

Office of Economic Development

Bobby Lee, Director and Amanda Allen, Finance & Operations Director

2020 Proposed Budget Overview

September 26, 2019

1. Legislative & Policy Framework

OED 2019 Legislative Changes

Change	Citation/Source	Effects/Outcomes
OIS 2017 HUD Repayment - \$219,508	Q2 2019 Ordinance	Rectifying ineligible payments made per 2018 HUD audit finding
Transfer of \$400,000 CDBG funding from OPCD	Q3 2019 Ordinance	Funding for Tenant Improvement Pilot to support local small business

2. Strategic Priorities for 2020

OED Strategic Priorities for 2020

Priority	Goal(s)	Action(s)	Outcome(s) in 2020
Connect historically underserved youth and adults, particularly people of color, to high-quality job opportunities and build a skilled workforce for priority industries with family-wage jobs.	Historically underserved members of Seattle's workforce are prepared to meet labor market demand and succeed in the current and emerging economy, with no disparities based on race.	<ol style="list-style-type: none"> 1. Transform regional workforce system to align with the demands of the current & emerging economy. 2. Align youth employment activities and funding across City departments. 3. Contract with local workforce development service delivery organizations to provide training and job placement. 	<ol style="list-style-type: none"> 1. New regional workforce system in place. 2. Unified education and workforce investments that meet labor market demand. 3. 750 job placements and 1,240 training completions by contracted partners.
Provide targeted support to underserved entrepreneurs and small business owners to stabilize, grow, and scale their businesses.	<p>Small businesses owned by people of color and other underserved residents generate wealth for their owners and provide goods, services, and employment opportunities to the community.</p> <p>Racial disparities in income and wealth narrow.</p>	<ol style="list-style-type: none"> 1. Launch <i>The Connective</i> to link underserved businesses to new markets. 2. Conduct proactive small business development visits to provide tangible support. 3. Gather citywide local business intelligence. 	<ol style="list-style-type: none"> 1. 200 businesses owned by people of color and other underserved residents participate in the program. 2. 250 business visits to evaluate and provide appropriate support. 3. Real-time understanding of small business challenges to build programs that meet small business needs.

2. Strategic Priorities for 2020

OED Strategic Priorities for 2020

Priority	Goal(s)	Action(s)	Outcome(s) in 2020
Align OED industry support with our inclusive economy agenda, focusing on the industries that drive the regional economy through trade, innovation and middle-wage job opportunities (currently identified as creative, manufacturing & maritime, clean tech, IT, and life sciences.)	<p>Firms in key industries provide middle-wage job opportunities to Seattle residents, incorporate local businesses owned by people of color and other underserved residents into their supply chains, and make their work cultures more equitable and inclusive.</p> <p>Underserved businesses gain access to new markets.</p>	<ol style="list-style-type: none"> 1. Launch <i>The Connective</i> to increase industry purchasing and hiring from POC-owned and underserved businesses and youth of color. 2. Develop the city's first inclusive creative cluster strategy and align current cluster strategies with inclusive economy agenda. 	<ol style="list-style-type: none"> 1. Program piloted, launched, and commitments made by 50 industry businesses. 2. Increased public-private collaboration around OED's inclusive economy agenda, particularly in the creative cluster.
Practice place-based economic development to build vibrant, engaged, and racially equitable neighborhood business districts.	<p>Neighborhood business districts are centers of local commerce, community, and culture, where the businesses, local organizations and public space effectively serve the community.</p>	<ol style="list-style-type: none"> 1. Broaden OIS economic development strategies to include wealth creation, job centers, and transit-oriented development in neighborhoods at risk for displacement. 2. Develop comprehensive plan to increase access to affordable commercial space. 3. Support three business districts to form BIAs. 	<ol style="list-style-type: none"> 1. New approach piloted in three neighborhood business districts. 2. Small business receive direct support to access affordable commercial space. 3. Three business districts (15th Ave, 23rd and Union, and First Hill) increase the effectiveness and sustainability of their business support.

3. Four-Year Budget Summary

OED Budget 2017-2020

	2017 Actual (\$000s)	2018 Actual (\$000s)	2019 Adopted (\$000s)	2020 Proposed (\$000s)
Appropriation (GF)	\$9,451	\$11,980	\$10,683	\$11,226
Change Year to Year (in \$, %)		\$2,529 27%	\$(1,297) -11%	\$543 5%
Appropriation (Other)	\$1,018			
Change Year to Year (\$, %)		\$(1,018) -100%		
Employment (FTEs)	35.5	35.5	35.5	36.0
Change Year to Year (Count, %)				0.5 1%

4. Major Proposed 2020 Budget Changes

OED 2020 Proposed Budget changes

Change	2019 Adopted (\$000s)	2020 Proposed (\$000s)	Change (\$000s)	Change (%)
OFM Reorganization/Creative Economy Cluster Strategy	\$758,000	\$868,500	\$110,500	15%
Staffing & Music Commission Transfer to Arts	\$172,000	(\$172,000)	(\$172,000)	100%
OIS Funding Restructuring				
GF	\$583,694	\$883,694	\$300,000	51.4%
CDBG	\$851,675	\$371,675	(\$480,000)	-56.4%
Business Stabilization & Tenant Improvement Funds				
CDBG	0	\$480,000	\$480,000	100%