



## U District Partnership

### PROJECT DESCRIPTION

The U District is made up of ~331 BIPOC and/or Woman-owned small businesses, approximately 63% of the entire business community. Nearly 75% of 150 food and beverages businesses are owned by a person of color and 85% of all businesses are managed or operated by an owner, indicating that these are small, family-owned businesses and pathways to prosperity for many. With unprecedented private development pressure, a 75% loss of consumers during the pandemic, rising costs of staffing/goods and persistent ground-floor vacancies requiring significant investments to fill, businesses and entrepreneurs needed a lifeline to survive and thrive in a post-pandemic economy. In direct response to these challenges, the U District Partnership streamlined permitting, provided architectural assistance and injected \$4.7M of capital into the business community through three strategic grant programs: (1) Storefront Cleaning Grant which provided up to \$1,000 for graffiti removal, pressure washing and facade cleaning; (2) Tenant Improvement Grant which provided up to \$200,000 for fixed asset improvements including exterior/interior rehabilitation, outdoor dining infrastructure and specialized equipment to increase business competitiveness; and (3) Vacant Spaces Revival Grant which provided up to \$100,000 for fixed asset improvements to support start-up costs for entrepreneurs to occupy a vacant ground-floor commercial space. This program ultimately provided strategic investments to support over 130 businesses (86% of which were woman and/or BIPOC-owned), revitalizing more than 75 storefronts, filling 11 retail spaces, adding over 450 outdoor dining seats and reinvigorating the business district to recapture and elevate pedestrian foot traffic and consumer demand.

### INNOVATION

Downtown management organizations throughout the country face challenges in catalyzing storefront facade improvements and filling retail vacancies on a large enough scale to have a visual and even economic impact. Recognizing the importance of effectively leveraging this unprecedented funding opportunity, the U District Partnership (UDP) implemented a unique approach to support individual business needs while strategically uplifting the look and feel of the entire business district. Beginning before grants were awarded, UDP administered one-on-one pre-application interviews with over 130 business applicants. These conversations were instrumental in providing guidance to small businesses, ensuring proposed projects increased community vibrancy, focused on customer facing elements and ultimately created a significant visual impact for the district. While this guidance sparked business creativity, UDP needed to provide the tools and resources necessary for businesses to implement these projects effectively. Facing state/federal restrictions in recommending specific contractors to businesses, UDP collaborated with architects to create a storefront toolkit and provide one-on-one assistance to help businesses realize their storefront vision. Other innovative approaches of this process included funding past projects to award businesses which were able to make investments of their own since the pandemic. This allowed UDP to quickly disburse funds and reimburse businesses for investments already made. UDP also recognized significant risks due to the dichotomy between city permitting timelines and strict funding timeline constraints. This led to the development of a working group with city departments to streamline permitting and ensure businesses met project deadlines.

### OUTCOME

The impact of this one-time project created significant long-term fixed asset improvements for more than 130 small businesses and modernized storefront facades throughout the U District to enhance business competitiveness, uplift the entire business district and more effectively attract pedestrian and consumer foot traffic. This project created a model of how place-based organizations can strategically implement storefront improvements to directly benefit small businesses, and indirectly benefit property-owners, visitors and residents. Specifically: \$4.7M funded 122 tenant improvement grants and 78 storefront cleaning grants. Over 130 businesses received funding, with an average tenant improvement award amount of \$34,359.94. More than 20 businesses implemented outdoor dining structures and seating which created over 450 new outdoor dining seats. There were 11 entrepreneurs who received vacant space grant awards, funding fixed asset improvements to fill ground-floor retail spaces. There were more than 75 businesses that enhanced their facade and/or removed outdated awnings which were covered with graffiti and/or past their useful life. Program impacts supported a 14% increase in consumer foot traffic in 2023 as compared to pre-pandemic levels (2019), and 82% increase in consumer foot traffic in 2023 as compared to pandemic levels (2020).

## EXECUTION

This project had an initial five-month timeline to disburse \$5M in grant funding. Through state legislature advocacy, UDP successfully secured a contract extension, allowing businesses to effectively utilize funding.

**AUGUST 2022:** WA Department of Commerce launches \$32.5M Small Business Innovation Fund. There were 127 organizations who applied with a total ask of \$252M.

**NOVEMBER 2022:** UDP is awarded a \$5M grant (nearly half of total funds awarded in King County).

**JANUARY 2023:** UDP executes contract with WA Department of Commerce, given five-month execution timeline.

**FEBRUARY 2023:** UDP launches Vitality Grant Program for tenant improvements and storefront cleaning.

**MARCH 2023:** UDP awards \$4.7M through 122 Tenant Improvement Grants and 78 Storefront Cleaning Grants.

**APRIL 2023:** UDP provides architectural support for businesses and forms a working group with city agencies to streamline permitting.

**MAY 2023:** UDP negotiates extension of contract to provide more time for project completion.

**SEPTEMBER 2023:** UDP repurposes remaining unrealized grant funding to launch Vacant Spaces Revival Grant to incentivize retail attraction and facilitate vacant space build-out.

**DECEMBER 2023:** UDP rewards 11 businesses with Vacant Spaces Revival Grants. As a result of this project, over 130 businesses received funding for customer-facing improvements including signage, lighting, painting, and outdoor dining.

## REPRESENTATION

UDP has developed over time, a strong network of partners including: (1) Board of Directors, advisory boards and committees that represent businesses and community organizations; (2) Partnerships with local agencies including the Seattle Office of Economic Development; and (3) Collaborative efforts with University of Washington student groups. With a focus on serving the business community, UDP has a strong network of over 615 contacts that make up most of the business operators, community partners and property owners found in the U District. As a trusted community-based organization, UDP regularly engages with businesses to understand the individual challenges they face and crafts programs to meet their needs. Leveraging its strong connection to the U District business community, UDP secured funding and provided grants to more than 130 businesses, (86% of which were Woman and/or Bipoc-owned) to alleviate the financial constraints businesses faced in making investments of their own. To ensure equitability during the grant award selection process, UDP created a grant selection group which included representatives from small businesses, University of Washington, property-owners and community stakeholders. This group selected grant recipients with a goal of distributing funds to as many businesses as possible, and specifically those that are Woman and/or Bipoc-owned.

## REPLICATION

While the ability for other organizations to secure this amount of funding may be limited, programs designed to enhance storefront facades and fill vacant spaces exist throughout the country. The success of this project identifies specific challenges and provides solutions that can be applied to other downtowns or business improvement districts including, creating cost-effective storefront cleaning grant programs which enhance facades with minimal permitting barriers and provide neighborhood-wide impacts, all coordinated by local place-based organizations. Providing architectural support and creating storefront improvement toolkits for businesses to effectively leverage grants and implement storefront design elements which align with best practices, attract consumers and uplift the business district. Collaborating with local agencies to streamline permitting processes and ensure businesses do not lose grant funding due to timeline constraints. Awarding businesses that have made investments of their own by designing facade programs which can reimburse businesses for storefront improvements already made. Implementing pre-submittal interviews for facade grant programs to guide business grant applicants in submitting projects which are customer-facing and align with the needs of the business district.

## COMPLEXITY/SIMPLICITY

This program was designed to uplift the entire business district while supporting businesses in implementing critical tenant improvements, many of which required permits, such as outdoor dining, right-of-way, electrical, construction and signage/awning permits. The process of facilitating hundreds of small business tenant improvement projects within a short timeframe while abiding by state funding and permitting requirements proved to be a significant challenge. With an initial five-month window to launch the program, create inclusive outreach strategies, review/award applicants and disburse funds upon project completion, the success of this program was at risk without a strategic and collaborative approach. With this in mind, UDP engaged city departments to collaborate and find a solution. This effort resulted in the establishment of a working group involving the UDP, Seattle Department of Construction & Inspections and Seattle Department of Transportation. Through weekly meetings with these departments, UDP successfully fostered a strong partnership which expedited the permitting process for business grant recipients. As a result, more than 75 business permits were issued within weeks, rather than months, allowing businesses to efficiently implement their tenant improvement projects and avoid grant funding loss due to restrictive state funding and permitting deadlines.

## ADDITIONAL RESOURCES

<https://udistrictpartnership.org/programs/economic-development/u-district-vitality-grants/>

<https://udistrictpartnership.org/vacant-spaces-revival-grants/>

[https://www.youtube.com/watch?v=YTsy\\_nZTCo8](https://www.youtube.com/watch?v=YTsy_nZTCo8)

<https://www.youtube.com/watch?v=CT4ZWp1uvXQ>

<https://www.youtube.com/watch?v=ByiDXhCd0nc>

<https://www.youtube.com/watch?v=BgmbVWKMF-g>

<https://www.youtube.com/watch?v=q6vQdyc1cZ8>

<https://www.youtube.com/watch?v=X6dUAXseVuA>

<https://www.youtube.com/watch?v=b31vg6tW8ho>

<https://www.commerce.wa.gov/news/u-district-partnership-and-department-of-commerce-announce-5-million-investment-in-u-district-small-businesses/>

[https://www.linkedin.com/posts/wastatecommerce\\_commerce-director-mike-fong-joined-the-u-activity-7113662498129514496-K33j?utm\\_source=share&utm\\_medium=member\\_desktop](https://www.linkedin.com/posts/wastatecommerce_commerce-director-mike-fong-joined-the-u-activity-7113662498129514496-K33j?utm_source=share&utm_medium=member_desktop)

[https://www.dailyuw.com/news/projects-completed-through-u-district-vitality-grants-give-the-ave-a-facelift/article\\_961fdcde-7939-11ee-b3d0-3f154cfdc16a.html](https://www.dailyuw.com/news/projects-completed-through-u-district-vitality-grants-give-the-ave-a-facelift/article_961fdcde-7939-11ee-b3d0-3f154cfdc16a.html)

<https://komonews.com/news/local/seattle-university-district-small-business-grants-awarded-u-district-partnership-washington-state-commerce-shoppers-mayor-bruce-harrell-revitalization-uw-businesses-economy-pandemic>

<https://www.kuow.org/stories/seattle-s-university-district-receives-a-5m-upgrade>

<https://komonews.com/news/local/seattle-university-district-grants-available-vacant-storefronts-u-district-money-safety-crime-homelessness-u-district-partnership-small-business-commercial-property-asset-improvement-revive-revitalize-partnership-non-profit-eligible-washington>