

# Office of Economic Development

## 2026 Proposed Budget Overview

Seattle City Council Select Budget Committee



**City of Seattle**

# OED's Core Purpose

**Our focus:** Leading projects and making investments that open up access to economic opportunities, reduce the racial wealth gap, and encourage innovation and growth, consistent with the Future of Seattle Economy framework adopted as City policy in Resolution 32099.

## Striking a balance:

- Supporting our local economy
- Competing in the global economy

## Advancing Citywide priorities

- Affordability
- Economic recovery and resilience across our City, including Downtown





# OED in Action

---



AI House



Pan de La Selva



Neighborhood Engagement

# What Does This Moment Call For?

---

- Clearly defining key economic problems
  - Priority issues for businesses: affordability, public safety
  - Understanding larger macroeconomic issues
- Determining and acting on the City's role and goal
  - Delivering results for our stakeholders
- Deploying tools with a focus on outcomes:
  - Policy, such as streamlining permitting
  - Programs like our Back to Business Fund
  - Partnerships such as the Seattle Climate Innovation Hub and the AI House

# Priorities for OED's 2026 Budget

---

## Current Businesses:

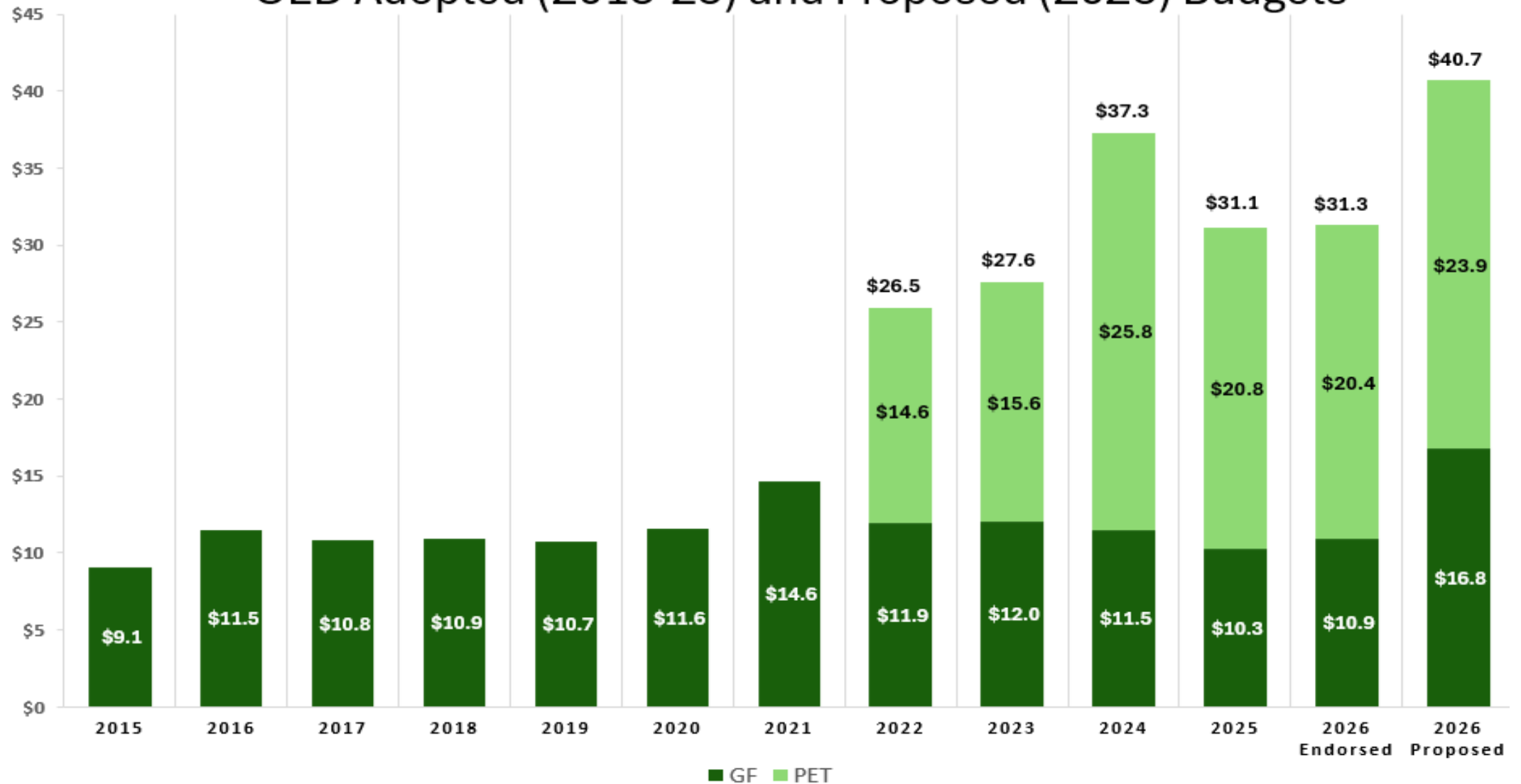
- Future of Seattle Economy framework
- Immediate support for small business
- More grocery stores and pharmacies
- Stabilize, Activate, Invest Locally (SAIL) theory of change

## Future Businesses: charting a course for opportunities; minimizing risks

- AI and Clean Energy
- Assessing business landscape and making recommendations

# OED Historical Funding

## OED Adopted (2015-25) and Proposed (2026) Budgets



# Summary

The Office of Economic Development is increasing investment in well-established and high-impact programs (i.e., Back to Business Program) and planning new work that is critical to the vibrancy of Seattle neighborhoods, the strength of Seattle’s business ecosystem, and makes it easier and more affordable to locate a business here.

		2025 Adopted	2026 Endorsed	2026 Proposed	% Change (Endorsed to Proposed)
	(\$000s)				
General Fund		\$10,335	\$10,908	\$16,753	54%
PET Fund		\$20,835	\$20,434	\$23,935	17%
<b>Total</b>		<b>\$31,170</b>	<b>\$31,342</b>	<b>\$40,688</b>	<b>30%</b>
<i>FTE</i>		63.0	63.0	63.0	--

# Budget Realignment

## CDBG Abandonment for Tenant Improvement Program

- Abandon remaining \$500K of Community Development Block Grant (CDBG) funding from OED's budget. This funding is reallocated to support opioid facilities projects in HSD - please see the HSD budget book for more information.
- This CDBG funding previously supported a portion of the Tenant Improvement Program. This program, which helps stabilize or grow existing businesses by supporting improvements to their spaces, retains \$2M (PET) in the 2026 Proposed Budget.

	2025 Adopted	2026 Endorsed	2026 Proposed	% Change (Endorsed to Proposed)
(\$000s)				
General Fund (CDBG)	\$500	\$500	\$(0)	(100%)
PET Fund	\$2,000	\$2,000	\$2,000	0%
FTE	--	--	--	--



# Significant Additions: Stabilize, Activate, and Invest Locally (SAIL) Fund

---

## Problem Statement

Neighborhoods in Seattle have persistent, interconnected problems related to **public safety**, **economic development**, and **neighborhood vibrancy**. Seattle has attempted to address these issues in a fragmented approach, which has not resulted in sustainable, positive change, despite investing millions of dollars in the neighborhood. The multiple projects in Little Saigon is an example of numerous, uncoordinated efforts and investments.

### Downtown Activation Plan (DAP)

Launched in 2023 to revitalize the downtown core by increasing foot traffic, supporting businesses and improving economic conditions.

### Downtown Activation Team (DAT)

Launched in 2024 to address public safety concerns and revitalize neighborhoods through a place-based approach.

### Little Saigon Strategy

A 6-month collaboration sprint with Bloomberg & Harvard University, City staff, and community partners to help 5 blocks, 10 businesses, & 30 lives in Little Saigon

# Significant Additions: Stabilize, Activate, and Invest Locally (SAIL) Fund

**Objective:** To restore and sustain a vibrant Seattle, we will address the challenge of clean, safe, and revitalized **neighborhood** and business districts with a compassionate, coordinated, and **place-based** approach.



# Significant Additions

## 1. Establish the Stabilize, Activate, and Invest Locally (SAIL) Fund

- Addresses fragmented approach to persistent, interconnected problems related to public safety, economic development, and neighborhood vibrancy.
- The City will invest in a place-based, coordinated approach that addresses the cleanliness, safety, and economic revitalization at specific locations, such as Little Saigon and Lake City.
- This budget add will fund both short-term and long-term strategies in neighborhoods that include law enforcement, increased street cleaning, funding to support physical environment changes that are proven to prevent crime, and activation initiatives.

	2025 Adopted	2026 Endorsed	2026 Proposed	% Change (Endorsed to Proposed)
(\$000s)				
General Fund	\$0	\$0	\$4,000	100%
PET Fund	--	--	--	--
FTE	--	--	--	--

# Significant Additions

## 2. Support Small Businesses through the Phố Đẹp Initiative

- Provide targeted support to small businesses in Little Saigon through the Phố Đẹp Initiative, aligning with the scope of the newly appointed SAIL subcabinet to strengthen community business corridors and cultural identity.

	(\$000s)	2025 Adopted	2026 Endorsed	2026 Proposed	% Change (Endorsed to Proposed)
General Fund		--	--	--	--
PET Fund		\$0	\$0	\$200	100%
FTE		--	--	--	--

# Significant Additions

## 3. Expand the Back to Business Program

- The Back to Business program, launched in August 2025, supports small businesses impacted by vandalism and property damage in three tracks: Storefront Repair Fund, the proactive Storefront Security Fund, and Neighborhood Business District Investments.
- With high demand, this additional \$2.5M investment provides continuity throughout the year to help small businesses and commercial corridors stabilize operations, prevent displacement, and strengthen local recovery.

	2025 Adopted	2026 Endorsed	2026 Proposed	% Change (Endorsed to Proposed)
(\$000s)				
General Fund	--	--	--	--
PET Fund	\$800	\$800	\$3,300	313%
FTE	--	--	--	--



# Significant Additions

---

## 4. Grocery Store Security Fund

- Funds the one-time implementation of a pilot Grocery Store Security Fund program. This program will address retail theft, property damage, and other crimes at grocery stores.
- This program will help make grocery stores safer and more welcoming for customers and workers, focusing on built environment improvements.

		2025 Adopted	2026 Endorsed	2026 Proposed	% Change (Endorsed to Proposed)
	(\$000s)				
General Fund		\$0	\$0	\$1,000	100%
PET Fund		--	--	--	--
FTE		--	--	--	--

# Significant Additions

## 5. Access to Neighborhood Grocers

- Provides \$700,000 to support the opening and expansion of small businesses offering healthy, fresh foods and cultural household essentials throughout Seattle neighborhoods
- This program will seek to encourage and incentivize food access, with a specific focus on food deserts, as well as new opportunities for formats such as corner stores and bodegas through changes proposed in the One Seattle Comprehensive Plan Update.

		2025 Adopted	2026 Endorsed	2026 Proposed	% Change (Endorsed to Proposed)
	(\$000s)				
General Fund		\$0	\$0	\$700	100%
PET Fund		--	--	--	--
FTE		--	--	--	--

# Significant Additions

## 6. Conduct a Business Climate Assessment

- Our Future of Seattle Economy framework has guided the City’s economic development policy coming out of the pandemic.
- This funding supports an updated assessment of Seattle’s economic fundamentals, our policies and our practices, and recommendations for how the City’s economic development framework should adapt.

(\$000s)	2025 Adopted	2026 Endorsed	2026 Proposed	% Change (Endorsed to Proposed)
General Fund	\$0	\$0	\$500	100%
PET Fund	--	--	--	--
FTE	--	--	--	--

# Significant Additions

## 7. Support for the Waterfront Shuttle

- Continue shuttle service to improve access and mobility for residents, workers, and visitors along the waterfront, supporting both local businesses and visitor activity.
- Free summertime waterfront shuttle, operated by the Friends of the Waterfront, is intended to promote economic activity in downtown Seattle.

	((\$000s))	2025 Adopted	2026 Endorsed	2026 Proposed	% Change (Endorsed to Proposed)
General Fund		--	--	--	--
PET Fund		\$0	\$0	\$500	100%
FTE		--	--	--	--

# Significant Additions

---

## 8. Support for a Community Workforce Training Center

- Provide funding to support the development of a community workforce training center.
- The facility, to be developed and operated by Uplift Northwest, will provide space for job training and certification programs, dining, hygiene facilities, community activities and collaboration, administrative offices, and leasable commercial spaces.

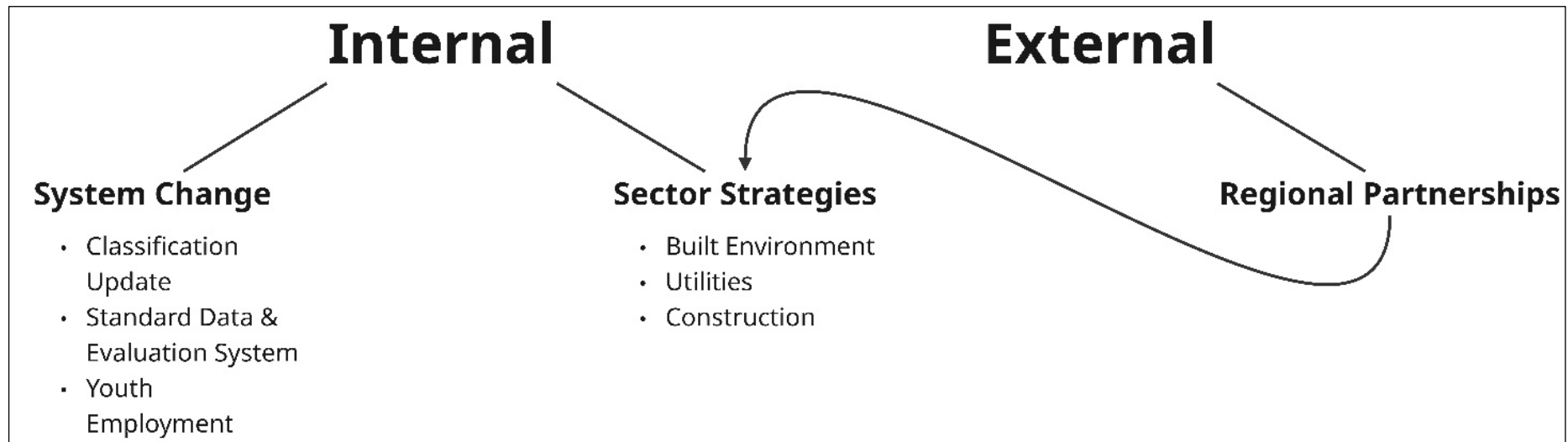
	((\$000s))	2025 Adopted	2026 Endorsed	2026 Proposed	% Change (Endorsed to Proposed)
General Fund		\$0	\$0	\$250	100%
PET Fund		--	--	--	--
FTE		--	--	--	--



# Citywide Workforce Development Task Force

---

The City's greatest strategic opportunity lies in aligning workforce development with City departments and service areas—particularly in utilities, the construction trades, and sustainability careers.



# Questions?