

Economic Development

Introduction

The vital center of the Puget Sound economy, Seattle is also a leading west coast hub. Over the past 50 years, Seattle's economy has successfully transitioned from one focused on timber, shipping, aerospace and the military to a more diverse economy that reflects both traditional industry and emerging technology and innovation-driven sectors. After a challenging decade that included the Nisqually earthquake, September 11, and the Great Recession, Seattle recovered economically more quickly than other places. As of 2013, Seattle regained the 35,000 jobs lost during the recession, pushing unemployment below 5 percent for the first time since 2008. The highest jobs growth occurred in the services sector. Although the number of jobs in manufacturing/industrial centers has shrunk, they still account for 16 percent of all jobs.

The City is planning for an additional 115,000 jobs over the next 20 years. The Urban Village strategy identifies the geographic areas best suited for job growth—urban centers, urban villages and manufacturing/industrial centers. Some businesses and jobs are best suited to the mixed-use, walkable urban centers and villages. Others require unique features, services and targeted land uses that fit best in manufacturing/industrial centers. Seattle must balance these varied demands in order to sustain existing businesses while also anticipating the needs of emerging business and industry.

The purpose of the Economic Development Element is to provide direction about how to maintain and grow Seattle's vibrant, diverse, and increasingly global economy in ways that benefit individuals across all income levels, business and industry sectors, and the city's diverse communities. The City will strive to reduce income inequities, and also identify and address policies that contribute to or create inequity.

Seattle's attractiveness as a place to live, work, and visit is a competitive advantage. Seattle's beautiful physical setting, thriving cultural scene, walkable neighborhoods, diverse restaurants, unique shopping, accessible nature, and historic assets generate direct economic benefits. They also contribute to the high quality of life that draws business, people and tourists. Another advantage is Seattle's collaborative culture in which leaders from public and private sectors work together to encourage innovation and to support business formation, retention, and expansion.

However, not all residents have shared in Seattle's economic prosperity. Communities of color have higher rates of unemployment, lower incomes, and less education. Widening gaps in income and opportunity hurt Seattle's future prospects. Closing these inequities will require more training and education for the city's marginalized populations. Improving their skills and education will reduce the need to import workers from elsewhere. Community-led economic development in under-invested neighborhoods can spur small business start-up and growth, and provide economic opportunities for

current resident, immigrant and refugee entrepreneurs. Shared prosperity is not just about what low-income communities need, it is about what they can contribute.

Commercial Districts

Discussion

Seattle enjoys an attractive, flourishing downtown core that accounts for about 30 percent of all jobs within the City. Outside of downtown and other urban centers, a network of distinctive, traditional, walkable places (known as hub urban villages and residential urban villages) exists. This is where small businesses thrive, communities engage, and many local jobs are created. About 12 percent of Seattle's jobs are located in these districts.

GOAL

EDG1 Encourage vibrant commercial districts in urban centers and villages.

POLICIES

- ED1.1 Enhance the downtown core as the economic center of the city and the region, and strengthen its appeal as home to many of Seattle's vital professional service firms, high technology companies and regional retail, as well as cultural, historic, entertainment, convention and tourist facilities.
- ED1.2 Promote a comprehensive approach to strengthen neighborhood business districts through organization, marketing, business and retail development, and a clean, safe, walkable and attractive environment.
- ED1.3 Prioritize commercial districts for assistance in areas of lower economic opportunity.
- ED1.4 Enrich the vibrancy of neighborhood business districts through the integration of design, public art, public space, historic preservation and cultural spaces and programming.
- ED1.5 Support independently owned and operated retail and restaurants in commercial districts to reinforce local neighborhood and cultural identity and strengthen the local economy.

Industry Clusters

Discussion

Seattle's best prospects for future economic growth reside with so-called industry clusters—concentrated networks of interdependent firms, research and development institutions, and others. Manufacturing, maritime, life sciences, information and communications technology, global health/healthcare, clean technology, tourism, and film and music are the identified industry clusters in our city.

These clusters not only help the associated businesses, which benefit from the rapid exchange of information, leading to innovative and efficient operations, but they also are an asset to the overall economy. Generally, businesses in industry clusters pay higher than average wages, bring new capital into the economy, are environmentally minded, and add variety to the economic base. By identifying key sectors of the economy in which Seattle has a competitive advantage, the City can better achieve a vibrant, balanced, and diversified economy that benefits individuals across all income levels.

GOAL

EDG2 Enhance strategic industry clusters that build on Seattle's competitive advantages.

POLICIES

- ED2.1 Improve linkages between industry clusters and research institutions, hospitals, educational institutions and other technology-based businesses.
- ED2.2 Encourage collaboration among businesses within and across industry clusters in the areas of marketing, research, capital and talent acquisition, and expansion of highly skilled jobs.
- ED2.3 Improve the ability of industry clusters to transfer technology in cooperation with other jurisdictions and with major education and research institutions.
- ED2.4 Promote better coordination of economic and community development activities among City departments as well as with all levels of governments, the business community and nonprofits to strengthen industry clusters.

Business Climate

Discussion

Business climate refers to the external factors that attract and sustain businesses in a place. Factors include quality of the workforce, taxes, regulations, incentives, and other government policies and investments, as well as overall quality of life. Seattle is renowned for its mild climate, extraordinary access to recreation and natural resources, and diverse cultural offerings. Seattle's collaborative culture proves another economic advantage, as leaders from public and private sectors work together to encourage innovation and support the creation, growth, retention and expansion of new local businesses. Some aspects of Seattle's business climate are challenging for business, such as complex development regulations, earthquake risk, and underfunded transportation and education systems.

GOAL

EDG3 Encourage a business climate that supports new investment, job creation, and resilience.

POLICIES

- ED3.1 Promote the expansion of international trade within Seattle and throughout the region.
- ED3.2 Strive to make the business climate more competitive through use of transparent and predictable regulations, efficient approval processes, and reasonable taxes, fees and utility rates.
- ED3.3 Foster partnerships between the public and private sectors to improve business climate.
- ED3.4 Improve coordination of information and services between city, county, regional, state, and federal agencies to develop and implement economic development policies and programs.
- ED3.5 Consider the needs and priorities for long-term economic recovery in post-disaster recovery and mitigation planning.

Workforce

Discussion

The success of industry clusters depends on a skilled and competitive workforce. However, many workers do not have the necessary skills to meet job qualifications, and employers have noted a lack of qualified job applicants for some positions in Seattle. This includes a variety of industries unable to find enough local college graduates in certain engineering, computer, and life science fields, as well as

traditional industries looking to replace an aging highly skilled workforce. As a result, many employers look to attract talent from elsewhere. Better education and training of local workers can connect displaced workers, disadvantaged youth, and recent immigrants to higher skilled job opportunities. Full participation in the economy, also requires skill building that lead to job progression for local workers.

GOAL

EDG4 Encourage the development of a highly trained and well-educated local work force that effectively competes for meaningful and productive employment, earns a living wage, meets the needs of business and increases opportunities for social mobility.

POLICIES

- ED4.1 Create a coalition of business, labor, civic, social service agencies and educational institutions in order to develop education and training programs targeted to the needs of business, especially for high-demand science, technology, engineering, and mathematics skills.
- ED4.2 Increase job training, internships and placement to overcome high barriers to employment and achieve greater racial and social inclusion in the workforce.
- ED4.3 Encourage all businesses to pay a living wage, provide necessary employment benefits and hire local residents.

Entrepreneurial and Small Business Development

Discussion

Our City is home to major national companies such as Starbucks, Amazon and Nordstrom. However, most Seattle businesses have fewer than 10 employees. Sectors with an especially high proportion of small businesses include construction, wholesale trade, manufacturing, retail and related services, and increasingly, start-ups in technology and other creative industries. In addition, food growers, processors, and distributors are a quickly expanding presence within the local economy.

As technological advances continue to lower the cost of starting new businesses, the rate of new entrepreneurs will rise. In addition to attracting new types of businesses, we must redouble our efforts to retain the small, culturally diverse businesses that support equally diverse communities.

GOAL

EDG5 Strengthen the entrepreneurial environment for start-ups and small businesses.

POLICIES

- ED5.1 Encourage institutions of higher education towards commercialization of research innovations to fuel the growth of start-ups.
- ED5.2 Enhance arts and culture activities to attract creative class workers, living wage employers and tourists to Seattle, as well as to enrich our overall culture of innovation.
- ED5.3 Create a network for technology and innovation entrepreneurs to learn about services and jobs, build relationships and find resources—all of which will help enable their businesses to flourish.
- ED5.4 Establish incentives to encourage property owners and building owners to offer affordable spaces for startups and small businesses.
- ED5.5 Reduce barriers to business startup and entrepreneurship.
- ED5.6 Promote the growth of local small businesses.