



**City of Seattle
Office of Economic Development
Strategic Action Plan 2004-2009**

November 2004

Connecting Business, Community and People

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City of Seattle Office of Economic Development Contributing Staff

Regena Bethea
Blanche Carvalho
Myrna Dumo
Kristine K Effertz
Yvonne Green
Diane Hadi
Catherine Hawley
Jennifer Hayes
Donna James
Steve Johnson
Nancy C. Knox
Laura Lutz

Suching Luu
Jill Nishi
Tim Rash
Christina Reed
Karen Selander
Willair St.Vil
Ken Takahashi
Rob Watt
Tinná R. White
Nancy Yamamoto
Jackie Yang
Karin Zaugg



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BERK & ASSOCIATES

120 Lakeside Avenue
Suite 200
Seattle, Washington 98122
www.berkandassociates.com
P (206) 324-8760

"Helping Communities and Organizations Create Their Best Futures"

Principals: Bonnie Berk and Michael Hodgins

Project Manager: Bonnie Berk

Additional Analysts: Brian Murphy, Chris Mefford, Matt Stevenson

Report Production: Brian Murphy and Meghann Glavin

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MISSION STATEMENT

To create a robust economy and broadly shared prosperity.

VALUES STATEMENT

The City of Seattle's Office of Economic Development is committed to balancing economic growth with the pursuit of economic and social justice. We help create a vibrant economy which benefits the whole city by promoting access to economic opportunities for all of Seattle's diverse communities. We support economic development that is financially, environmentally, and socially sustainable. To achieve these ends, we are innovative and action-oriented and work effectively with our partners to ensure maximum impact.

GUIDING PRINCIPLES



A. Balance. OED works to strengthen Seattle's key industries and to facilitate access to economic opportunities for all of Seattle's residents. The creation of a vibrant, balanced and diversified economy benefits individuals across all income levels.



B. Race and Social Justice. OED works to reduce disproportionality in economic opportunity; to foster more inclusive civic engagement; to ensure equity in City business and personnel practices; and to deliver City services that are relevant to Seattle's diverse populations.



C. Partnerships. OED values collaboration with communities, service organizations and other City departments to meet its objectives. OED strives for open, two-way communication with partners and contractors; clearly defined, mutually understood objectives; accountability; and honest, productive feedback.

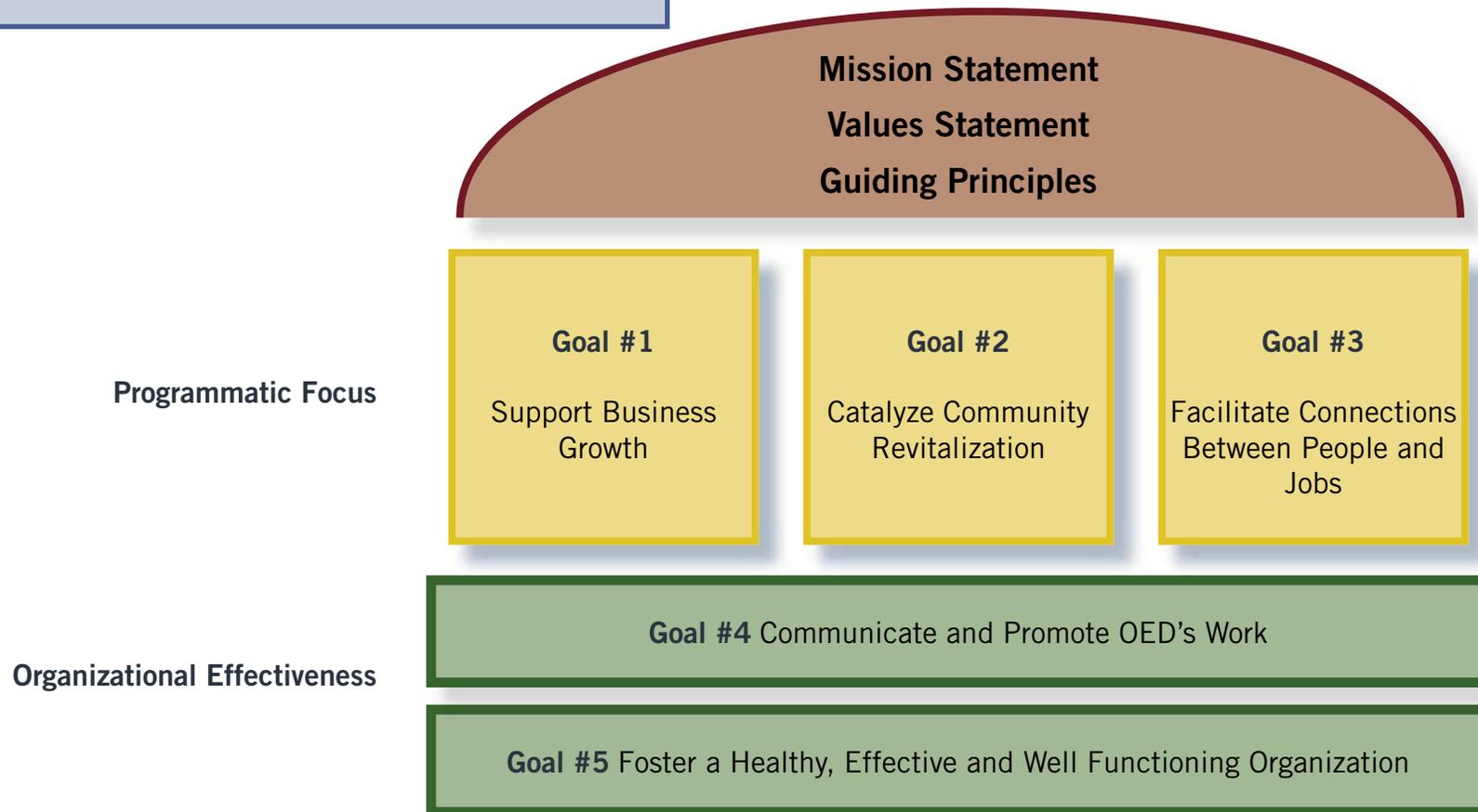


D. Sustainability. OED promotes sustainable economic activity in Seattle, recognizing the connections among economic opportunity, healthy communities, and environmental stewardship.



Communications Effort

OED's Strategic Plan is guided by its overarching Mission Statement, Values Statement and Guiding Principles. Three Goals serve as pillars to guide OED's programmatic focus, and two internally focused Goals, providing a strong organizational foundation for OED's operation in the coming years.



GOAL #1: SUPPORT BUSINESS GROWTH

Grow Seattle's Economy Through Business Development, Retention and Expansion Activities Focused on Key Industry Sectors and Small Business

A. Develop and implement sector strategies to facilitate growth in eight strategically chosen sectors.

- Manufacturing and Maritime
- Smart Energy
- Biotech
- Sustainable Building
- Information and Communications Technology
- Film
- Music
- Healthcare

B. Support the creation and sustainability of Seattle's small businesses.

C. Strengthen Neighborhood Business Districts.

- Focus and supplement the Neighborhood Business District Grant Program
- Provide support for Neighborhood Business District Organizations

D. Assist Seattle's underserved small business owners, with a focus on immigrant entrepreneurs.

GOAL #2: CATALYZE COMMUNITY REVITALIZATION

Develop and Execute Revitalization Strategies to Drive Growth and Investment in the City's Economically Distressed Neighborhoods

A. Market and utilize federal financing tools for direct investment in community revitalization projects in economically distressed neighborhoods.

B. Stimulate private investment in targeted neighborhood business districts (University District and Broadway).

C. Design and implement a revitalization strategy for the Rainier Valley.

D. Lead and coordinate a revitalization strategy that creates dynamic residential neighborhoods in South Downtown.

GOAL #3: FACILITATE CONNECTIONS BETWEEN PEOPLE AND JOBS

Develop Workforce Training Resources for Underemployed and Unemployed Seattle Residents, Benefiting Individuals and Industry, Supporting Key Sectors and Diversifying and Strengthening Seattle's Economy

- A. Invest in the apprenticeship preparation system, with specific geographic focus on the Rainier Valley and industry focus on the building trades.
- B. Invest in the Seattle Jobs Initiative to place 500 low income individuals per year in jobs that pay at a minimum \$9.00 per hour with benefits, achieving at least 50% retention one year after placement.

GOAL #4: COMMUNICATE AND PROMOTE OED'S WORK

Communicate OED's Mission, Role, and Programs to Partners, Other City Departments, Stakeholders and the Community at Large

- A. Enhance OED's presence and visibility in the community. Build strong relationship between OED staff, stakeholders, and partners.
- B. Develop new and enhanced electronic and print materials to articulate OED's mission, priorities and strategies, and to create increased understanding of OED's focus areas.
- C. Strengthen OED's website to align with the outcomes of OED's strategic planning process.

GOAL #5: FOSTER A HEALTHY, EFFECTIVE AND WELL-FUNCTIONING ORGANIZATION

Maximize the Human Capital Asset of the Organization Through Appropriate Training, Effective Communication and Interconnectedness Between Management and Staff to Fully Realize OED's Strategic Plan

- A. Invest in individual and organizational development to ensure capacity exists to achieve the OED Strategic Plan.
- B. Recruit, develop, retain and promote a highly skilled and motivated workforce.
- C. Effectively utilize partnerships to maximize the efforts of OED and other departments and agencies pursuing complementary aims.
- D. Ensure resources are managed in an equitable and effective fashion.

GOALS, ACTION STRATEGIES & IMPLEMENTATION STEPS

The following pages contain the detailed **Goals, Action Strategies** and **Implementation Steps**, designed to accomplish OED's overall Mission. Implementation Steps are concrete, time-bound activities that detail how OED will accomplish related Action Strategies and Goals. Annotation throughout the Plan provides additional context.

GOAL #1: SUPPORT BUSINESS GROWTH

Grow Seattle's Economy Through Business Development, Retention and Expansion Activities Focused on Key Industry Sectors and Small Business



A. DEVELOP AND IMPLEMENT SECTOR STRATEGIES TO FACILITATE GROWTH IN EIGHT STRATEGICALLY CHOSEN SECTORS.

The following pages describe focused efforts in key strategic sectors:

- Manufacturing and Maritime
- Biotech
- Information and Communications Technology
- Healthcare
- Smart Energy
- Sustainable Building
- Film
- Music

Emphasis on Strategic Sectors Focuses OED's Efforts

In June 2002, the Mayor's Economic Opportunity Task Force recommended that the City of Seattle "develop targeted, pro-active strategies, partnerships and programs to support and attract existing and new industries that are key to the city's job and tax base." By "targeted," the Task Force intended that the City strategically focus upon "a few key business sectors for development and retention." Sectors suggested by the Task Force included maritime, biotech, software, photonics and nanotechnology, food processing, wholesale/distribution, tourism, film and music.

OED is strategically focusing on the development of the eight sectors listed on the following pages. These sectors are not only critical to the future of the City's economy, but are also supportive of regional economic development goals. OED is committed to playing an active, contributory role in regional economic development planning efforts of the Puget Sound Regional Council.

SEATTLE'S INDUSTRIAL SECTOR

includes manufacturing, maritime and related businesses. In addition to contributing significantly to the City's tax base, the industrial sector creates accessible, family-wage jobs and provides important diversification in our economy.

Jobs

- 121,700 jobs (2001)
- \$50,900 average wage (2001)

Revenues and Tax Contributions

- \$28.5 billion (2001)
- Industrial retail sales tax collected by the City was \$46.7 million, or 39% of the total collected (2001). In addition, the City collected \$38 million in B&O taxes and \$13.2 million in utility taxes from industrial sector businesses

*Basic Industries Cluster Analysis Study,
Berk & Associates, 2004*

Manufacturing and Maritime

- Lead an interdepartmental team to continue implementation of the Mayor's Manufacturing and Maritime Action Plan. Convene monthly meetings with the Office of Policy and Management (OPM) and the Department of Planning and Development (DPD) in 2004 and 2005 to address and resolve land use issues, focusing primarily on T90/91 and the Shoreline Mitigation project.
- Actively participate in the Rapid Response Team with the Port of Seattle and the Manufacturing Industrial Council to quickly and thoroughly respond to Seattle companies seeking to expand and grow in Seattle.



Manufacturing and Maritime

- Implement the Seattle First industrial business attraction and retention program to provide active outreach and resources to 100 industrial businesses in 2004 in coordination with the Manufacturing Industrial Council.
- Conduct outreach to twenty maritime businesses in 2004 in coordination with the Office of Sustainability and Environment (OSE) and DPD to reduce costs and improve profitability through resource conservation and pollution prevention.

SEATTLE'S MARITIME SECTOR is considered a distinct, standalone sector of the industrial sector and includes businesses engaged in fishing, water transportation, ship building and repair, marine goods and services, seafood processing, cold storage, and marine construction. The sector includes many stable multi-generational companies, maintains a long-standing competitive advantage for the City, creates accessible, family-wage jobs, and provides important economic diversification.

Jobs

- More than 22,000 jobs (2002)
- Nearly \$70,000 average wages (2002)

Revenues

- \$2.1 billion (2002)

Seattle's Maritime Cluster: Characteristics, Trends and Policy Issues, Paul Sommers and Derik Andreoli (University of Washington), 2004



BIOTECHNOLOGY is defined as the application of biological knowledge and techniques to develop products and services. Recently ranked 6th in the nation for biotech industry concentration, Seattle is home to highly acclaimed and well-funded medical research institutions that drive the industry's growth. Since the 1980s, more than two dozen biotech start-ups have been established in the Seattle area, which serves as a hub for the industry regionally.

Jobs

- Approximately 7,600 people are currently working in the City's biotech and medical device industries, representing more than 60% of the King County workforce in the sector (2002).
- Employment is projected to grow 6.4% annually (statewide) between 2002 and 2005, compared to 1.5% for all jobs statewide

Revenues

- \$1.8 billion in direct revenues statewide (2002)
- \$3.5 billion in total (direct and indirect) contributions statewide (2002)

Biotechnology and Medical Device Industry in Washington: An Economic Analysis, Huckell/Weinman Associates, Inc., 2002

Biotech

- Continue to promote Seattle's biotechnology industry. Evaluate and identify the most robust marketing and communication channels for attracting more biotech companies to South Lake Union. In 2005, have a presence in three publications or events.
- Explore options for attracting biotech manufacturing and/or clinical research organizations in 2005. Make policy recommendations and implement in 2006.
- Determine the most effective OED role in the international annual BIO Conference.
- Partner with EDC in 2005 to provide active business retention and expansion outreach to existing biotech businesses, and attraction of new businesses.



Information and Communications Industry

- Actively partner with and support regional and state information and communications technology associations such as the Technology Alliance, the Washington Software Alliance and the Washington Technology Center).
- Focus outreach and retention efforts on software development (including gaming development) and communications technologies (including Wi-Fi).



SEATTLE'S INFORMATION AND COMMUNICATIONS INDUSTRY CLUSTER

is comprised of more than 856 businesses engaged in software development and production; internet services; communications technologies; data processing and related services; and computer consulting and custom services.

Jobs

- 18,250 jobs, including both technical and non-technical jobs such as the administrative support, finance and management functions required to support company operations
- \$70,000 average salary (2002)

Revenues and Tax Contributions

- More than \$3.5 billion annually
- City tax revenues: \$10.6 million sales tax, \$4.2 million B&O, plus utilities and properties taxes

Seattle's Information and Communications Technologies Cluster, Berk & Associates, 2004

Healthcare

- In partnership with the Health Work Force Institute, develop a healthcare sector strategy that helps address current workforce challenges of the industry. Provide support for planning and development of select training programs in 2005 and 2006.

The **HEALTHCARE INDUSTRY** is directly or indirectly linked to one in five jobs in Seattle.

Jobs

- More than 76,650 medical workers, with \$3.0 billion in labor income
- More than 96,400 workers in the entire healthcare cluster, including medical workers as well as employees in medical institutions, biotechnology, medical device manufacturers, medical service industries and supportive training and research institutions, with \$4.2 billion in labor income

Revenues and Tax Contribution

- \$6.37 billion in total output (direct only) throughout the Seattle economy in 2002.
- \$10.85 million in City tax revenues

Economic Contribution of the Healthcare Industry to the City of Seattle, Huckell/Weinman Associates, Inc., 2004

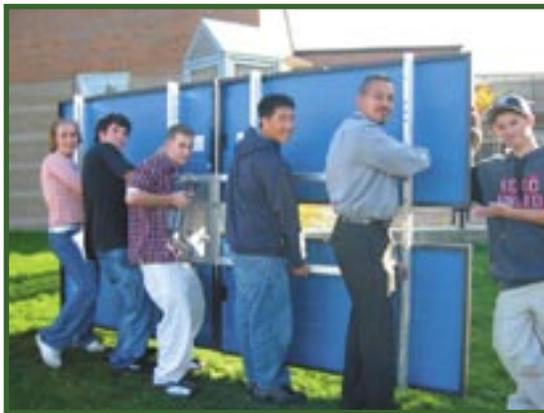


Smart Energy

- Explore areas of local government influence to increase creation and adoption of smart energy and renewable energy sources in Seattle. Partner with the State and leading regional companies in this effort. Complete sector strategy in 2005.

Sustainable Building

- Partner with OSE to complete Sustainable Building economic impact assessment by Q4 2004. Develop action plan to support sustainable building by Q2 2005. Begin implementation to foster this cluster by Q3 2005.



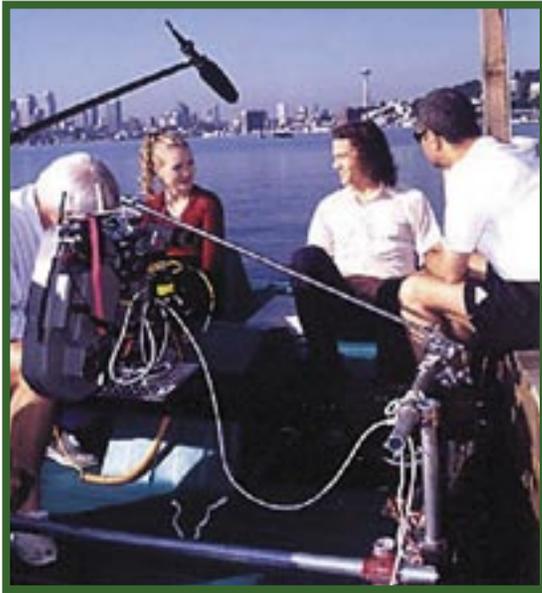
SMART ENERGY is an industry poised for tremendous growth given increasing demands for “premium power” (electricity free of fluctuations and interruptions), aging existing infrastructure and a movement towards distributed generation. It is also an industry in which the Pacific Northwest has significant advantages thanks to its research institutions, established transmission and distribution expertise, existing technology infrastructure and the environmental consciousness of local populations and businesses. Smart Energy is a subset of “Clean Energy,” which incorporates all efforts, including wind and solar generation, to achieve more efficient and environmentally sound methods of gaining energy.

The Smart Energy sector in British Columbia, Washington, and Oregon is estimated to encompass more than 225 companies with revenues in excess of \$1.9 billion plus at least another \$150 million in research and development funding.

Poised for Profit II: Prospects for the Smart Energy Sector in the Pacific Northwest, The Athena Institute, 2003

Seattle is already establishing itself as a global center for **SUSTAINABLE BUILDING**. Seattle has more LEED (Leadership in Energy and Environmental Design) certified professionals than any other city in the country. This concentration of architects, designers, contractors, builders, manufacturers and suppliers actively engaged in green building has already been encouraged by an active City role: Seattle was the first city in the country to adopt the U.S. Green Building Council’s LEED Silver target for its own major construction projects. With 16 large projects applying for LEED certification, this has been a huge boon to the local industry.

OED seeks to leverage Seattle’s existing assets and strengths in this area, enabling Seattle to become a worldwide center for green building.



Film

- Advocate for State incentives to draw filmmakers to Washington State. Join the State Film Office and the Film Industry, including film-related Unions, to lobby for statewide film incentives during the 2005 and 2006 legislative sessions. Prioritize incentives that will make Washington, and therefore Seattle, more attractive nationally and internationally (e.g. tax incentives, creative rebates to film companies).
- Continue to improve and update the permit process. Continue to promote an efficient and effective film permit process by interacting with City departments as well as private businesses that affect filming in Seattle. Identify three issues annually that impact the filming process, and provide outreach and education to departments and businesses that are involved. Issues may include parking, use of public or private property, or noise variances.
- Enforce Public Benefit section of film legislation. Clearly define and articulate opportunities to identify a public benefit (e.g. building improvements, educational opportunities) for medium to large scale film projects as required by Ordinance 121317. Clearly communicate those opportunities to clients.
- Create a film-friendly environment in Seattle. Identify and actively communicate both public benefits and the broader benefits of filming in Seattle to improve citizen and business support of filming. Implement communications in 2005 and 2006 including Mayoral op-ed pieces, public speaking opportunities and website updates.

Film

- Develop a permanent sound stage in order to project the image of Seattle as a complete production center. Continue to work with the film industry here to develop a sound stage in Seattle to encourage production. Continue evaluating and proposing the stage at Sandpoint in Building 27 in 2004 and 2005. If that proves unsuccessful, join forces to look at other property in 2006.
- Continue to promote and market Seattle as a film production center:
 - Develop new website content and design improvements to attract repeat and new visitors to the film website each year.
 - Join forces with the State film Office and the private sector to develop a marketing plan for the new State film incentives, the existing City incentives and the new sound stage. Develop plan in 2005 and implement in 2006.



SEATTLE'S FILM AND VIDEO INDUSTRY

includes production of feature film, videos, television movies, television programs, commercials, commercial still photography, documentaries, animation, and music videos. The City hosted 115 projects including 7 films in 2002, with 219 total days of filming and production. In addition to direct and indirect economic contributions, the industry builds positive image of Seattle, stimulates tourism, and supports Seattle's cultural resources and creative sector (artists, arts organizations).

Revenues

- \$207 million in direct economic contribution (\$63 million of which was salaries to local workers) and \$471 million direct and indirect economic contribution (2001)
- Out of state film production companies spent \$21.3 million in the City (2001)

Jobs

- 2,266 direct jobs including actors, audio and video equipment technicians, camera operators, editors, photographers, producers, directors and set and exhibit designers
- A total of 4,991 jobs were supported in total from increased spending on caterers, car/truck rental companies, restaurants, fuel/service stations, equipment rentals, etc.

Wages

- \$41,620 average wage

The Economic Impacts of Film and Video Productions on Seattle, A Report for the City of Seattle's Office of Film and Music, ECONorthwest, September 2003

SEATTLE'S MUSIC INDUSTRY is comprised activities related to music performance, composition, distribution, promotion, production, training and education, as well as record labels, recording studios, live music venues, and equipment (manufacturing, rental, repair and retail). "Core" businesses are actively involved in music production. Seattle is home to more than 2,600 businesses in the core industries and an additional 335 businesses in related industries.

In addition to creating local jobs and contributing revenues to the local economy, the music industry Improves tourism by creating a destination city for leading musicians and bands and supports Seattle's cultural resources and creative sector.

Revenues

- Nearly \$650 million in direct economic contributions from "core" industries
- Over \$1.3 billion in revenues from both core and supporting industries

Jobs

- Nearly 8,700 jobs including musicians, composers, music distributors, promoters, music teachers, employees at live music venues and audio engineers

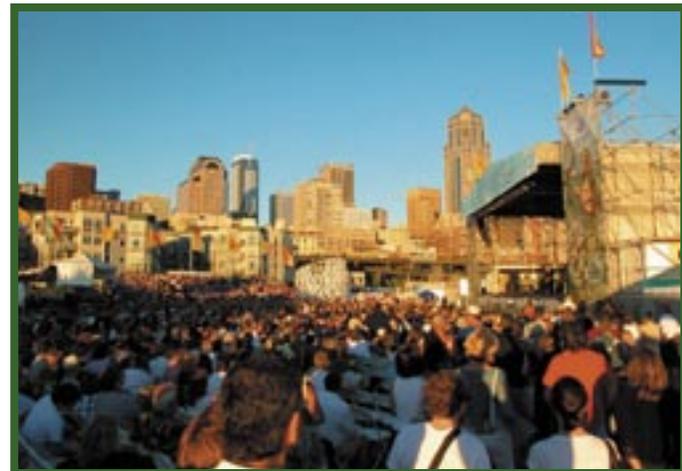
Wages

- \$197.3 million total labor income (2002)
- \$22,770 average wage (many people working in the industry have multiple employers and sources of income; combined income from these multiple sources of work creates higher earnings than the average wage figure otherwise suggests)

The Economic Impact Of Seattle's Music Industry; W. Beyers, A. Bonds, A. Wenzl, P. Sommers, University of Washington; 2004

Music

- Promote Seattle as a place to create, produce and listen to music.
- Develop a music promotion campaign in collaboration with the Music Advisory Committee in 2004. Implement the campaign in 2005 and 2006, using cultural tourism funds and private sector funding.
- Initiate, develop and foster relationships with three potential funders annually to increase funds for music promotion, beginning in 2005.
- Support three music events annually for potential partnership or sponsorship to further promote Seattle music.
- Develop new website content and design improvements to attract repeat and new visitors to the music website each year.
- Further develop, support and implement ideas from the Music Advisory Committee.





B. SUPPORT THE CREATION AND SUSTAINABILITY OF SEATTLE'S SMALL BUSINESSES.

Expand OED's role in working with and coaching small businesses to navigate the City's systems and processes.

- Conduct best practice research of how ten other cities provide Business Advocate or similar functions. Identify applicable practices for OED's Business Advocate by Q2 2005. Begin implementing practices in Q3 2005.
- Develop and implement a Business Advocate communications and outreach strategy to increase awareness about the Business Advocate service among the business community during Q4 2004. Include the following components:
 - Story placement in neighborhood newspapers, newsletters
 - Advertisements outlining Business Advocate service in neighborhood newspapers. Prioritize and target ten publications per year, and place ads semi-annually.
 - Speaking engagements for the Advocate, followed by an association or group newsletter article with contact information.
 - Active participation and a stronger OED presence at neighborhood business district meetings. Attend a minimum of two meetings year at each of the more than 15 organizations which hold regular meetings.

Access to Technical Assistance and Capital is Critical to Small Business Success

The two most significant factors in successful businesses are being large enough to have employees and having \$50,000 or more in start-up capital. Businesses with easier access to early stage capital have a greater chance at success than firms with limited access to resources (*Redefining Business Success: Distinguishing Between Closure and Failure*, by Brian Headd, SBA).

The Report to Congress on the Availability of Credit to Small Business (Federal Reserve Board, 2002) states that "23% of respondents indicated that they had forgone applying for credit when they needed it because they feared denial." Furthermore, "Among small businesses (less than 500 employees) larger firms were more likely than smaller firms to have their loans approved."



- Develop, coordinate and host a quarterly series of permitting workshops for new businesses beginning Q1 2005. City Departments represented at the workshops will include the Department of Planning and Development (DPD), the Seattle Fire Department, Public Health Seattle and King County, and the Seattle Department of Transportation (SDOT).
- Provide trouble shooting and problem solving services to more than 100 businesses per year. Coordinate with other City departments to resolve issues individual businesses are facing, including but not limited to permitting, roads, or utilities.
- Identify systemic issues businesses face with the City, and work with City departments to resolve and remove those barriers. Identify and resolve three barriers per year.

Ensure the needs of the business community are represented and heard on major transportation project teams and on capital improvement projects.

- Actively participate in C3 (an interdepartmental communications group working on capital investment projects). Coordinate monthly with SDOT, Seattle Public Utilities, Seattle City Light, and the Department of Neighborhoods to discuss projects affecting business districts.
- Ensure outreach to businesses during construction remains a priority of the C3 effort. Provide input and suggestions for improvement of the Tool Kit for Project Managers, the post construction survey process and biyearly reports to City Council.
- Support a Business Mitigation Loan program and other outreach strategies during the construction of major transportation projects.
- Work with and support SDOT and a business mitigation program for the Monorail project.
- Represent the needs of the Manufacturing and Industrial Council (MIC), the Ballard Interbay Northend Manufacturing and Industrial Center (BINMIC), and the business community in general as the Alaskan Way Viaduct project progresses.

Facilitate small business access to technical assistance and capital

- Provide business assistance services to 200 entrepreneurs per year
- Support entrepreneurs applying for 40 loans per year
- Give monthly presentations promoting available business assistance services and sources of capital to neighborhood business district, chamber organizations, and immigrant and refugee organizations.

Small Businesses are a Fundamental Component of Seattle's Economy

"There's never been a time with more need to support entrepreneurs creating jobs. We need a place for entrepreneurs who can't go to college to get the education and financing they need to play a role in building their communities."

Community Stakeholder; March - May, 2004

Small Business Contributions Seattle-Bellevue-Everett Metropolitan Statistical Area, 2001

Employees	Employment		Annual Payroll	
	Total	Percent of Total	Total	Percent of Total
Fewer than 100	441,389	35%	\$15 billion	26%
Fewer than 500	615,901	48%	\$22 billion	39%

The Small Business Administration states that small businesses account for 60% to 80% of net new jobs added to the national economy. Furthermore, according to the Washington Job Vacancy Survey and Small Business Administration reports, small businesses provide important employment opportunities for those with low education and low-income job seekers.



C. STRENGTHEN NEIGHBORHOOD BUSINESS DISTRICTS.

Focus and supplement the Neighborhood Business District Grant Program (annually)

- Focus the grant process and awards funding on activities that are not provided elsewhere in the community.
- Develop criteria that assign greater value to projects that develop business district capacity; that create a meaningful physical improvement; or that leverage other City, foundation or community resources.
- Provide follow up assistance to organizations that do not receive funding, helping them be competitive in the following year.
- Make training dollars available throughout the year to increase the capacity of neighborhood business district organization staff and board.

Provide support for Neighborhood Business District Organizations

- Organize quarterly training opportunities and regular workshops to help reinvigorate key business districts by gathering new approaches and ideas about best practices or learning from experts or from each other about specific issues, including:
 - Promotion and development of small businesses
 - Business recruitment, development and retention
 - Appropriate business mix; standard services/needs for a business district
 - “Market Research Data 101”: what the data means and how to get it
- Utilize consultants to provide neighborhood business district organizations with focused assistance, including:
 - Strategies to support business districts during construction projects (2004)
 - Website development and maintenance (2005)

OED Leverages Existing Networks of Businesses

The strength of its commercial corridors is a unique feature of Seattle’s economy, contributing to robust neighborhoods and communities

OED supports groups of businesses by working with the more than 30 Seattle neighborhood business district organizations. This approach is effective and efficient in that it draws upon existing organizations, established relationships and local expertise.

- Develop and maintain resources for neighborhood business districts to utilize, including:
 - Data profile of the business district and surrounding neighborhood
 - *Create A Thriving Business District* guidebook
- Serve as a liaison for neighborhood business district organizations and business improvement area (BIA) organizations regarding City policies and programs.
 - Hold quarterly BIA staff meetings
 - Communicate on a quarterly basis with all business district organizations
- Promote implementation and expansion of Farmers Market program throughout the City to increase foot traffic in neighborhood business districts.
- Develop an assessment tool to evaluate how programs receiving OED funds are achieving their annual goals by Q2 2005. Implement the tool annually beginning mid-year 2005.
- Implement communications and outreach strategy for enhancing and promoting Neighborhood Business District program during Q4 2004:
 - Regular communication (phone, e-mail, presentations) with neighborhood business district organizations (at least quarterly).
 - Quarterly e-news to neighborhood business district organizations.
 - Develop printed materials describing neighborhood business district program.
 - Create packets with all neighborhood business district printed materials for any OED staff to use for outreach.
 - Update neighborhood business district section of OED website.



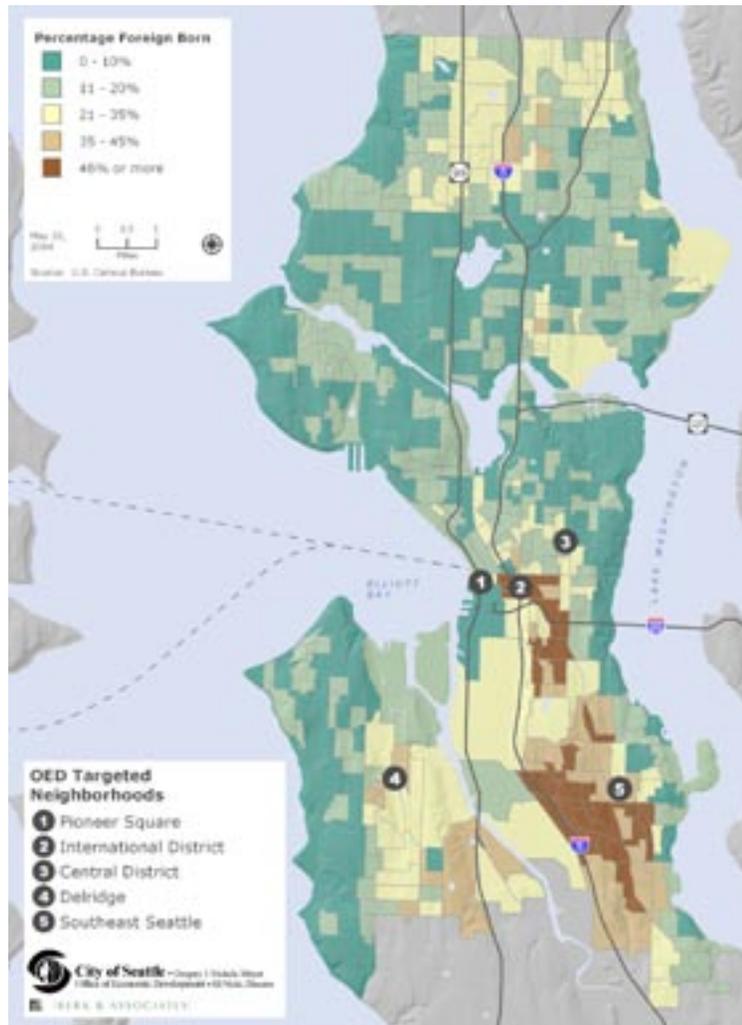


D. ASSIST SEATTLE'S UNDERSERVED SMALL BUSINESS OWNERS, WITH FOCUS ON IMMIGRANT ENTREPRENEURS

- Coordinate with the Mayor's Race and Social Justice Initiative to identify gaps in services to immigrant entrepreneurs (2005).
- Develop strategies to address gaps, including best practice research, and implement (2005).
- Evaluate delivery of services (2006).
- Explore the need and opportunities to expand services to other language groups by 2006.



Geographic Distribution of Seattle's Foreign Born Population



An Increasing Percentage of Seattle's Population is Foreign Born

Seattle's population in the 2000 Census was comprised of 17% immigrants, compared to 13% ten years earlier. The distribution of foreign born residents ranges from 0% in some Census tracts to more than 50% in parts of the Central and International Districts, as well as parts of Rainier Valley. This distribution is reflected in the map at the right (Berk & Associates, 2004).

Immigrant Entrepreneurs Face Difficulties in Accessing Capital

The challenge any start-up business owner faces in securing capital is particularly pronounced for minority-owned firms. A lack of access to capital restricts their size and number of employees, and limits the industries they focus in:

“The fact that minority-owned businesses tend to be more prevalent in industries with lower entry costs may – at least in part – reflect more binding liquidity constraints and generally less access to startup capital among prospective minority business owners” (*Minorities in Business*, Small Business Administration, 2001).

GOAL #2: CATALYZE COMMUNITY REVITALIZATION

Develop and Execute Revitalization Strategies to Drive Growth and Investment in the City's Economically Distressed Neighborhoods



A. MARKET AND UTILIZE FEDERAL FINANCING TOOLS FOR DIRECT INVESTMENT IN COMMUNITY REVITALIZATION PROJECTS IN ECONOMICALLY DISTRESSED NEIGHBORHOODS.



- Provide Community Development Corporation (CDC) operating support to strengthen financial, project and asset management systems in order to leverage 7 to 10 project investments projects by 2009.
- Secure new market tax credits by January 2005.
- Distribute new market tax credits to at least six projects by 2009.
- Work with community partners to improve 100 façades by 2009 (citywide).
- Average two Section 108 float or equity fund loans per year.
- Strengthen the Union Street Corridor neighborhood district by developing the Colman Building as a catalytic redevelopment project by 2006.
- Strengthen the Jackson Street corridor business node to improve commercial health, preserve economic diversity and build on the success of Welch Plaza.



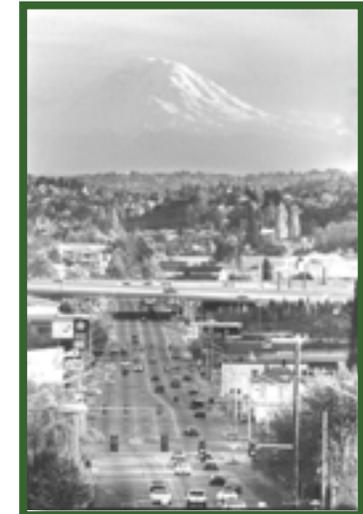
B. STIMULATE PRIVATE INVESTMENT IN TARGETED NEIGHBORHOOD BUSINESS DISTRICTS (UNIVERSITY DISTRICT AND BROADWAY).

- Identify and advocate for land use and code amendments for the Broadway and University Districts by the end of 2005.
- Broker and advocate for community redevelopment projects by serving as a link between developers and City regulatory bodies.
- Assist neighborhood business district organizations to develop strategies that strengthen the business retail environment for University District and Broadway.
- Complete a total of 10 façade projects each year in the University District and Broadway (combined for both).



C. DESIGN AND IMPLEMENT A REVITALIZATION STRATEGY FOR THE RAINIER VALLEY.

- Obtain City Council approval of the Community Development Fund (CDF) operating plan by 2005.
- Invest in the CDF and SJI to place 140 Rainier Valley residents in construction jobs paying at least \$9 hour by 2008.
- Invest in the CDF to close 10 commercial, mixed-use or multi-family projects by 2009.
- Assess community support in the Rainier Valley for a community renewal designation and, if desired, complete the designation by 2006.
- Distribute new market tax credits to support three mixed use and/or commercial projects by 2009.
- Complete 5 façade projects each year in the Rainier Valley.



Active Public Participation is Necessary for Catalytic Development Projects

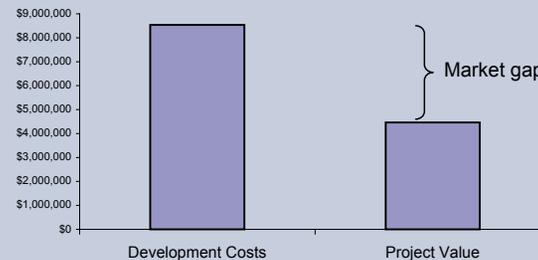
The project example below, which uses real market value and costs for a project proposed for the Rainier Valley, highlights the need for public contributions to bridge the market gap and facilitate desirable development in economically distressed Seattle neighborhoods. By providing project and operating support to Seattle's Community Development Corporations, OED facilitates the provision of desired high-density multifamily or mixed use development and catalyzes future private investment in these communities.

Project

- 43,560 SQ. FT. Lot
- 61,707 SQ.FT. Building
- 40 Residential Units
- 7,300 SQ.FT. Retail Space
- 60 Parking Spaces

Project Economics

Development Costs	\$8,536,578
- Project Value	\$4,464,578
Market Gap	\$4,072,000



Rainier Valley Community Development Fund Real Estate Financing Tools, a presentation by the National Development Council; April 8, 2004



D. LEAD AND COORDINATE A REVITALIZATION STRATEGY THAT CREATES DYNAMIC RESIDENTIAL NEIGHBORHOODS IN SOUTH DOWNTOWN.

Place-Based Strategies Target Communities with Greatest Needs

Certain identifiable Seattle neighborhoods have concentrations of low employment, low income populations and a high presence of immigrants and minorities. OED employs a place-based strategy to target community and economic development in these specific neighborhoods, addressing multiple inter-related needs including the need for jobs and small business opportunities. In general, these neighborhoods have few commercial services, lack the population density to support robust commercial development, hold a significant share of the City's shrinking base of affordable housing options for the working poor, and are largely unattractive for private development investment.

OED invests in the physical development of these neighborhoods by supporting local farmers markets, improving business façades, and providing support the City's Community Development Corporations to facilitate catalytic development.

- Complete review and proposed legislation for land use and code amendments for the Special Review District by the end of 2004.
- Complete and have Council review of land use and code amendments for parts of the station area overlay district north of Royal Brougham by the end of 2005.
- With OPM, coordinate the City's efforts to prepare a development plan for the Seahawk Stadium North Parking Lot.
- Promote and finance affordable housing in the International District by obtaining a loan pool and grants.
- Obtain a \$10M Section 108 loan pool and a \$2M companion grant for rehabilitation of International District housing stock by 2005.
- Close on three projects in the International District by 2006.
- Coordinate with SDOT and other City departments, completion of a redevelopment plan for King Street Station by 2005.
- Complete physical improvements and develop an annual calendar of events for Occidental Park by the end of 2004.
- Complete a retail market analysis for the International District and Pioneer Square by 2004.
- Complete a total of 5 façade improvement projects per year in the International District and Pioneer Square.

GOAL #3: FACILITATE CONNECTIONS BETWEEN PEOPLE AND JOBS

Develop Workforce Training Resources for Underemployed and Unemployed Seattle Residents, Benefiting Individuals and Industry, Supporting Key Sectors and Diversifying and Strengthening Seattle's Economy



A. INVEST IN THE APPRENTICESHIP PREPARATION SYSTEM, WITH SPECIFIC GEOGRAPHIC FOCUS ON THE RAINIER VALLEY AND INDUSTRY FOCUS ON THE BUILDING TRADES.

- Ensure the placement of twenty eight low-income individuals in construction-related jobs yearly over the next 4 years, through investment in the Rainier Valley Community Development Fund.



B. INVEST IN THE SEATTLE JOBS INITIATIVE TO PLACE 500 LOW INCOME INDIVIDUALS PER YEAR IN JOBS THAT PAY AT A MINIMUM \$9.00 PER HOUR WITH BENEFITS, ACHIEVING AT LEAST 50% RETENTION ONE YEAR AFTER PLACEMENT.



GOAL #4: COMMUNICATE AND PROMOTE OED'S WORK

Communicate OED's Mission, Role, and Programs to Partners, Other City Departments, Stakeholders and the Community at Large



A. ENHANCE OED'S PRESENCE AND VISIBILITY IN THE COMMUNITY. BUILD STRONG RELATIONSHIP BETWEEN OED STAFF, STAKEHOLDERS, AND PARTNERS.

Communication is Key to Coordination

OED has a strong interest in communicating clear and consistent messages, particularly given its many partners and the number of other entities involved in economic development in the region. OED undertakes to communicate its objectives, roles and responsibilities to facilitate clarity of purpose and coordination with partners and collaborators.

Program-specific communications efforts are described in the Goals above. Communication initiatives listed in Goal 4 are related to general communication efforts supporting clarity around OED's overall Mission and work.

- Develop and implement communications and outreach strategies, including media and advertising strategies, to better promote the following: (start Q4 2004)
 - Business Advocate service
 - Neighborhood Business District program
 - Industry Sector work
 - OED as a whole
- Institute a coordinated plan and master calendar of OED staff attending community events, industry organization meetings, trade shows, and neighborhood meetings to track OED's presence in the community (start Q4 2004).
- Cross-train OED staff to be spokespeople about all of OED's programs when out in the community during Q4 2004 (start Q4 2004).
- Establish communication protocols to regularly communicate with OED's partners about key activities, issues and events using electronic and print communications together with the OED website (start Q4 2004).
- Develop a more proactive internal communication program about economic development efforts within the City. Create opportunities for cross-communication among staff, both internally within OED and across other City departments. Create an email list of partner staff in other City agencies during Q3-Q4 2004.



B. DEVELOP NEW AND ENHANCED ELECTRONIC AND PRINT MATERIALS TO ARTICULATE OED'S MISSION, PRIORITIES AND STRATEGIES, AND TO CREATE INCREASED UNDERSTANDING OF OED'S FOCUS AREAS.

- Develop a quarterly schedule to update OED's e-newsletter, and train staff to manage e-mail database updates (start Q3-Q4 2004).
- Develop and then maintain email database lists in by industry and neighborhood, including biotech, manufacturing and maritime, South Lake Union, the University District, Rainier Valley, and South Downtown (start in Q4 2004)
- Develop a new OED brochure aligned with the Strategic Plan (Q1 2005).
- Develop new flyers about OED's programs and focused work areas on an ongoing basis as needed (ongoing).
- Display brochures and information of OED-funded organizations in OED's office (ongoing).
- Require partners to include the OED logo on printed and electronic materials as of Q4 2004 to communicate OED's role in funding specific projects, including:
 - Manufacturing and maritime Seattle First materials
 - OED 2004 neighborhood business district grant recipients and projects
 - Section 108 loan recipients



C. STRENGTHEN OED'S WEBSITE TO ALIGN WITH THE OUTCOMES OF OED'S STRATEGIC PLANNING PROCESS.

- Redesign OED's website (Q4 2004 / Q1 2005).

Content

- Clearly articulate OED's Mission Statement, Values Statement, - Guiding Principals, Goals and Action Strategies.
- Provide a clear statement of OED's funding and program objectives to promote and enhance OED's relationships with its partners.
- Work with OED's partners to develop strategic website linkages - among chambers of commerce and associations; neighborhood - business districts; and other key non-profit agencies.

Technology

- Partner with the Department of Neighborhoods and other City departments to utilize calendar technology to develop a calendar of economic development activities and events sponsored by OED, partners, neighborhood business district associations.
- Explore GIS technology to better outreach to potentially relocating businesses

Staff

- Train OED staff members to do website updates.
- Implement process for regular website updates.
- Continue to update both the content and technology to best maximize OED's website as a communication tool.

GOAL #5: FOSTER A HEALTHY, EFFECTIVE AND WELL-FUNCTIONING ORGANIZATION

Maximize the Human Capital Asset of the Organization Through Appropriate Training, Effective Communication and Interconnectedness Between Management and Staff to Fully Realize OED's Strategic Plan



A. INVEST IN INDIVIDUAL AND ORGANIZATIONAL DEVELOPMENT TO ENSURE CAPACITY EXISTS TO ACHIEVE THE OED STRATEGIC PLAN.

- Clearly align staffing need to staff strengths and skills.
 - Develop position profiles for current and projected positions by Q2 2005.
 - Develop a matrix of staff strengths, expertise and community knowledge by Q2 2005.
 - Develop a system that links individual development plans to training opportunities by Q3 2005 and track progress in meeting individual training goals.
 - Identify and implement staffing strategies to address gaps (e.g. hiring, promoting, mentoring, coaching, job shadowing, cross-training), and integrate into individual development plans by Q3 2005.
 - Develop a plan to evaluate new projects/tasks and assign work based on skills, strengths and interest by Q4 2005.
 - Analyze and report on ways to address workload issues by Q4 2005.
- Integrate race and social justice principles into the work and culture of OED:
 - Develop race and social justice program implementation strategies annually, beginning Q1 2005.
 - Develop ARC program curriculum that supports staff in applying multicultural principles in day-to-day work and interactions by Q2 2005.

Applying OED's Values and Guiding Principles to its Internal Workings

OED's Values, Guiding Principles, and objectives apply to the internal workings of the organization as well as to its externally oriented programs. This Goal describes how OED will functionally organizationally to achieve its workplan in a manner consistent with its Values.



- Acknowledge interlocking oppressions and incorporate into ARC curriculum by Q2 2005
- Evaluate and report annually on program's progress. First report Q4 2005.
- Develop a shared vision statement that incorporates multicultural principles and is integrated into all OED programs and activities by Q2 2005
- Develop and disseminate a clear decision-making process and structure that includes ways to provide input and communicate major decisions by Q3 2005.
- Expand OED's Performance Management System:
 - Identify and implement an annual training plan for each supervisor that supports the supervisory role in employee development by Q2 2005.
 - Provide training to management and staff on giving and receiving feedback, and having conversations around employee development by Q2 2005.
 - Recognize professional development as an organizational priority and evaluate supervisors bi-annually on their ability to manage workload to accommodate staff training, beginning mid-year 2005.
 - Develop performance feedback mechanism that includes feedback from subordinates and peers by Q4 2005.
- Develop a training/travel policy and approval criteria process by Q2 2005, that disseminates training and promotional opportunities equitably across the organization. Evaluate and update annually.



B. RECRUIT, DEVELOP, RETAIN AND PROMOTE A HIGHLY SKILLED AND MOTIVATED WORKFORCE

- Expand OED's hiring recruitment network.
 - Identify 5 new recruitment sources and increase by 5 each year beginning Q1 2005.
 - Meet annually with 5 community organizations to assess dissemination of recruitment materials beginning Q1 2005.
- Provide equitable access to training opportunities to staff to maximize individual professional growth and enhance organizational capacity.
 - Develop a system that disseminates training and promotional opportunities equitably across the organization by Q2 2005.
 - Provide training and practice on integrating the Actions for Promoting a Multicultural Organization (aka Guidelines) into OED programming and activities by Q2 2005. Monitor annually.
 - Provide collaborative communications and power sharing training to all staff by Q2 2005.
- Complete implementation of Improving OED Communications action items developed at OED's February 24, 2004, staff retreat by Q3 2005.
 - Create vehicles for staff discussions that address both big picture issues affecting and influenced by OED, and in-depth discussions on specific OED programs and projects.
 - Create vehicle to update staff on management team issues/discussions.
- Provide appropriate staff recognition through a program that includes quarterly events acknowledging individual and team contributions to the overall success of the organization, beginning Q1 2005.





C. EFFECTIVELY UTILIZE PARTNERSHIPS TO MAXIMIZE THE EFFORTS OF OED AND OTHER DEPARTMENTS AND AGENCIES PURSUING COMPLEMENTARY AIMS.

- Identify strategies by Q3 2005 to strengthen relationships with other City departments to maximize OED's awareness of and input on decisions impacting economic development projects, and allow OED to keep community partners informed.
- Through the City's Race and Social Justice Initiative, identify strategies to utilize community networks to effectively increase input on OED's programs and services by Q3 2005.
- Develop and implement by Q4 2005 an assessment tool that incorporates mechanisms for community input into evaluation of OED programs, procedures and practices to be conducted annually.



D. ENSURE RESOURCES ARE MANAGED IN AN EQUITABLE AND EFFECTIVE FASHION.

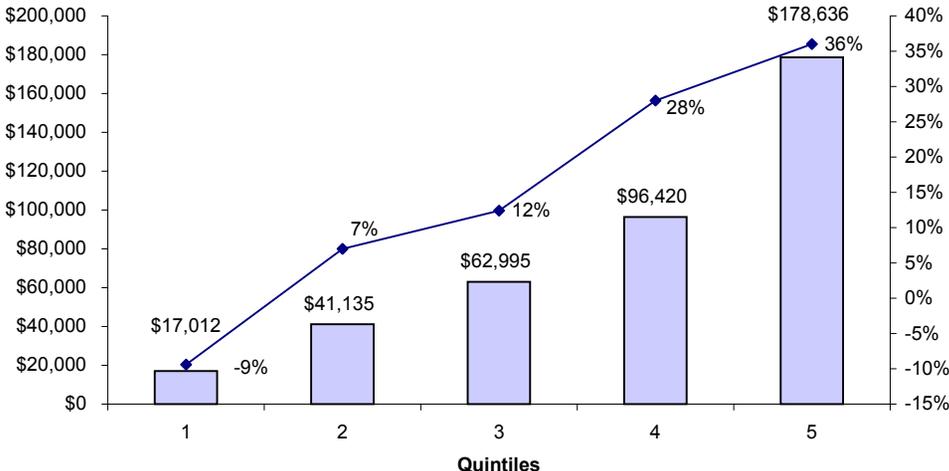
- Implement purchasing strategies to maximize utilization of women and minority-owned business enterprises (WMBE) vendors so that 35% of OED's discretionary purchasing decisions support WMBE's in 2005.
- Conduct an annual assessment of OED's training/travel usage to evaluate the equity in training opportunities for all staff by Q4 2005.

APPENDICES

OED's Strategic Plan was developed after consideration of substantial amounts of data, including stakeholder interviews, best practice research, analysis of specific economic sectors and research conducted for OED's portion of the 2004 Consolidated Plan update. Excerpts from this research appear throughout the Goals, Action Strategies, Implementation Steps section, above, with greater detail provided on the following pages.

**APPENDIX A:
 DISPROPORTIONATELY SHARED WEALTH**

Family Income by Quintile with Change from 1998 to 2001



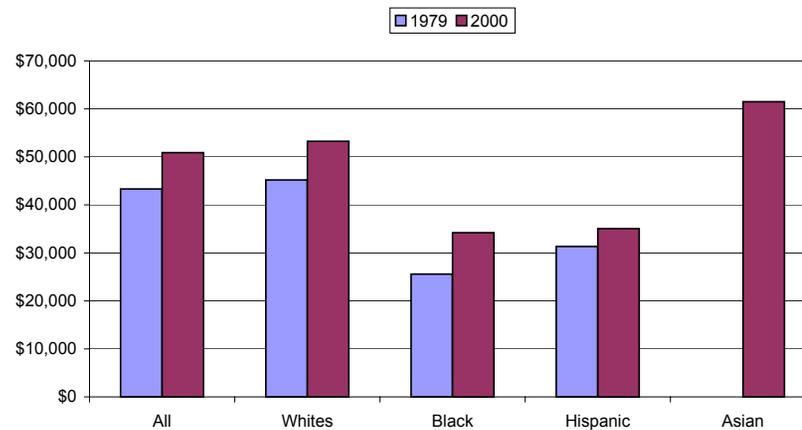
Poverty and Growing Income and Wealth Inequality in the United States and Washington State, a presentation by Mark McDermott; December 11, 2001

Wealth in Seattle is unevenly distributed. The gap between the wealthy and the poor has grown, and there is inequitable distribution along racial lines. In response to this reality, OED has adopted Guiding Principles of balance and racial and social justice, applying itself to providing wealth creating opportunities for all Seattle residents, regardless of economic class, race, education, or other differentiators.

The figures in the exhibit at left show the average family income for each quintile (adjusted for inflation) over the years 1999 to 2001, as well as the percentage change from 1988 to 2001. Real income for families in the poorest quintile was \$17,012, dropping 9.4% from the late 1980s. The average income for the wealthiest quintile by contrast was \$176,636, rising 36% over the same time period.

The gap between rich and poor in our community is paralleled by a race-based gap which has persisted over time. The second exhibit shows that income for whites and Asians is persistently higher than for blacks and Hispanics.

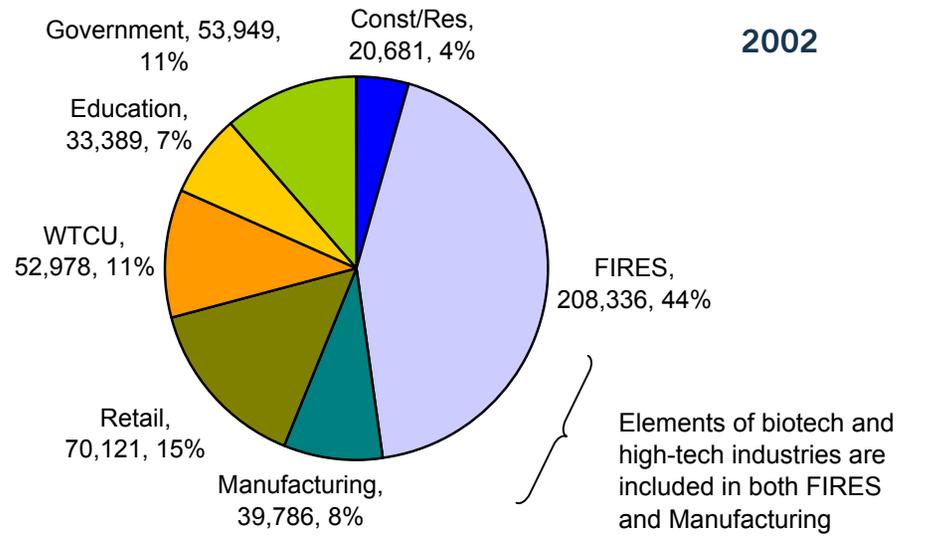
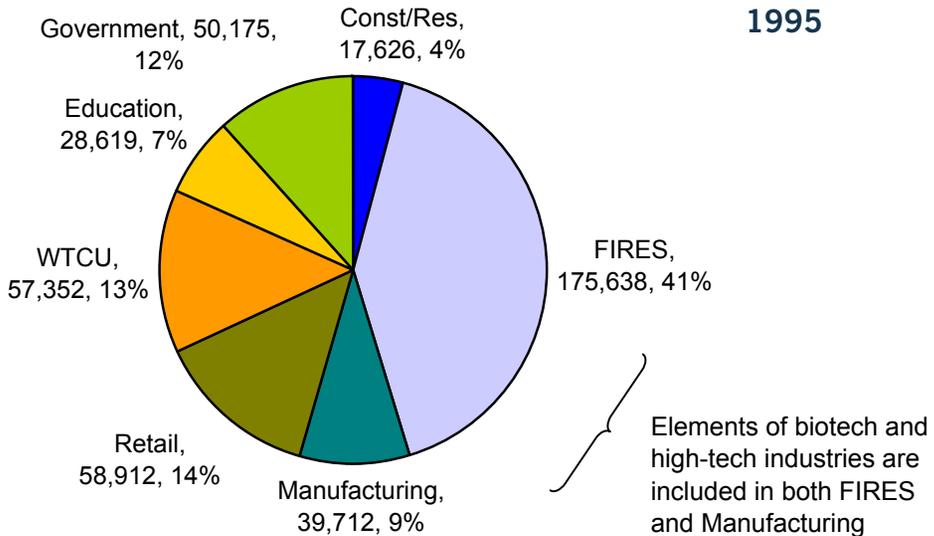
**Wealth Disproportionately Shared by Race/Ethnicity
Median Family Income by Race/Ethnicity
United States, 1979 to 2000**



Note: No data was available for Asians in 1979

Poverty and Growing Income and Wealth Inequality in the United States and Washington State, a presentation by Mark McDermott; December 11, 2001

**APPENDIX B:
 MAKEUP OF SEATTLE'S ECONOMY**



While Seattle's employment base has remained relatively stable between 1995 and 2002, most growth (nearly 33,000 jobs) was in Finance, Insurance, Real Estate and Services (FIRES). Wholesale, Transportation, Communications and Utilities lost nearly 4,500 jobs over the period, and manufacturing remained largely flat, adding 74 jobs.

The Construction and Resources, Manufacturing, and WTCU totals here may be summed to crosswalk to the *Basic Industries Cluster Study* which showed approximately 121,700 related jobs in 2001.

Key:

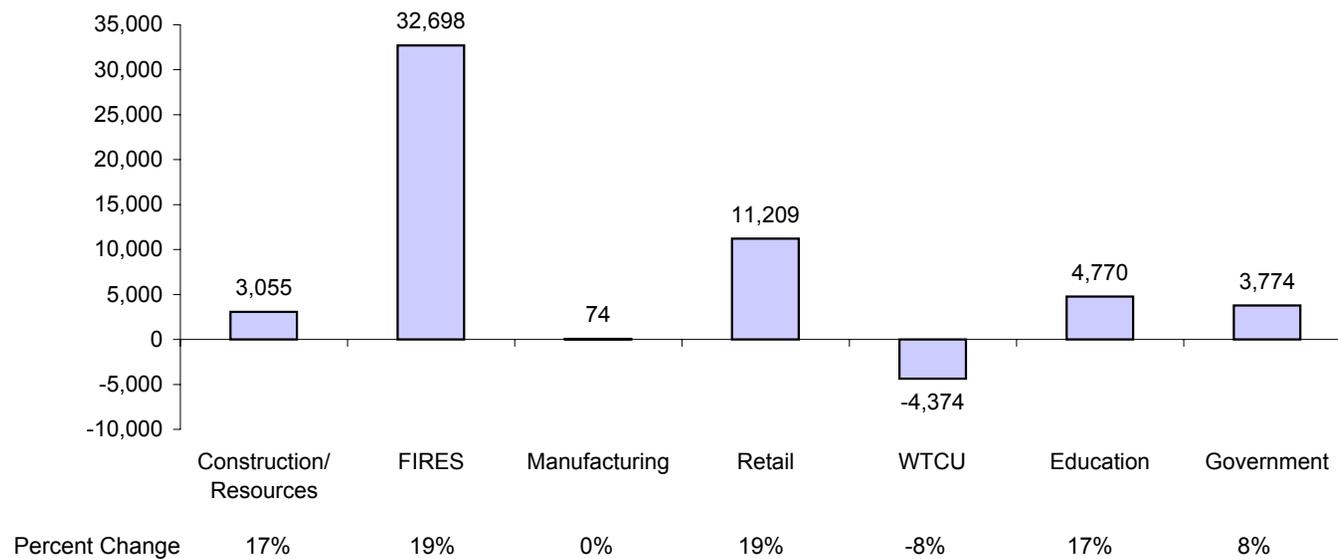
Sector Name, # Jobs, % Share of Citywide Jobs

WTCU = Wholesale, Transportation, Communications and Utilities

FIRES = Finance, Insurance, Real Estate and Services

Puget Sound Regional Council and the Washington State Employment Security Department

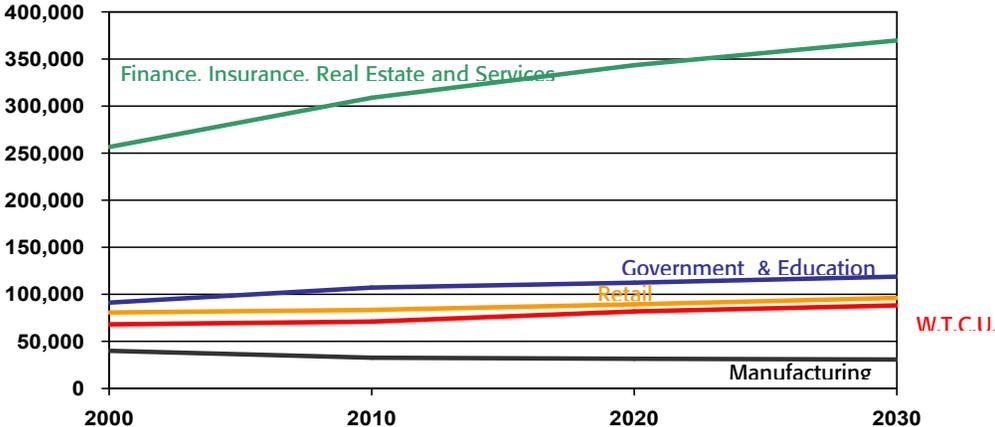
Change in Employment: 1995 to 2002



Puget Sound Regional Council and the Washington State Employment Security Department

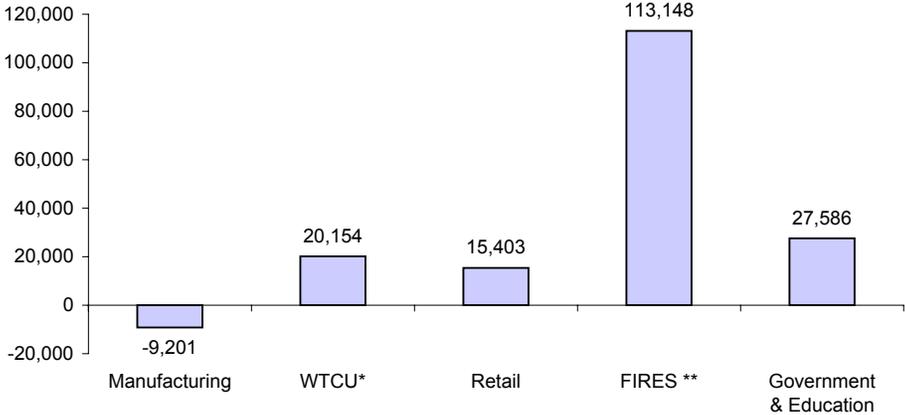
Appendix B

FIRES Increasingly Dominate Seattle's Future Employment Base
 Seattle Employment Forecast: 2000-2030



Seattle's 2002 employment base is forecast to grow by 167,000 jobs, or more than 30%. As shown in the exhibits on this page, the bulk of this expected growth (68%) is projected to be in Finance, Insurance, Real Estate and Services (FIRES).

Forecast Change in Employment: 2000-2030



Sector	Percent Change
Manufacturing	-23%
WTCU*	30%
Retail	19%
FIRES**	44%
Government & Education	30%

* WTCU = Wholesale, Transportation, Communications and Utilities
 ** FIRES = Finance, Insurance, Real Estate and Services

Puget Sound Regional Council and the Washington State Employment Security Department

APPENDIX C: STAKEHOLDER OUTREACH

During March, April and May 2004, phone and in-person interviews were conducted with 25 stakeholders asked to provide input on the creation of this Strategic Plan. Stakeholders included representatives of the City, the State, OED partner organizations, local residents, and experts in community development, economic development, small business development and workforce development. The following is a high-level summary of input received.

International Competition and Regionalism. Stakeholders noted that Seattle now competes internationally in many markets, and successful competition for Seattle is tied to regional success:

- “There has been a huge change in the economy: we now have an international, world economy. We need to respond to this shift or continue to lose jobs.”
- “The City doesn’t have an economy by itself: the three-county region has an economy with microclimates. The City of Seattle is the largest player and has a leadership role. There should be a sense of interdependency: we need to carry our own weight and be respectful of others.”
- “We need to work regionally for the Puget Sound region to be globally competitive.”

Focus of OED Efforts. Stakeholders called for a focusing of OED efforts in order to maximize results:

- “OED faces many competing and conflicting demands: they need to determine where to focus their efforts to ensure they’re not just busy but strategically effective.”
- “OED’s priorities should be concentrated efforts rather than spread too thin.”



Recommendations as to what OED should focus upon varied, based largely on the respondent's own area of focus:



- “I’d like to see growth in knowledge-based industries, though it need not be biotech necessarily. It could as easily be aviation, software, and/or biotech.”
- “Jobs in the future will increasingly be high-value knowledge jobs and jobs in health care. So how about we focus on those?”
- “It’s good to strive for biotech and other big-vision ideas, but we need to focus and serve the bulk of business, maintaining a sustained commitment to existing businesses and living wage jobs. We need to maintain the whole ecology of jobs: big multinationals can have a huge leadership impact, mid-sized companies provide most jobs, and small businesses are also critical.”
- “We need to reduce poverty and increase livable wage jobs, evening out the economy.”
- “The City needs to find ways to encourage tax-paying businesses to grow in order to maintain solvency. Very few citizens know how important car dealerships are and in Lake Union, for example, and they are disappearing – that’s a big hit. It would be smart if there were another significant auto row.”
- “Addressing the increasing disparity between rich and poor should be among our highest goals, as it is tied to having a livable, vibrant city. Our cost of living is very high, perhaps 10 years behind San Francisco. Poverty is at 12%: we need resources to dedicate to this. We need to increase employment opportunities for livable wage jobs so people can meet the basics.”

Additional comments lauded and recommended expanding OED’s work with Neighborhood Business Districts, small businesses, immigrant entrepreneurs, Community Development Corporations, workforce development, and business climate improvement.

Balance. Multiple stakeholders expressed appreciation for OED's efforts to provide economic opportunities for all Seattle residents, paying attention to the economic well-being of the poor, as well as strengthening strategic economic sectors: "They always focus on disadvantaged populations and the City's neighborhoods. I value this focus, which is rare for a city economic development office."

Constraints. Stakeholders widely acknowledged constraints on OED budget and staffing and recognized that OED has limited economic development tools to work with:

- "OED is limited in what it can do because it lacks tools such as imminent domain and tax increment financing. Its CDBG and Section 108 loans have many restrictions."
- "One of the greatest challenges for OED is the State's constitutional prohibition preventing local public funds from benefiting private sector organizations. It's a very restrictive environment for OED to work in, as they can only apply federal grants, which also have strict requirements."

Role and Partners. Given OED's strengths and constraints, stakeholders were unanimous in recommending that OED continue to work via partner organizations:

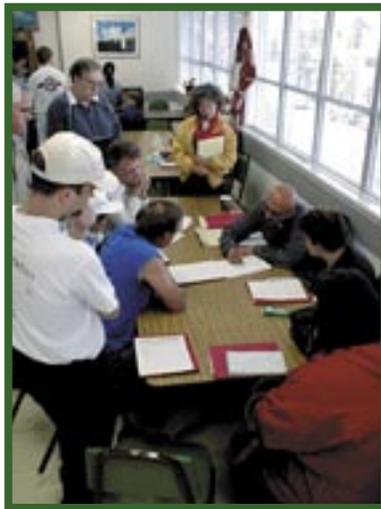
- "I agree with the role that the City/OED has played... the role of convener, facilitator and funder. They are thoughtful and careful about what's done in-house and out."
- "OED's should be a broker, a midwife, bringing together interested parties as they have done with South Lake Union, the U-District, and Broadway."
- "OED needs to foster partnerships to promote its vision of the future: it lacks tools, money and land to do this by itself."

Communications. Given its reliance on partner organizations and given the need to coordinate with economic development efforts by other City departments



and by other regional players, stakeholders called for clear communication of OED goals, roles, and responsibilities:

- “OED could do a better job outlining their purpose: the goal, the why behind what OED does. As a contractor, I understand the goal of our contract, but I don’t understand OED’s overall goal and how our work fits it. If I understood this we might work together better or find other ways of collaborating.”
- “It’s not clear to me what you could expect from OED: what are the top three things OED offers? If I knew this, I could refer others as appropriate.”



Strengths. Stakeholders listed the following strengths as assets that the Office can leverage in pursuing its work:

- “OED has great connection to the community. They’re constantly in the neighborhoods, attending neighborhood meetings. They’re proactive about listening to what’s going on.”
- “Business has come to respect OED and its bureaucracy-busting approach; it has a pretty good reputation in the business community for being helpful. This approach ought to be watered and fertilized and broadly communicated within the community.”
- “OED tends to be very focused, either because of Mayoral initiatives or their own initiatives.”
- “OED is an office of the Executive – it’s not a line department and so can be more nimble and independent.”
- “OED is honest and independent because of its arm’s length remove. OED doesn’t have any constituencies and so can do the unpopular.”
- “They have very good staff. Very talented and creative.”

APPENDIX D: BEST PRACTICE RESEARCH

In developing this Plan, research was done on how seven cities approach economic development: Austin, Chicago, Denver, Minneapolis, Phoenix, Portland and San Diego. These cities were chosen because they are in some way comparable to Seattle, or because they present an intriguing approach economic development approach.

The strongest theme to arise from the research was that there is no single “best practice” approach to economic development: the economic, financial, political, cultural and even geographic particularities of each municipality shape its approach to economic development. Further, economic development practices are continuously and organically evolving, as communities and practitioners learn from each other and as economic conditions and challenges evolve in each region. Cities with effective economic development programs creatively adopt new approaches and reposition their efforts on an ongoing basis.

For example, several cities researched are involved in a fundamental restructuring of related departments: the City and County of Denver is consolidating previously separate departments and offices into a new Office of Economic Development which will house under one roof workforce development, neighborhood housing and development services, economic development and contract compliance. Other cities prefer to keep these functions separate but coordinated.

The economic development activities cities are engaged in vary widely, as do their structures for fulfilling these functions. The 2004 budgets of the principle departments responsible for economic development in surveyed cities ranged from the \$2.2 million of the City of Minneapolis’ Community Planning and Economic Development Department, to the Portland Development Commission’s \$194 million (of which \$135 million was allocated to capital outlays). Factors complicating comparison of budget sizes and the functioning of economic development departments include the following:

- **Availability of Tax Increment Financing.** A majority of the cities surveyed have greater flexibility to provide economic development funding than Seattle’s OED, due to the ability to use tax increment financing. All of the cities surveyed had access to tax increment financing.
- **Scope of Role Related to Planning/Land Use; Community Development, and Neighborhoods.** In multiple cities, the economic development function is housed in the same department as planning and land use, facilitating coordination and collaboration between these related efforts. Similarly, in some cities, community development or neighborhoods work is organized together with economic development.

Appendix D

- **Role in Regional Economic Development Strategy and Implementation.** Cities may focus on economic development within a purely municipal perspective, or within the context of and in pursuit of a regional economic development agenda. Portland explicitly addresses the region in its mission statement: To bring together resources to achieve Portland's vision of a diverse, sustainable community with healthy neighborhoods, a vibrant core, a strong regional economy and quality jobs for all citizens. The City and County of Denver inherently take a regional approach, and the City of San Diego collaborates with other agencies which have a regional focus.
- **Scope of Workforce Development Role.** In some cities surveyed, including Seattle, nonprofit NGO agencies, such as a chamber of commerce or standalone organization focused on workforce issues, lead the workforce development effort, with the city acting in a collaborative or funding role. In contrast, Minneapolis, Phoenix, and Denver's new Office of Economic Development, have more direct roles in workforce development.
- **Relationship to the Arts and Cultural Tourism.** While not a component of all cities' economic development efforts, promotion of the arts is a core function of the Economic Growth and Redevelopment Services Office of Austin. The Community Planning and Economic Development Department of Minneapolis similarly coordinates City-sponsored arts and cultural activities.

Two key themes noted among the cities surveyed are reflected in OED's Five-Year Strategic Plan:

- **Cluster-Based Targeting of Economic and Community Development Efforts.** Three of the cities surveyed – Phoenix, Portland and San Diego – employ an industry cluster approach to focus economic development efforts. Similarly, most cities focus their community development efforts on the redevelopment of targeted neighborhoods.
- **Use of Performance Measures.** Multiple cities employ specific performance measures to assess the success of economic development efforts. San Diego utilizes Performance Based Budgeting citywide. Portland measures the efficient use of land within the urban growth boundary and the value of improvements made to that land or increases in real assessed market values. In older urban renewal areas, Portland tracks measures such as change in crime rates. The City of Minneapolis employs department-wide performance measures including the number of new or converted multifamily housing units; affordable units placed in service; increases in annual property taxes due to economic development projects; new jobs projected by assisted projects; and jobs placed through workforce development programs.

OED's focus on economic development which creates "widely shared prosperity" and provides access to wealth creating opportunities for all City residents and all City neighborhoods differentiates it from many, but not all of the cities surveyed. The following three cities reflected similar, if not as strongly expressed, emphasis on creating broad benefits.

- Efforts by Chicago's Department of Planning and Development are coordinated in the context of community-based planning, and its mission is to be a leader and partner in creating opportunities for the preservation, growth, and sustainability of the diverse communities that make Chicago the most livable world-class city.
- Portland's mission is to bring together resources to achieve Portland's vision of a diverse, sustainable community with healthy neighborhoods, a vibrant core, a strong regional economy and quality jobs for all citizens.

San Diego maintains a similar focus on all residents: "With an emphasis on urban core neighborhoods and low and moderate income residents, the Community and Economic Development Department improves the quality of life and ensures a healthy economy for all San Diegans through job development, business development, neighborhood revitalization, public improvements, redevelopment, social services, and revenue enhancement."

