

2025-2026 PROPOSED BUDGET
POLICY CONSIDERATIONS PAPER

OFFICE OF ECONOMIC DEVELOPMENT (OED)

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This paper highlights selected policy considerations related to the Office of Economic Development (OED) 2025-2026 Proposed Budget. Considerations included here are not intended to be exhaustive and others may surface as Central Staff continues its analysis of the proposed budget. For more information about OED's 2025-2026 Proposed Budget, please see the 2025-2026 Proposed Budget Overview Papers.

Policy Considerations

1. Scale and Prioritization of Proposed OED Budget Reductions

The 2025 Proposed Budget for the Office of Economic Development (OED) is \$6.9 million less than its 2024 Adopted Budget, representing an 18.7 percent decrease. The decrease reflects the sunseting of one-time appropriations (\$18.1 million) added in 2024, and new ongoing appropriations to continue prior one-time investments at a reduced scale.

The 2025-2026 Proposed Budget for OED continues to primarily advance strategies identified in the Future of the Seattle Economy (FSE) strategic framework, which was adopted by Council in [Resolution 32099](#). The FSE framework includes five strategic pillars:

1. Investing in Talent and Building our Workforce
2. Supporting Small Business and Women- and Minority-Owned Business Enterprises
3. Building BIPOC Community Wealth
4. Investing in Neighborhood Business Districts
5. Growing Businesses and Key Industries

Please see Attachment 1 for a breakdown of the changes proposed to OED's budget, organized by FSE pillar.

OED's 2025 Proposed Budget also continues to advance the [Mayor's Downtown Activation Plan](#) (DAP) in alignment with the FSE framework, with a total of \$3.3 million proposed for DAP spending. Overall, \$8.2 million is proposed in the 2025 Proposed Budget for the DAP across multiple departments. Attachment 2 provides a summary of proposed 2025-2026 DAP investments, as well as an update on DAP appropriations from the 2024 Adopted Budget.

Council may wish to restore, repurpose, scale, or provide direction for these proposed changes to advance priorities that are consistent with the FSE framework.

Options:

- A. Restore any or all proposed reductions.
- B. Repurpose proposed appropriations in favor of other Council priorities, consistent with the FSE strategic framework.
- C. Impose a proviso on proposed appropriations to ensure they align with Council priorities.
- D. No change.

2. Workforce Development Realignment

The 2025-2026 Proposed Budget reduces appropriations for workforce development programs by \$3 million, representing an 86 percent reduction for the “Investing in Diverse Talent and Building Our Workforce” pillar. The 2025-2026 Proposed Budget retains \$500,000 to support the pillar, \$150,000 of which continues funding for the [MLK Labor Virtual Hiring Hall](#) and \$350,000 continues funding for the [Workforce Development Council](#). Please see Attachment 3 for a detailed list of proposed reductions.

A survey of City departments conducted by Community Attributes in 2022 found that 15 departments funded workforce development for a Citywide investment of approximately \$17 million. OED anticipates that a forthcoming Citywide assessment of workforce development programs will inform proposed changes to City workforce development funding in the 2025 Mid-Year Supplemental ordinance as well as the 2026 Proposed Mid-Biennial Budget Adjustments.¹

While it’s possible that the assessment will identify redundancies and potential cost savings for the City, the \$3 million in proposed reductions would be permanent, and there is no additional funding proposed to implement the recommendations of the workforce development assessment. According to OED’s budget submittal documents, “Several of the career pathway programs that are proposed to be reduced target BIPOC and immigrant workers for enrollment.”

Council may wish to allocate funding to ensure adequate resources to implement recommendations from the assessment, or restore some or all of the proposed reductions.

Options:

- A. Restore funding for any or all of the workforce development investments proposed to be reduced.
- B. Allocate funding in 2025 to implement the forthcoming Citywide assessment recommendations with a proviso to be lifted upon completion of the assessment.
- C. Accept proposed reductions for 2025 and allocate funding in 2026 for implementation of workforce development strategies.
- D. No change.

Attachments:

- 1. OED Proposed 2025 Budget Summary by FSE Pillar
- 2. Downtown Activation Plan Appropriations 2024-2026
- 3. OED 2025 Proposed Workforce Development Reductions

¹ The Mayor’s Office and OED are conducting a Citywide, interdepartmental workforce development assessment to determine cost and program efficiencies and develop a Citywide workforce development strategy that can proactively respond to economic and industry needs, adapt to the changing nature of work, scale effective practices across departments and programs, and ensure jobseekers are securing and retaining employment in livable-wage jobs and careers. The assessment is anticipated to be completed by April 2025.

Attachment 1. OED Proposed 2025 Budget Summary by FSE Pillar

FSE Pillar	Description	2025 Proposed Budget	Central Staff Notes¹
1. Investing in talent and building our workforce	2024 Adopted - Non-Labor	3,467,000	
	Remove One-Time Items	(250,000)	Seattle Jobs Center
	Workforce Realignment	(2,717,000)	See Attachment 3 for further details
	Pillar 1 Total	500,000	
2. Supporting small, women, and minority-owned businesses	2025 Labor Costs	877,000	
	2024 Adopted - Non-Labor	955,000	
	Remove One-Time Items	(800,000)	
	Add Back Technical Assistance - Ongoing	800,000	No net change to program budget
Pillar 2 Total	1,832,000		
3. Creating BIPOC community wealth	2025 Labor Costs	1,224,000	
	2024 Adopted - Non-Labor	11,693,000	
	Remove One-Time Items and CDBG Baseline	(10,825,000)	
	Add Back Business Community Ownership Fund - Ongoing	2,500,000	\$1 million reduction from 2024 Adopted
	Add Back Capital Access Program Ongoing	2,450,000	\$300,000 reduction from 2024 Adopted
	Add Back Commercial Affordability Ongoing	2,432,000	Combined with CDBG, Tenant Improvement Program would receive \$2 million (\$1 million reduction from 2024); Seattle Restored \$1.8 million (no change from 2024)
	Tenant Improvement Program - CDBG	500,000	
Pillar 3 Total	9,974,000.00		
4. Investing in neighborhood business districts	2025 Labor Costs	1,277,000	
	2024 Adopted - Non-Labor	5,344,000	
	Remove One-Time Items	(4,912,000)	Expiration of funds for: neighborhood retail analyses, exploring business improvement areas in equity districts, public space activations in non-downtown neighborhoods, and grants for neighborhood-based nonprofit organizations post-pandemic. Retail analyses will carry forward into 2025.
	Add Back Neighborhood Capacity and BIA Support - Ongoing	2,068,000	Funding reflects OED's focus on BIA support and development.
	Pillar 4 Total	3,777,000	

¹ For a description of each item please see OED's 2025-2026 Proposed Budget. Central Staff notes intended to provide additional context.

Attachment 1. OED Proposed 2025 Budget Summary by FSE Pillar

5. Growing businesses and key industries	2025 Labor Costs	1,515,000	
	2024 Adopted Non-Labor	2,333,000	
	Reduce Green Industry	(500,000)	\$500,000 reduction from 2024. OED will work with external partners and other City departments to support new programs, policies, and resources to recruit clean energy technology businesses to Seattle.
	Pillar 5 Total	3,348,000	
Leadership and Administration	2025 Labor Costs	4,669,000	
	2024 Adopted - Non-Labor	3,840,000	Including but not limited to: Central Costs, Language Access, Downtown Activation Plan
	Adjustments for Standard Cost Changes	76,000	
	Remove One-Time Items - Downtown Activation Plan	(1,530,000)	Does not include removal of \$1,500,000 MID cleaning services spent in 2024, as it was added in 2023 mid-year supplemental
	Remove One-Time Items - non-DAP	(820,000)	
	Add Back Language Access	200,000	
	Add Back DAP Investments	1,011,000	\$800,000 for public space activations and improvements; \$200,000 for communications strategy
	Add Back Metropolitan Improvement District Funding	1,500,000	Approximately \$1 million for cleaning services, and \$500,000 for beautification and business support, including but not limited to recruitment for vacant storefronts
	DAP - South Downtown	250,000	Funding for consultant contracts to support South Downtown intergovernmental work
	Westlake Park Revitalization	250,000	Planning and activations at Westlake Park. The 2025 Proposed Budget includes \$1.4 million in 2025 and \$2.3 million in 2026 for SPR to make improvements to Westlake Park.
Leadership and Admin Subtotal	9,446,000		
Leadership and Administration - Special Events Office	2025 Labor Costs	581,000	
	Special Events Staffing Surge - ongoing	325,000	2.0 proposed additional FTEs
	2024 Adopted - Non-Labor	488,000	
	Leadership and Admin - SEO Subtotal	1,394,000	

OED 2025 Proposed Budget Total: \$30,270,000

Attachment 2: Downtown Activation Plan (DAP) Appropriations 2024-2026

2025-2026 DAP Summary

Dept	Change Request¹	2025	2026	Fund Source
SPR	Revitalize Westlake Fountain	\$1,392,000	\$2,328,000	JumpStart
SPR	Center City Park Concierge Services (shift to PET from GF)	\$186,000	\$186,000	JumpStart
CEN	Upgrade Monorail - Westlake Station	\$350,000	-	JumpStart
ARTS	Neighborhood Arts, Culture, and Festival Activations	\$495,000	-	Ad Tax
ARTS	Community Engagement and Cultural Inclusion	\$530,000	-	Ad Tax
ARTS	Hope Corps: Activations, Installations	\$356,000	-	Ad Tax
ARTS	Arts Installation at Benaroya Hall	\$195,000	-	Ad Tax
ARTS	Alleyway Art Installations	\$160,000	-	Ad Tax
ARTS	Union and King Street Station Plaza - Art installations and Performances	\$795,000	-	Ad Tax
OED	Maintaining Enhanced Cleaning Downtown (MID)	\$1,500,000	\$1,500,000	JumpStart
OED	Public Space Activations Downtown	\$800,000	\$300,000	JumpStart
OED	Language Access	\$200,000	\$200,000	JumpStart
OED	South Downtown Coordination	\$250,000	\$250,000	JumpStart
OED	Special Events Staffing Surge	\$325,000	\$325,000	JumpStart
OED	Westlake Park Revitalization - Planning and Activations	\$250,000	\$250,000	GF
OWF	Central Waterfront Grand Opening	\$250,000	-	JumpStart
OPCD	Extend South Downtown position (funding in Base Budget)	-	-	JumpStart
HSD	One Seattle Outreach	\$150,000	\$150,000	GF
2025-2026 DAP TOTAL		\$8.2 million	\$5.5 million	

¹ For a description of each item please see the [2025-2026 Proposed Budget](#).

Attachment 2: Downtown Activation Plan (DAP) Appropriations 2024-2026

2024 Downtown Activation Plan Status Update

Dept	Item ²	2024	Current Status
OED	Evolve Seattle Restored	\$875,000	Hiring processes underway for FTEs authorized by this change request; \$220k in program funding deployed for next cohort
OED	Public Space Activations	\$880,000	With partners, funded summer waterfront kiosks, two weekend concerts, and pickleball and Seattle Slam tournaments.
OED	Community Engagement	\$150,000	Continued communications work on Good News Downtown Newsletter and "Downtown is You" website
OED	"Space Needle" Ideas for DAP	\$500,000	Stakeholder engagement for two projects: Heart of the City (Westlake Plaza); South Downtown as a residential neighborhood
OED	Economic Development Analytics	\$150,000	100K ongoing, 50K one-time. Explored CRM systems with Seattle IT; Implemented OED Dashboard Enhancements with Community Attributes; piloted using new software with BIAs.
OED	City Navigation	\$115,000	Hired new Customer Service Representative as of summer 2024
OED	Transform Special Events Office	\$325,000	Working on PDQ for special events director and working with IT on authorization for technology solution to streamline permitting
OED	Liberty Project	\$500,000	Three cohorts in partnership with our anchor institutions, with one more expected, serving 43 businesses.
OPCD	Peak Workload Related to DAP	\$170,000	Downtown Activation Coordinator position started in July 2024. Exploring development on public land in South Downtown, including intergovernmental coordination; activation planning of Union Station; station area planning at Dearborn Street; Lid I-5 planning; facilitation with developers for office building conversion to residential; Chinatown/ID community engagement.
SDOT	SDOT DAP work	\$1,000,000	Deliverables include but not limited to: new downtown art, such as interactive art and historic walks; pedestrian wayfinding and lighting; catenary lighting above 3 rd AVE; outdoor dining pilots in the C/ID; and Market to MOHAI Phase 2.
SPR	Capital Funding for City Hall Park	\$1,000,000	SPR completed initial community engagement last year, removed the fence around City Hall Park, and activated the site. Schematic level design options anticipated by the end of 2024.
HSD	We Deliver Care 3rd Ave Project – extend one-time	\$1,900,000	Through August, WDC has spent \$1,431,773.56 of their allocated \$1.9m (75% of contract). The average monthly spend is \$178,972.
ARTS	ARTS/OED Collaboration on Downtown Activations	\$1,000,000	Funded activations at King Street Station (KSS), including but not limited to: art projections, program series in partnership with community organizations, First Thursdays at KSS. Temporary KSS activations project manager hired and onboarded.
ARTS	Downtown Hope Corps	\$1,000,000	170 proposals submitted, an estimated 25 will be selected for funding by end of 2024.
2024 DAP TOTAL		\$9.5 million	

² For a description of each item please see the [2024 Adopted Budget](#).

Attachment 3 - OED 2025 Proposed Workforce Development Reductions

Program	Contracted Organization	Amount	Description
Seattle Skills Training Fund Program	Seattle Jobs Initiative	\$ (1,252,000)	Intended to provide grants to businesses to upgrade skills of incumbent workers. Never started in 2024 due to the freeze on contracts over \$1 million.
Health Industry Leadership Table	Seattle Jobs Initiative	\$ (119,000)	Staffing to convene health industry leaders to address talent pipeline, K-12 outreach, apprenticeship development in behavior health sub-sector, and other priority topics as defined by industry leaders
Introduction to Health Apprenticeship Program	Seattle Jobs Initiative	\$ (195,000)	Providing retention and next career step services in partnership with SIEU 1199 Training Fund, apprenticeship positions with employers, or additional support, such as language access supports or stipends for low-income Seattle residents to meet basic needs.
Online language learning resources	Seattle Jobs Initiative	\$ (49,000)	Access to a mobile app for workers to support contextualized language development in key industry sectors (healthcare, maritime, construction, manufacturing, technology)
Digital Skills Training and Support	Seattle Jobs Initiative	\$ (189,000)	Implementation of digital skills curriculum and training, devices for participants
Green Jobs On-ramp Programs	Seattle Jobs Initiative	\$ (62,000)	Navigation services by staff for cohorts training in green job careers such as HVAC and ironworkers apprenticeship.
Other Workforce Development Support	Seattle Jobs Initiative	\$ (356,000)	Once the Executive's freeze on contracts over \$1 million was lifted, OED scoped the 2024 contract to fit within the remaining time in the year and did not contract the full amount budgeted for SJI.
Seattle Youth Employment Program (SYEP) support	Human Services Department	\$ (250,000)	Inter-departmental agreement between OED and HSD to support youth workforce development in key industries, including but not limited to general staff support, nursing assistance training with wraparound services, and mental health support
Innovation Learning Center	Filipino Community of Seattle	\$ (150,000)	Supporting network engineers training and solar installation training
Transgender Economic Empowerment Program	Auto Repair Transformation	\$ (95,000)	This investment funded the establishment of a federally certified apprenticeship program to benefit BIPOC and LGBTQIA+ individuals in the auto repair industry, and is training individuals for these industry skills. This contract was a carryover from 2023 and will end December 15 th , 2024.
Seattle Jobs Center Project	N/A	\$ (250,000)	This project was intended to help connect workers with living wage jobs and career pathways. OED will assess its current work and develop a larger Citywide workforce development strategy before adding this type of program.
Total Reduction		\$ (2,967,000)	