



Affordable Seattle Agenda: Supporting and Protecting Small Business

Small businesses need many things in the city to grow and be successful. However, what they need most from their city government is a seat at the table, and a Mayor that truly listens to them and their needs. Small businesses are being squeezed by a rising lack of affordability for them and their workers, a host of regulatory changes, and increasing competition. They need a city where basic services are delivered efficiently, where their businesses are accessible to workers and customers and where they feel supported, not forgotten or marginalized.

We are very proud of the world changing businesses that call Seattle home. Yet it is our small businesses that create the rich texture and character of our neighborhoods and city. Everyone has their favorite shop, restaurant or hang out that centers their local community. Small businesses also are an economic driver that provide jobs in all parts of our city. Seattle has about 36,500 businesses with fewer than 50 employees, and small businesses account for more than half of all of our jobs in Washington State. Collectively, our small businesses employ nearly 200,000 people in Seattle, or well over five times the number of people that Amazon employs here.

They are also important to so many of our immigrant and refugee communities. They provide economic opportunity and often serve as cultural anchors for communities. Supporting the vibrant web of small businesses and making sure they are heard in policy-making, is key to retaining the “soul” of Seattle. Building our better future means listening to and supporting small business owners and really working to address their concerns. As a candidate, Jenny has spent many hours talking to small business leaders throughout the city on more than two dozen neighborhood tours. As Mayor, Jenny will implement a range of policies to support small businesses and allow them to grow and be successful.

Our small business owners share Seattle’s progressive values. They want us to stand for equity and inclusion, make Seattle more affordable, and move people from homelessness to homes. They support our transportation solutions, and want us to stand as a beacon of hope in this time national dysfunction. But in talking to small business owners and workers throughout the city, Jenny heard that they felt left out of the conversations about how to move our city forward. Too often they absorb the costs and realities of policies (including the unintended consequences), but too rarely are they part of the conversation when those policies are developed.

If elected mayor, Jenny will immediately go to work to develop a comprehensive small business plan for Seattle. This plan will be based on input from small business owners, workers, neighborhoods and other stakeholders and policy experts. Other progressive cities like Boston and New York have focused on small businesses, and Seattle needs to step up as well.

Among the range of topics that plan will seek to implement or explore:

1. **Helping Small Business Startups with a Three-Year B&O Tax Exemption** – When launching a new small business, every dollar counts. It often takes years for a new small

business to reach profitability. Imposing taxes on the gross revenues of start up businesses even when they are unprofitable can make the difference between success or failure. That is why when elected Jenny will propose legislation to exempt newly formed businesses from their City B&O taxes for a period of up to three years, so long as the revenues of the business do not exceed \$1 million. A B&O exemption for startups along these lines is estimated to benefit more than 15,000 new businesses in the city at a cost of \$1.7 million in forgone B&O tax revenues, a relatively modest amount that can be made up through other efficiencies.

2. **Small Business Advisory Council** - Many small businesses in the city feel as though their voices are not being heard. At the same time, they don't have time to attend multiple council meetings or track how all of the initiatives of city government might impact them. Nor can they afford to hire lobbyists or consultants to represent them. In order to give our small businesses a voice, Jenny will create a small business advisory council to report directly to the mayor. This will help ensure the city hears what is working and what needs to change, and also ensure small businesses are receiving the support they need from city government. The Advisory Council will be tasked with testing ideas, and providing direct feedback regarding the actual impacts and effects of how city policies are impacting the small business community, including examining the cumulative impact that regulatory fees – like business license fees, signage fees and rules, and so on – are having on small businesses. The Council would also review city parking rules and rates in neighborhood business districts. The advisory council would include representation of a wide array of businesses from across the city. Jenny would work with the city council to create the composition and duties of the Small Business Advisory Council, and would propose that at least two City Council members be appointed as Ex Officio members. The Mayor's Office small business liaison (see below) will staff the Advisory Council with support from the Office of Economic Development (OED) and, where needed, seek funding to support its work, especially around data collection, research, and support.
3. **Mayor's Office Small Business Liaison** – The relationship with the small business community is critical to the economic and civic health of the city. Jenny has already described the importance of having people in the Mayor's office who are responsible for working with key communities in our city, including immigrants and refugees, LGBTQ, communities of color and neighborhoods. She will also designate a staff member in her office as a specific point of contact to liaison with the small business community. That staff person will work proactively with small business leaders on policy and economic development, and will regularly consult with the mayor on issues of importance to small businesses.
4. **Support our Women and Minority Business Enterprises** – Our women and minority owned businesses throughout Seattle are critical to Seattle's economy and an important part of the fabric of our neighborhoods. We can help support and grow these businesses by:
 - Increase WMBE contracting. We know that disparities exist in our women and minority business contracting, and that contracting opportunities have significantly dropped. Billions in public spending will occur in the coming years, and Jenny believes that WMBE small businesses must share in this economic prosperity. If a disparity study is required to reach our goals, Jenny will prioritize getting such a study completed and will use the resulting data to guide our investments and contract opportunities. We need to have hard numbers that can support our policies.
 - Formalize the WMBE advisory committee so it can have real input into individual department work plans and help monitor disparity study.
 - In addition, the city will begin to work closely with our state's Office of Minority and Women Business Enterprises, the state approved agency that has the legal authority to certify the small disadvantaged women and minority businesses our city has sought to support. Jenny heard from many legitimate WMBE business owners that some

businesses have been gaming the system, and thus unfairly accessing opportunities that would otherwise go to qualified businesses that truly are run by economically disadvantaged women and minority business owners. Under Jenny's leadership, the city will develop a more robust and vetted WMBE program that is aggressive in its goals and is legally sound and accountable to our small businesses while serving the public interest.

5. **Supporting and Incentivizing Youth Employment plan for small business owners** – Providing real opportunity for our youth is a cornerstone of Jenny's affordability agenda. She has proposed providing [free tuition](#), increasing apprenticeships and working with the Seattle Public schools and others to close the achievement gap. Small business owners want to help in providing more opportunity and can be a potent part of the solution. Often these businesses lack the time or resources to create such programs, but would be willing to participate if the City could help facilitate and support the hiring and engagement process for youth jobs. Jenny will work with small business to implement a youth employment initiative targeted at small business owners. This can help provide jobs and training to our youth, and improve the health of our city.

6. **Increase Commercial Affordability By Possibly Adopting An MHA like Approach** – Commercial affordability continues to be challenging for our small business owners. We need to increase the ability of small business owners to stay where they are, and open opportunities for them to have access to new buildings in the area. The City can use its tools and resources to work with developers and small business owners to create more affordable commercial spaces to locate small businesses, and ensure small businesses are being made aware of new development. Jenny will work with all stakeholders to determine the best way to develop accessible, affordable commercial space in the mixed-use housing projects that receive funding from the City of Seattle.

She is also willing to explore the public benefits and tradeoffs of allowing small height increases for new buildings in urban centers, in neighborhood business districts, and in the vicinity of new light rail stations in exchange for providing affordable ground floor commercial spaces for small businesses in those buildings. Jenny believes that affordable commercial space is an essential component of building and maintaining the vibrancy of our future Seattle. Rising costs associated with construction buildouts for new small businesses is also a challenge, and Jenny will explore potential ways to incentivize landlords to help subsidize those costs for small business owners.

7. **Small business permitting** – Jenny has heard time and time again what a battle it is for small businesses to receive the proper permits from the City of Seattle to build a new restaurant or shop, expand an existing business or to upgrade existing small business spaces. There are various ways for large employers in the city to expedite permitting, which can push smaller businesses farther down the waiting list. The process can be byzantine, at best, requiring multiple trips to different city departments. Costs and lost business opportunities mount each day. Jenny will prioritize streamlining the permitting process for small business owners, so their businesses can continue to grow and be successful within the city. Jenny will work with the relevant City departments and the Small Business Advisory Council to determine the best ways to break down silos, reduce regulation and speed permitting without sacrificing safety or other public interests.

8. **Managing construction impacts** – Jenny has seen and heard from small business owners all over the city about the devastating impacts construction can have on their businesses. Too many have seen their customers and income evaporate when a City project starts in their local business district. The City currently lacks a formal policy for how to mitigate construction impacts on small businesses, and has therefore responded to those impacts in

different ways in different neighborhoods, sometimes creating the appearance of favoritism or unfairness. Jenny will ensure that city departments work together to develop a formal policy to manage these impacts, and she will direct relevant departments to conduct more timely and robust outreach to the small businesses impacted by the City's construction. The City needs to lead the way with its own construction projects and provide small businesses with good information and a helping hand when surrounded by construction. Jenny will ensure that city Departments like Seattle Department of Transportation, Seattle Public Utilities and the Office of Economic Development coordinate their work, and help small businesses plan for and mitigate construction impacts. The City should also explore providing project-based grant funding to neighborhood and ethnic and minority chambers so they have the capacity to assist local businesses that are being negatively impacted by construction projects.

9. **Expand “Restaurant Success” Model to Other Types of Businesses**– Seattle’s “Restaurant Success” program, run by a dedicated staff person at the Office of Economic Development, has successfully helped new restaurant and food truck owners to interface with the City to answer their questions about the requirements for opening a new restaurant in the city, and to assist them in navigating the complicated permitting processes required quickly and efficiently. Jenny will ask her Small Business Advisory Council to develop a recommendation for how best to expand this model to other types of businesses, so they too can get help in getting their new business permitted and ready to open.
10. **Expansion of the “Only In Seattle” program** – The “Only in Seattle” program is how the City supports neighborhood business districts, by providing about \$1.4 million annually in grant funding to neighborhood business organizations to help them address pressing issues or otherwise improve their local businesses. Jenny has heard from our neighborhood business organizations that they utilize this program as often as possible, and expansion of it would be beneficial to the small businesses supported by those organizations. Jenny will ask her Small Business Advisory Council to also explore the value of increasing the level of grant funding so neighborhood business organizations can provide greater support to local small businesses.
11. **Explore Innovative Ways to Promote Seattle’s Best Small Businesses** – The City can and should do more to help market and promote our best and most unique small businesses. Small businesses deserve to be recognized when they act in publicly beneficial or innovative ways. Jenny will institute a recognition program, one that taps Seattle humor, innovation and spirit. She also will work with the Business Advisory Council and seek public input to find other engaging and low cost ways to promote Seattle’s small businesses.