

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 work force needs; and
- Improve customer satisfaction for businesses accessing City services.

Policy and Program Changes

The 2004 Adopted Budget reflects a total reduction from the 2004 Endorsed Budget of approximately \$585,000. Activity is reduced in OED's four program areas: Business Development, Community Development, Work Force Development and Management and Operations. Reductions are made to general administrative costs, as well as to contracting in supportive services.

In addition, resources are realigned to eliminate split funding positions between programs, and to simplify time tracking and reporting. This results in two programs, Business Development and Management and Operations, receiving a net increase in resource allocation. The other two programs receive the offsetting decreases in resource allocation.

OED's adopted budget does not include program activity from Community Development Block Grant (CDBG) sources. These funds are displayed in the CDBG section of the 2004 Adopted Budget. Approximately \$4.1 million in CDBG sources are used by OED for economic development activities, compared to \$3.6 million in the 2004 Endorsed Budget.

City Council Budget Changes and Provisos

The Council has placed certain restrictions on opinion-gathering activities and has limited the use of appropriated funds for polls and surveys to \$2,500 unless authorized by ordinance. See Appendix C for full proviso text.

Economic Development

Appropriations	Summit Code	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
Office of Economic Development Budget Control Level					
Business Development		848,411	830,836	822,927	1,028,702
Community Development		970,233	1,878,879	1,905,503	856,080
Management and Operations		851,932	709,525	713,004	1,318,601
Work Force Development		4,835,478	2,930,070	3,014,280	2,667,391
Office of Economic Development Budget Control Level	X1D00	7,506,054	6,349,310	6,455,714	5,870,774
Department Total		7,506,054	6,349,310	6,455,714	5,870,774
Department Full-time Equivalents Total*		38.50	23.75	23.00	23.00
<i>*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.</i>					
Resources					
General Subfund		7,506,054	6,349,310	6,455,714	5,870,774
Total		7,506,054	6,349,310	6,455,714	5,870,774

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Office of Economic Development Budget Control Level

Purpose Statement

The purpose of the Office of Economic Development Budget Control Level is to provide business assistance, and community and work force development services to businesses, community organizations, and residents so that Seattle has a strong economy, thriving neighborhoods, and broadly shared prosperity.

Program Expenditures	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
Business Development	848,411	830,836	822,927	1,028,702
Community Development	970,233	1,878,879	1,905,503	856,080
Management and Operations	851,932	709,525	713,004	1,318,601
Work Force Development	4,835,478	2,930,070	3,014,280	2,667,391
TOTAL	7,506,054	6,349,310	6,455,714	5,870,774
Full-time Equivalents Total*	38.50	23.75	23.00	23.00

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Office of Economic Development: Business Development

Purpose Statement

The purpose of the Business Development 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

Transfer \$185,000 in funding from the Community Development program to the Business Development program to eliminate split funding of positions between programs, and to simplify time tracking and reporting.

Increase budget by \$50,000 to support the retention of businesses in the manufacturing sector.

Reduce a total of \$22,000 in funding to the following five organizations: Manufacturing and Industrial Council, Seattle Convention and Visitor's Bureau, Seattle Sports Commission, Central Puget Sound Economic Development District, and Economic Development Council of Seattle and King County.

Reduce budget by \$6,000 for work in analyzing and creating growth strategies for key economic business sectors in Seattle.

Citywide adjustments to inflation assumptions reduce the budget by \$1,000, for a net increase from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$206,000.

Expenditures/FTE	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
Business Development	848,411	830,836	822,927	1,028,702
Full-time Equivalents Total*	5.00	4.50	4.50	4.50

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Economic Development

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

Transfer \$614,000 in funding from the Community Development program to the Business Development and Management & Operations programs. This is done to eliminate split funding of positions between programs and to simplify time tracking and reporting.

Reduce budget by \$3,000 for work in real estate market analysis, and map and data research.

Reduce contracts to the Farmer's Market and the Downtown Seattle Association by a total of \$11,000.

Reduce funding to Community Development Corporations (CDCs) for predevelopment costs on real estate construction projects by \$420,000. The City contracts with Impact Capital which leverages these resources to generate additional revenue to support implementation of the CDCs' business plans. These CDCs include SouthEast Effective Development, Seattle Chinatown International District Public Development Authority, Central Area Development Association, Pioneer Square Community Association, HomeSight, Interim Community Development Association, and Delridge Neighborhoods Development Association. These organizations will receive an additional \$400,000 in CDBG funds in 2004. This is reflected in the CDBG section of the budget book.

Citywide adjustments to inflation assumptions reduce the budget by \$1,000, for a total reduction from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$1 million.

Expenditures/FTE	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
Community Development	970,233	1,878,879	1,905,503	856,080
Full-time Equivalents Total*	9.00	8.50	8.50	8.50

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

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Office of Economic Development: Management and Operations

Purpose Statement

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

Program Summary

Transfer \$752,000 from the Community Development and Work Force Development programs to the Management and Operations program to eliminate split funding of positions between programs, and to simplify time tracking and reporting.

Reduce administrative costs by approximately \$86,000, including reducing expenses in website development, organizational development, computer hardware/software and general office costs.

Citywide adjustments to inflation assumptions reduce the budget by \$60,000, for a net increase from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$606,000.

Expenditures/FTE	2002	2003	2004	2004
	Actual	Adopted	Endorsed	Adopted
Management and Operations	851,932	709,525	713,004	1,318,601
Full-time Equivalents Total*	6.75	7.75	7.75	7.75

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Office of Economic Development: Work Force Development

Purpose Statement

The purpose of the Work Force Development program is to provide work force development services to businesses, community organizations, residents, the Mayor, City Council, and other public decisionmakers 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

Transfer \$324,000 from the Work Force Development program to the Management & Operations program to eliminate split funding of positions between programs, and to simplify time tracking and reporting.

Reduce funding to three contracts supporting the department's work force development efforts by a total of \$23,000. These contracts include the Worker Center, Port Jobs and the Seattle Jobs Initiative.

The total reduction from the 2004 Endorsed Budget to the 2004 Adopted Budget is approximately \$347,000.

Expenditures/FTE	2002	2003	2004	2004
	Actual	Adopted	Endorsed	Adopted
Work Force Development	4,835,478	2,930,070	3,014,280	2,667,391
Full-time Equivalents Total*	17.75	3.00	2.25	2.25

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

