

Office of Economic Development

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Department Description

The mission of the Office of Economic Development (OED) is to help create healthy businesses, thriving neighborhoods, and community organizations to contribute to a robust economy that will benefit all Seattle residents and future generations. OED's programs are designed to:

- Attract, welcome, and retain companies in traditional and emerging industries by promoting the advantages of doing business in Seattle, and providing one-on-one assistance to businesses;
- Strengthen neighborhood business districts and support community-based economic development across Seattle, with special emphasis on low-income communities;
- Assist large employers and small businesses to retain and grow Seattle's base of businesses and family-wage jobs;
- Increase apprenticeship and training opportunities to ensure that Seattle will have skilled workers capable of meeting the region's current and future workforce needs; and
- Improve customer satisfaction for businesses accessing City services.

Policy and Program Changes

The 2003 Adopted and 2004 Endorsed Budget include two important changes for the Office of Economic Development (OED). First, beginning January 1, 2003, the Seattle Jobs Initiative (SJI) will become a nonprofit, independent entity separate from City government. SJI is currently an OED program that places low-income residents in living wage jobs, supports their retention and upward mobility, and contributes to regional competitiveness by supplying employers with qualified workers. As a nonprofit, SJI will become more efficient and entrepreneurial, resulting in net savings to the City of approximately \$600,000 annually while maintaining current service levels.

Second, OED administers the contract with the Rainier Valley Community Development Fund. Under OED's oversight, resources from the Community Development Fund (CDF) will be invested in transit-oriented and community development activities for Rainier Valley businesses and property owners dislocated by light rail construction. City resources available to CDF include \$2.5 million of the City's Community Development Block Grant (CDBG) allocation and \$300,000 of General Subfund (appropriated in Finance General). To make CDBG resources available for the CDF, the Adopted Budget reduces the amount of CDBG resources available to the OED's Community Development programs by \$700,000. Offsetting this reduction is a \$700,000 increase in General Subfund resources to this program.

Other important components of the 2003 Adopted and 2004 Endorsed Budget include operational efficiencies that result in savings of roughly \$330,000 annually.

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City Council Budget Changes and Provisos

The 2003 Adopted and 2004 Endorsed Budget anticipates \$800,000 and \$700,000 respectively, in revenue from sales taxes paid on construction expenses for Sound Transit's light rail. These resources were intended originally to be committed to the Community Development Fund through direct General Subfund appropriations (in Finance General). The Budget maintains the same dollar commitment to CDF, by re-allocating \$500,000 in CDBG resources in 2003 and \$400,000 in 2004 from other activities to the CDF. These allocations are matched by \$300,000 from General Subfund in each year. The balance of sales tax revenues from light rail construction are used for other programs supported by the General Subfund.

The City Council adopted the following budget proviso:

Of the appropriation for 2003 for the Office of Economic Development, \$25,000 is appropriated (and \$25,000 is expected to be appropriated for 2004) solely for contracting for services with the Sports and Events Council and may be spent for no other purpose.

Resources	Summit Code	2001 Actual	2002 Adopted	2003 Adopted	2004 Endorsed
Office of Economic Development Budget Control Level					
Business Attraction/Retention		801,019	1,003,660	830,836	822,927
Community Development		694,469	702,762	1,878,879	1,905,503
Management & Operations		561,720	806,793	709,525	713,004
Workforce Development		4,655,246	4,109,088	2,930,070	3,014,280
Appropriation	X1D00	6,712,454	6,622,303	6,349,310	6,455,714
Department Total		6,712,454	6,622,303	6,349,310	6,455,714
Department Full-time Equivalents Total*		37.50	38.50	23.75	23.00

**The department FTE total is provided for information only. All authorized positions are listed in Appendix A.*

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Office of Economic Development: Business Attraction/Retention

Purpose Statement

The purpose of the Business Attraction/Retention program is to provide technical and financial assistance, business development and expansion services, and policy advice to Seattle's industrial, high tech, and small business communities so that Seattle maintains a diverse family-wage job base and low-income residents have access to these jobs.

Program Summary

Create program efficiencies by realigning staff responsibilities. This action results in enhanced support to the Economic Opportunity Taskforce and the proposed business assistance ombudsman.

Resources	2001 Actual	2002 Adopted	2003 Adopted	2004 Endorsed
General Subfund	801,019	1,003,660	830,836	822,927
Total	801,019	1,003,660	830,836	822,927
Full-time Equivalents Total*	5.00	5.00	4.50	4.50

**The program FTE total is provided for information only. All authorized positions are listed in Appendix A.*

Office of Economic Development: Community Development

Purpose Statement

The purpose of the Community Development program is to provide operating, grant, loan, and project management support to neighborhood business districts and community-based development organizations, as well as for special projects, so that Seattle has thriving neighborhoods and broadly shared prosperity.

Program Summary

Increase General Subfund resources to this program by approximately \$700,000 to facilitate the use of Community Development Block Grant (CDBG) resources for the Community Development Fund (CDF). This increase in General Subfund is fully offset by a \$700,000 reduction in CDBG resources to this program. As a result, there are no program impacts resulting from this increase in General Subfund resources.

Create program efficiencies by realigning staff responsibilities. This action results in enhanced support to the Community Development Fund and efforts to revitalize neighborhood business districts.

Increase capacity to manage loan and grant programs administered by the Office of Economic Development (OED) by adding a half-time Senior Grants and Contract Specialist. This increase in staff capacity will improve OED's ability to respond to client needs as well as to information requests by granting authorities.

Resources	2001 Actual	2002 Adopted	2003 Adopted	2004 Endorsed
General Subfund	694,469	702,762	1,878,879	1,905,503
Total	694,469	702,762	1,878,879	1,905,503
Full-time Equivalents Total*	8.00	9.00	8.50	8.50

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Office of Economic Development: Management & Operations

Purpose Statement

The purpose of the Management & Operations program is to provide leadership and financial, administrative, communications, human resources, and special initiatives management to department personnel so that they can effectively accomplish the mission and goals of the OED.

Program Summary

Create program efficiencies by realigning staff responsibilities. This action results in enhanced support to the Economic Opportunity Taskforce and the proposed business assistance ombudsman.

Resources	2001 Actual	2002 Adopted	2003 Adopted	2004 Endorsed
General Subfund	561,720	806,793	709,525	713,004
Total	561,720	806,793	709,525	713,004
Full-time Equivalents Total*	6.75	6.75	7.75	7.75

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Office of Economic Development: Workforce Development

Purpose Statement

The purpose of the Workforce Development program is to provide workforce development services to businesses, community organizations, residents, the Mayor, City Council, and other public decision makers so that employers meet their need for qualified workers, and all residents, particularly those who are disadvantaged, secure and retain family-wage jobs.

Program Summary

Establish the Seattle Jobs Initiative (SJI) as an independent non-profit entity. As a nonprofit organization, SJI will become more efficient and entrepreneurial, initially saving the City approximately \$600,000 annually. Since its inception in 1997, the City always envisioned transitioning SJI into a non-profit entity. As a nonprofit, SJI will be well positioned to leverage additional funding, achieve operational efficiencies, and develop training products that are marketable to similar agencies across the country. As an independent organization, SJI will maintain its support of community-based organizations which advocate for low-income, low-skilled adults. This adjustment will result in the abrogation of 14.5 City positions.

Consolidate administration of the "Help for Working Families" initiative into the Human Services Department (HSD). This is accomplished by transferring the Human Services Coordinator who now manages the program from the Office of Economic Development (OED) to HSD. This action will streamline the management of this program and reduces OED's budget by approximately \$60,000 annually.

Resources	2001 Actual	2002 Adopted	2003 Adopted	2004 Endorsed
General Subfund	4,655,246	4,109,088	2,930,070	3,014,280
Total	4,655,246	4,109,088	2,930,070	3,014,280
Full-time Equivalents Total*	17.75	17.75	3.00	2.25

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