and tripled the growth rate for all employer firms, which had an overall growth rate of (11%).
- There are significant racial and gender disparities in rates of business ownership, sales levels and higher-wage sector participation. The average annual sales from minority-owned firms were half the size of white-owned firms, while the average annual sales from women-owned firms were 2.5 times smaller than male-owned firms.
- Eliminating these disparities would create significant economic prosperity: If parity were achieved between minority-ownership and current non-minority-ownership, project projections indicate minority-owned firms in Snohomish County would add 2,000 more firms and 13,000 more jobs.
- Over the last 20 years, business formation in Snohomish County has been consistently above state and national trends. Yet, business dynamism in the County has not fully returned to pre-2009 levels.

- The pandemic's impact on small businesses in Snohomish County was higher than the national average. By April 2020, small business revenues in the County had decreased 58% compared to January (49% at the national level). The County's most severely impacted sectors in terms of employment were: Leisure and Hospitality (-59% in May 2020), Construction (-37%) and Other Services, which includes many direct-to-customer firms (-28%).
- As of October 2020, only two sectors had positive annual changes in employment: Construction (4.4 percent) and Financial Activities (1.2 percent). Construction rebounded quickly after initial dramatic declines. Other sectors continue experiencing declines from the previous year, but the rate of contraction has slowed in most sectors except in manufacturing and government services.
- The pandemic's impacts on small businesses have disproportionately been borne by minority-owned firms: minority-owned businesses tend to be smaller, have smaller cash reserves and be located in the sectors most-impacted by shutdowns (e.g., small restaurants).

During the on-the-ground information gathering efforts, the project team heard a great deal about the consequential impact of the pandemic directly from small business owners and from small business service providers. Many small businesses demonstrated tremendous creativity and resilience in the face of unparalleled adversity. However, many small firm owners reported having a very hard time accessing earlier rounds of aid. The complexity of rules, cumbersome forms and unfamiliar terminology were often frustrating barriers. The lack of connection of private lenders and service providers with minority and immigrant communities also repeatedly surfaced as a system weakness.

The interviews with practitioners and the project team's overall review of the small business delivery systems revealed much good work taking place in Snohomish County, but generally a system picture characterized by fragmentation and inadequate scale. The opportunities to improve and make strong impacts are enormous and would result in significant job recovery and growth and increased economic vitality countywide.

Recommendations for Action:

This Strategy & Action Plan contains a set of recommendations meant to respond to the pandemic and strengthen the small business service delivery ecosystem in Snohomish County, particularly for historically disadvantaged businesses. Here are the recommendation highlights:

- Immediately organize a strong countywide effort to deliver the next wave of federal COVID-19 emergency relief and prioritize reaching the small, disadvantaged businesses hit hardest by the economic impacts of the pandemic.
- Use a collective impact approach, and elevate the focus on small business formation and growth by making it central to the mission of the Economic Alliance Snohomish County (EASC).

Build the strength and capacities of the small business service delivery system. Track progress and support strategies with improved collection and use of small business data.

- Form an Access to Capital Action Team to increase the amount and range of capital products available to entrepreneurs and small firms in Snohomish County. Build capacity in Community Development Financial Institutions, support an increase in their activity in Snohomish County, build connections and referral protocols between private lenders, non-profit lenders and technical assistance providers.
- Implement high-impact placemaking strategies along key corridors and business districts, including supporting initiatives underway. Focus on what works for small businesses and involve them extensively in the efforts. Create incubation spaces conducive to entrepreneurial success.
- Organize a major “Buy Local - Equity-focused” procurement initiative, securing commitments from the largest private and public organizations and increasing the technical assistance and awareness of resources to support local businesses wanting to do business with major public and private institutions in Snohomish County. This recommendation is consistent with strategies recommended by the Snohomish County Economic & Workforce Recovery Task Force.
- Support the formation and growth of small manufacturing businesses by expanding the capacity of existing efforts such as Impact Washington, the lead Manufacturing Extension Partnership provider in Washington, and strong partners such as the NW Innovation Resource Center and community colleges in the County. This recommendation builds on the considerable strengths in the County in terms of the manufacturing base and skilled workforce.

Action Plan Recommendations

Introduction

This section presents a set of recommendations meant to strengthen the small business sector in Snohomish County and wherever possible to build on existing community and organizational capacity and strengths. There is a strong emphasis in the recommendations on improving the support for and focus on women and minority-owned businesses given the focus of this project. The project team recommends that further work be done with local stakeholders, practitioners and with business owners and entrepreneurs themselves to refine the implementation plans for the actions that are prioritized to move forward.

Where possible the project team made suggestions as to what organization might lead a particular project. Roles need to be confirmed in the next phase of work and partners also must be confirmed.

For each major recommendation there is an estimate of the anticipated costs using a low-medium-high scale just to provide an order of magnitude for decision makers as they review options. For purposes of this exercise:

- “Low” is less than \$300,000
- “Medium” is between \$300,000 - 600,000
- “High” is over \$600,000/year

Some of the proposed projects may require capital investment in terms of physical infrastructure or leasehold improvements, others may require loan or equity capital and most will require an investment in staffing capacity for outreach, service delivery, data collection, analysis and improved technology. It is assumed that not all of the implementation will commence immediately and some of the projects are long-term endeavors. Some funding may come from near-term Congressional relief appropriations and related state investments. Corporate, lending community and philanthropic investments should also be sought as well as partnership proposals with local governments. Use of volunteers, service corps members, work study students and loaned executives should also be considered.

Taken altogether the Action Plan aims to impact the rates of new business formation and the numbers of businesses that become employer businesses, stay in business and expand. If successful, the Action Plan will also show much improved utilization of federal small business resources and a vastly improved set of relationships and collaborations. The Action Plan is meant to help close the gaps in formation, job creation and sales levels that exist by gender and by race and ethnicity.

It should be acknowledged that this type of system and capacity building work takes time, but if done well, the results can be significant and sustainable. While better systems are being built and resources are being raised there are also numerous near-term actions that can be taken that will help the County's diverse set of small businesses be more successful and grow.

Action Plan Recommendations Summary Chart

	Near-Term COVID-19 Relief	Strengthen Ecosystem & Structures – Use Collective Impact Approach	Strengthen Ecosystem & Structures – Form Functional Teams/ Action Teams	Key Commercial Corridors: Places and Spaces	Develop an Anchor Procurement Initiative	Build the Base of Small Manufacturers
	Maximize the resources that come to Snohomish Co. to help small businesses. Prioritize connecting with and assisting disadvantaged firms.	Establish Economic Alliance Snohomish County (EASC) as the Small Business Support System Backbone and build its capability to lead the work focused on small businesses in the County.	Form an Access to Capital Action Team—build relationships, referral protocols, set targets for improving the SBA program usage, CDFI volume and usage of the new WA Recovery Loan Fund.	Focus on key corridors and places of opportunity for small and WMBE business development. Shared space such as incubators or shared commercial kitchens and other types of “maker” space can help manage costs.	Help small firms grow by securing commitments from both private and public sector organizations to buy local and buy from small and women and minority-owned firms.	Support the formation and growth of small manufacturing firms. Proactively work to encourage women and people of color to start and grow manufacturing businesses.
	Potential Leads:	Potential Leads:	Potential Leads:	Potential Leads:	Potential Leads:	Potential Leads:
Existing Efforts: Elevate/ Expand	EASC with SBDC			Multiple leads - Multifaceted strategy with distributed leadership model	Build from and with PTAC	Impact WA, state’s federally funded Manufacturing Extension Program (MEP)
Increased Partnerships: Organize/ Activate	EASC with SBDC and many more partners -- CDFIs, private lenders, local governments, chambers	EASC with Partners	Co-Chairs, 1 public lender, 1 private lender, EASC with many more partners	Multiple leads - Multifaceted strategy with distributed leadership model	Co-Chairs, 1 public, 1 private with many more partners	Impact WA, with NW Innovation Resource Center; Community College; CDFIs
Notes	This will take very rapid mobilization given the likely competition for federal resources. This effort has the potential to make great short-term impacts but also to help jumpstart the system and coalition-building work.	Need to diversify board and staff, create strong roles for trusted cultural navigators leveraging and building from Washington Commerce’s Business Resiliency Partners. It is critical that the intended beneficiaries, small businesses, be “at the table” and involved in design of strategies and be consulted on an ongoing basis.	Include trusted navigators; recruit CDFI lenders who can take more risk; build the ethos of “no wrong door” for small business support. Seek capital for higher risk loan and equity options for disadvantaged firms. If there are additional federal funds or philanthropic resources, consider investing capital and operating support.	Leads will depend on place and project. City economic development/ community development staff will likely play significant roles. Another major longer-term project: Transit Oriented Development (TOD) and ensuring that Sound Transit prioritizes opportunities for local small businesses, especially WMBE.	Capacity building and technical assistance also need to be scaled so disadvantaged firms learn to navigate and succeed in procurement systems. Many small firms can benefit from a focused effort to “buy local,” building from recommendations of the Snohomish County Economic & Workforce Recovery Task Force and the CARES Act funded “Support SnoCo” campaign.	The County has tremendous assets critical for manufacturing upon which to build. Barriers to entry are significant – technical, capital and markets – but the labor force and multiplier benefits are substantial. Will require additional resources and the contributions of many. This is a federal program that is slated to grow in the Biden Administration.

Recommended Action: Near-Term COVID-19 Relief

Near-Term COVID-19 Relief	
Summary	<p>The December 21, 2020 passage by Congress of the next COVID-19 relief package creates a tremendous opportunity. An all-out effort to maximize the resources that come to Snohomish County to help small businesses and to prioritize connecting with and assisting minority-owned firms and women-owned firms who likely experienced challenges accessing the earlier rounds of aid would garner significant momentum and results. This will take very rapid mobilization given the likely competition for the federal resources. This effort has the potential to make great short-term impacts but also to help jumpstart the system and coalition-building work called for in the next section. It should prioritize leveraging the federal resources to the greatest extent possible. If additional funds are provided to the County or through the State-besides the Paycheck Protection Program (PPP), (possibly through a provision called RELIEF for Main Street), consider investing those in locally serving Community Development Financial Institutions (CDFIs) rather than making more small “triage” grants. PPP should be the “go to” grant mechanism given the enormity of the need and the scale of PPP vs. local resources.</p>
Potential Lead	<p>Ideally Economic Alliance Snohomish County (EASC) would be able to mobilize quickly and designate a person with knowledge of the area, provider connections and excellent project management skills to play a coordinating role. Coordination with local Chambers of Commerce is another point of support for implementation and execution. If EASC is not able to play this role due to their leadership transition, perhaps the Snohomish Small Business Development Center (SBDC) or a staff member from Snohomish County government can play the role. If possible, resources should be put in place and a task force established as soon as possible to ensure that capacity is in place to play this important public-private partnership, coalition-building leadership role.</p>
Potential Key Partners	<p>Trusted individuals and organizations with deep ties to race and ethnic communities should play a key role both in outreach and in one-on-one assistance if possible. There needs to be an investment in this function.</p> <p>The SBDC has established a statewide call and rapid response service center that was robustly leveraged in the State’s recent Working Washington “Round 3” grant round, serving over 19,000 businesses in nine days through phone, email and virtual assistance as well as an instructional webinar in multiple languages. If properly resourced the SBDC could play a similar role in the next wave of PPP and ideally would be able to dedicate some of their call center capacity and training efforts to support Snohomish County. The number could be advertised locally and used to the extent feasible and then referrals can be made to appropriate local providers. It is critical, however, that the rapid response center be able to handle the volume for Snohomish County and that it have language capabilities.</p> <p>Private lenders will play a key role in a subsequent round of PPP. Lenders such as Coastal Community Bank (the top PPP volume lender in Snohomish County) and many other local lenders played a critical role in the earlier rounds and they are well-positioned to partner and make new connections beyond</p>

Near-Term COVID-19 Relief			
	<p>their traditional, existing base of customers. Many Community Development Financial Institutions are now able to make PPP loans and many of them have strong ties to one or more race and ethnic communities. Many are also serving as part of the State’s Business Resiliency Partners outreach team. All who want to put focus on serving businesses in Snohomish County should be invited to participate with roles differentiated. The role of the coordinator is to create a work plan, catalyze the needed partnerships and support the plan’s execution by multiple partners.</p>		
When/Where to Start?	<p>This effort needs to start as soon as possible. Many organizations played significant roles in the earlier rounds of aid so it is not a complete start-up. What has to happen this round is to proactively reach the very small firms, those who need help with the applications, those whose native language may not be English and then offer them help getting the resources that will help them survive until the pandemic impacts subside. If done well, many new connections will have been made that will be an asset for the system building work going forward.</p>		
Effort	<p>One-time but if done right it will build some of the network infrastructure that is needed in the small business service system</p>		
New Resources?	Yes	Level of Resource	Low
Possible Output Measures—all data should be disaggregated by gender and race and ethnicity whenever possible	<p>PPP data - number of transactions, dollar value, average size, diversity</p> <p>Economic Injury Disaster Loans (EIDL) - SBA loans</p> <p>Debt forgiveness loans</p> <p>Any new state and local grants or loans. If the County does another round of emergency grants to small businesses, it would be good to analyze the weighting criteria that was used by the City of Seattle. This criteria plus lottery system helped ensure that the limited amount of aid reached priority populations by targeting 80% of grants to businesses in high displacement neighborhoods with 5 or fewer employees. The other variable deserving intentional design is the application itself. Avoid jargon and create a streamlined application that eliminates paperwork and onerous requirements unless it is really needed.</p> <p>With many minority-owned businesses not having access to proper technology (e.g., computer or network access), there will be a growing reliance to personal outreach, including translation services in the key corridor sections of the County. Fortunately, with many ethnic communities so tightly knit, it should be easy to start communications and then have clients pass the word along.</p> <p>Businesses assisted through central intake and through one-on-one assistance.</p> <p><i>Note:</i> In the first round of PPP the SBA did not collect race and ethnicity data for which they were criticized. Hopefully they will fix that and begin to collect that information if there is another round. If</p>		

Near-Term COVID-19 Relief	
	not, perhaps there is a way locally and voluntarily to collect some information that will help ensure that the proactive outreach and assistance is reaching the target populations.

Recommended Action: Strengthen Ecosystem and Structures

There are two recommendations, both of which are elements of a collective impact approach:

- Designate a lead organization to play the backbone role for the small business ecosystem
- Form Functional Teams/Action Teams

Strengthen Ecosystem and Structures - Use Collective Impact Approach	
Summary	<p>Establish Economic Alliance Snohomish County (EASC) as the Small Business Support System Backbone and build its capability to lead the work focused on small businesses in the County. EASC should play this role as business retention and expansion, including small business formation and expansion, should be the central work of economic development.</p> <p>The organization should take steps to diversify its board and staff, create strong roles for trusted cultural navigators leveraging and building from Washington Commerce’s Business Resiliency Partners and work to bring them into the substantive work including in professional development. Across the work of the backbone organization, teams and special initiatives, it is critical that the intended beneficiaries, small businesses and entrepreneurs, be “at the table” and involved in design of strategies and be consulted on an ongoing basis.</p> <p>The role of the backbone includes convening the providers in the ecosystem, working on shared metrics and data collection and data use, supporting the formation and functioning of teams and special projects, raising money to help advance the work. No matter the lead, it must seek advice and feedback from the small businesses themselves and work to implement course corrections as needed.</p>
Potential Lead	Economic Alliance Snohomish County (EASC)

Strengthen Ecosystem and Structures - Use Collective Impact Approach			
Potential Key Partners	<p>This is a partial list meant to illustrate the range of potential partners:</p> <ul style="list-style-type: none"> Trusted cultural brokers/navigators Small Business Development Center (SBDC) Procurement Technical Assistance Center (PTAC) Community Development Financial Institutions Entrepreneurship Training providers Impact Washington, Manufacturing Extension Partnership (MEP) County and City Economic Development staff Private lenders Local Chambers of Commerce 		
When/Where to Start?	<p>This work should commence as soon as possible and it will build off of the short-term COVID-19 relief efforts. The EASC already has co-located services with SBDC and PTAC which is a strong starting point. Additional partners need to be brought in and collaborations formalized. The one-stop model should be made available across the County through additional co-locations and locations not necessarily in EASC space should be explored. The focus on disadvantaged communities should drive decisions about the areas in which to focus comprehensive one-stop services. To the extent possible, the use of the trusted navigators should be built into both outreach and one-on-one assistance and consideration should be given to use some of these organizations as service location hubs.</p>		
Effort	On-going		
New Resources?	Yes	Level of Resource	Medium - Important to leverage technology where possible before one-on-one services

Strengthen Ecosystem and Structures - Use Collective Impact Approach	
Potential Output Measures	<p>Qualitative measures indicating the elevated importance of small business and minority and women-owned businesses to the civic community</p> <p>Growth in SBA program utilization metrics</p> <p>Number and growth in WMBE counseling clients</p> <p>WMBE graduates of entrepreneurship programs</p> <p>Growth in numbers of certified firms</p> <p>Self-service web utilization metrics</p> <p>Number of providers and navigators using common data and reporting results</p> <p>Number of providers and navigators trained on Diversity, Equity & Inclusion and using culturally relevant practices in service delivery</p> <p>Number of providers and navigators trained on small business resources</p>

Strengthen Ecosystem & Structure: Form Functional Teams/Action Teams	
Summary	<p>Start with forming an Access to Capital Action Team—build relationships, referral protocols, set targets for improving the SBA program usage, CDFI volume and usage of the new State of Washington Recovery Loan Fund and overall capital volumes and do professional development together on various loan products and other services/resources. Be sure to include the trusted navigators; recruit CDFI lenders who can take more risk, build the ethos of “no wrong door” for small business support. Seek capital for higher risk loan and equity options for disadvantaged firms. If there are additional federal funds or philanthropic resources, consider investing capital and operating support pursuant to service agreements negotiated with several CDFIs that will greatly improve the outreach, service and capital access to WMBEs in Snohomish County. Examples would include but not be limited to: Ventures, Business Impact NW, Craft 3, the National Development Council, Evergreen Business Capital and Seattle Credit Union.</p>
Potential Lead	<p>Secure commitments of two co-chairs – one private lender and one CDFI lender. EASC would need staff to support this work of building the finance Action Team network.</p>

Strengthen Ecosystem & Structure: Form Functional Teams/Action Teams			
Potential Key Partners	Private lenders, CDFIs, trusted navigators		
When/Where to Start?	As soon as possible, as part of the COVID-19 relief effort and then continue		
Effort	This will have short-term COVID-19 relief benefits but will take a sustained, long-term effort to build trust and develop a strong small business service system		
New Resources?	Yes, for some staff support– costs would be higher if using funds to capitalize CDFIs	Level of Resource	Low - it may be possible to get funding for this from the private lenders in the County. They may also be willing to help staff and provide space as this work is very consistent with their obligations under the Community Reinvestment Act
Potential Output Measures	Increases in SBA program loan volumes particularly micro loans and 504 fixed asset financing loans Number of CDFIs actively lending and working in Snohomish County Number of CDFI loans Number of referral arrangements Number of referrals that result in actual loans Numbers of action team members trained on the range of loan products available and how to make good referrals		

Recommended Action: Special Initiatives

Launch three Special Initiatives based on Snohomish County’s assets and strategic opportunities. Each will take a partnership approach and need resources:

- Focus on Key Commercial Corridors: *Place and Spaces (partially underway)*
- Develop an Anchor Procurement Initiative *(partially underway)*
- Build a Base of Small Manufacturers *(partially underway)*

Key Commercial Corridors: <i>Places and Spaces</i>	
Summary	Focus on key corridors and places of opportunity for small and WMBE business development. Sometimes finding suitable space is a key barrier for small firms. Shared space as seen in incubators or shared commercial kitchens and other types of “maker” space can be a way to manage costs. For other types of firms the location and pedestrian environment and foot traffic are key factors for success. For communities interested in placemaking and creating vibrant, dynamic street life, the presence of small local firms is vital.
Potential Lead	Multiple leads - This multifaceted strategy will require a distributed leadership model. Leads will depend on the place and the project. City economic development/community development staff will likely play significant roles. For example, Ventures is working to support entrepreneurship and food product businesses in the Casino Road area, which is also of interest to the City of Everett economic development staff; the Port of Everett is focusing on showcasing locally-owned businesses at the Paine Field passenger terminal; placemaking efforts in South Everett similar to the award-winning work in Shoreline along Highway 99 that would prioritize benefits to the strong cluster of Korean, Vietnamese and other ethnic restaurants. Farmers markets and food truck areas as seen extensively in Portland are another tool to consider. Another major longer-term project would be focused on Transit Oriented Development (TOD) and ensuring that Sound Transit prioritizes opportunities for local small businesses – especially minority-owned businesses to benefit from the coming opportunity. In the work on TOD, city and county leadership will be essential. EASC, as Snohomish County’s Associate Development Organization (ADO), would be responsible for ensuring that each prioritized project received the needed services from the small business delivery system. Some of the projects would be one-time and then able to be sustained and others would require ongoing efforts.

Key Commercial Corridors: <i>Places and Spaces</i>			
Potential Key Partners	<p>As stated above, the list of involved organizations will depend on the particulars of the project.</p> <p>In addition to those listed above as examples other partners could include Chambers, developers, realtors, downtown associations, Sound Transit and foundations. For transit-related initiatives, the U.S. Department of Transportation Northwest Small Business Transportation Resource Center (NWSBTRC) would be a key partner.</p>		
Where to Start?	<p>This strategy is very ambitious and will unfold over decades. There are opportunities in the near-term that should be prioritized and when possible, the projects that will most benefit small and minority- and women-owned firms businesses should be first in line. The TOD projects will take time but it is crucial that there be strong negotiations in the near-term with Sound Transit regarding surplus land and public benefits. The area around the Everett multi-modal hub has enormous potential and deserves resources and focus. Design decisions that will impact who benefits will be made years ahead of the actual construction. As part of the nearer-term recovery, there also may be opportunities to explore temporary uses of vacant retail spaces. Allowing early-stage entrepreneurs to try out concepts at low cost is a way to bring some life back to a business district and to support small business. The County has several areas designated as Opportunity Zones – used appropriately, this can be a financing mechanism that can be beneficial to small businesses. Appendix C, Map 3 shows Snohomish County’s Opportunity Zone areas.</p>		
Effort	Some of these will be one-time and others ongoing		
New Resources?	Yes	Level of Resource	High - given capital requirements for some of the larger projects
Output Measures	<p>New square feet for small business</p> <p>New pedestrian amenities</p> <p>WMBE firms involved in project development</p> <p>New WMBE firms started and expanded (incubators)</p>		

<i>Develop an Anchor Procurement Initiative</i>	
<i>Summary</i>	Snohomish County has a major opportunity to help their small firms grow by securing commitments from both private and public sector organizations to buy local and buy from small and women and minority-owned firms. Capacity building and technical assistance also need to be scaled so disadvantaged firms learn to navigate and succeed in procurement systems.
<i>Potential Lead</i>	It would be ideal to have a public and private co-chair - perhaps with loaned staff supporting. Boeing is already part of a national procurement initiative called the Billion Dollar Roundtable and would be the logical private sector lead if they are willing.
<i>Potential Key Partners</i>	<p>Procurement Technical Assistance Center (PTAC)</p> <p>Major employers in the County, public and private</p> <p>Clusters of small firms such as construction firms</p> <p>Trusted navigator organizations that can help with outreach</p>
<i>Where to Start?</i>	<p>Rather than starting with only organizing the "buyers," the recommendation is to also start with a discrete group of the "sellers" so that the design of the initiative is more certain to benefit smaller businesses who have historically been shut out of these market opportunities. One logical starting point would be with the large cluster of Latino-owned construction firms. Most are very small in terms of both sales and employment. The work would focus on helping them connect to appropriate procurement opportunities. They may also benefit from a shared back-office arrangement. Deep engagement with these firms must be a precursor to any planning. They should be involved in designing any intervention or set of services intended for their potential benefit. If successful, this work could be scaled to other diverse populations.</p> <p>Other small firms that are the focus of the other initiatives such as food product manufacturing, ethnic restaurants that offer catering and/or small manufacturers may also be ripe to benefit from the procurement-focused work. A wide range of small firms can benefit from a focused effort to "buy local," building from the recommendations of the Snohomish County Economic & Workforce Recovery Task Force and the CARES Act funded "Support SnoCo" campaign. It seems possible to ask major employers to both pledge to participate and to help pay for this initiative as they are all making major efforts on supplier diversity and broader Diversity, Equity & Inclusion strategies and this is a promising way to</p>

<i>Develop an Anchor Procurement Initiative</i>			
	make an impact. The top employers in Snohomish County, Appendix C, Table 4, may be a place to start.		
<i>Effort</i>	On-going		
<i>New Resources?</i>	Yes - for staff and other support costs	<i>Level of Resource</i>	Medium
<i>Output Measures</i>	<p><i>All data should be disaggregated by gender, race and ethnicity wherever possible</i></p> <p>Growth in federal, state and private contracts awarded</p> <p>Growth in number of 8a firms, or firms owned and operated by disadvantaged</p> <p>Growth in WMBE certifications</p> <p>Growth in sales and jobs of priority firms served</p>		
<i>Build the Base of Small Manufacturers</i>			
<i>Summary</i>	<p>Support the formation and growth of small manufacturing firms. Proactively work to encourage women and people of color to start and grow manufacturing businesses. The County has tremendous assets critical for manufacturing upon which to build. Barriers to entry are significant – technical, capital and markets – but the labor force and multiplier benefits are substantial. There may also be opportunities for women and people of color to acquire small manufacturing firms in cases where the owner is choosing to sell.</p>		

Build the Base of Small Manufacturers	
Potential Lead	<p>Impact Washington is the organization which runs Washington state’s federally-funded Manufacturing Extension Program (MEP). If willing, they would be the logical lead organization, although this effort will require additional resources and the contributions of many. Given the need to have sufficient scale to make good use of this more specialized set of services, it may be that this project should be done for multiple counties. It will also be important to delineate roles and clarify when fee-for-service policies are appropriate. This is a federal program that is slated to grow given support for it within the new Biden Administration. If the funding expands it will present a great opportunity for Snohomish County to be ready to capture that funding.</p> <p>While EASC would not be the lead, they would still have an important role to make sure that an integrated array of services that are needed by the small manufacturers are available.</p>
Potential Key Partners	<p>NW Innovation Resource Center</p> <p>Community Colleges</p> <p>Community Development Financial Institutions (CDFIs), including Evergreen Business Capital, which provides SBA guaranteed fixed asset financing</p>
Where to Start?	<p>Start with analyzing the needs of current clients of Impact Washington and of the NW Innovation Resource Center and work to bring finance to these firms and entrepreneurs as is needed. It may be helpful to consider creating a fund dedicated to start-up and early stage growth. It would need to be structured as patient capital. Start also by engaging with the community college faculty that teach manufacturing related professional and technical courses and form partnership agreements with them so they become a strong source of referrals and so they know the resources available for manufacturing startups. The partnership and referral mechanisms should also be extended to the four-year research institutions both to the graduate business schools and the engineering disciplines.</p> <p>Another near-term place to start intersects with the place-based work on Casino Road that is being led by Ventures. They are working to establish a commercial kitchen that can help incubate food products manufacturers.</p>

Build the Base of Small Manufacturers			
Effort	On-going		
New Resources?	Yes - for staff and ideally capital	Level of Resource	This effort can be scaled from low to high based on the level of resource. The opportunity is significant, so efforts should be made to secure the right level of resources so scaled impact can be achieved.
Output Measures	<p>New manufacturing businesses started and early stage firms expanded</p> <p>New manufacturing businesses started by women or People of Color</p> <p>Early stage growth in sales and employment – all small business and disaggregated data</p> <p>Small Business Innovation Research Grants awarded – all small business and disaggregated</p>		

Recommended Action: Improve Data Collection & Use

Data, Feedback and Improvement	
Summary	In order for the small business ecosystem to improve over time, there needs to be a much better set of available data and an agreed upon set of metrics. This is a challenge nationally, statewide, regionally and within Snohomish County. Strong systems have strong feedback loops and accountability. The federal and state governments have to greatly improve their work in this area and local providers have to make better use of the data that is available to help set strategies and to guide course corrections.
Potential Lead	EASC — Helping collect and report meaningful data is a very important ongoing function of a backbone organization. EASC should also help teams and leads of initiatives get data they need and to leverage it.

Data, Feedback and Improvement			
Potential Key Partners	<p>There should be many data providers, including but not limited to:</p> <p>U.S. Census Bureau</p> <p>Small Business Administration</p> <p>Treasury – CDFI data</p> <p>State of Washington, Department of Commerce, Department of Revenue and Employment Security (<i>Note: Commerce’s new Economic Recovery Dashboard should be leveraged</i>)</p> <p>Workforce Snohomish</p> <p>Public and private firms will need to report on their procurement pledges</p> <p>Cities may have some useful data sets that are indicative of small business dynamism</p> <p>Special initiative leads will need to agree on a set of metrics that they will report on</p>		
Where to Start?	<p>Start by collecting the data to track the efficacy of the short-term COVID-19 emergency response</p> <p>Then build out the metrics with the finance team - SBA provided the data for their program usage for the last several years for Snohomish County. This can be used to set baselines and targets and should be updated annually.</p> <p>Secure resources for a small business climate survey to provide feedback to the small business system providers and local decision makers.</p> <p>Starting in 2022 create an annual report on the state of small business in Snohomish County – report on the numbers, the projects and report on the feedback of a representative sample of small businesses.</p>		
Effort	On-going		
New Resources?	Yes for staffing	Level of Resource	Low

Data, Feedback and Improvement	
<i>Output Measures</i>	Qualitative assessments of the improved use of data, the use of disaggregated data and the usage of data by providers to improve their delivery