

Inclusive Economic Development Report

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Prepared for:	Seattle Downtown Regional Center Plan
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Interagency Review Draft Memorandum

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Date: December 11, 2025

Re: Inclusive Economic Development Strategies for the Downtown Seattle Regional Center Plan

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EXECUTIVE SUMMARY

As part of the Downtown Seattle Regional Center Plan preparation process, this memorandum provides a comprehensive set of strategies for inclusive and equitable economic development for Downtown Seattle as a whole and its distinct neighborhoods and communities. These strategies, informed by both data analysis and extensive community engagement, aim to address Downtown's unique socioeconomic conditions while leveraging its position as an economic and cultural hub for the city and the region. Key findings and recommendations include:

Economic Context: Downtown Seattle remains the Pacific Northwest's largest employment center and is projected to add 60,000 jobs by 2044. However, socioeconomic disparities persist across neighborhoods, necessitating targeted investments in affordable housing, workforce training, public infrastructure and community-centered economic development. Downtown's rich cultural diversity is an important economic asset which can be leveraged for the benefit of existing residents and small businesses, and in particular in areas at high risk of displacement pressures such as Pioneer Square and the Chinatown-International District (CID).

Strategic Priorities:

1. Adapt the built environment to evolving economic conditions through zoning updates, flexible reuse of commercial spaces, and technical assistance.
2. Invest in public infrastructure, parks, and community amenities to meet the needs of a growing residential population.
3. Support small businesses and entrepreneurs, particularly in high-risk neighborhoods like Pioneer Square and the CID.
4. Protect and revitalize neighborhood commercial districts through façade improvement programs, legacy business preservation, and placemaking activities.
5. Enhance workforce training and education to create pathways to living-wage jobs.
6. Leverage vacant and publicly owned sites for affordable housing and community-serving developments.
7. Explore new district-scale entities and financing tools, such as tax increment financing and eco-districts.

Key Challenges: Housing affordability, infrastructure deficiencies, displacement risks, and underutilized land remain critical barriers to achieving equitable and inclusive growth. By aligning economic development strategies with racial equity goals and leveraging resources from public, private, and philanthropic entities, this plan lays the groundwork for a vibrant and inclusive Downtown economy.

INTRODUCTION

As part of the preparation of the Downtown Seattle Regional Center Plan (Plan), this memo provides a detailed set of strategies to promote inclusive and equitable economic development for Downtown and its distinct neighborhood subareas. Building on existing initiatives and programs sponsored by City

agencies and other economic development entities, these strategies and associated implementation actions are meant to inform economic development policies and programs to be included in the Final Downtown Regional Center Plan.

Strategy Preparation Process and Racial Equity Toolkit (RET) Outcomes

The draft strategies presented here are informed directly by existing conditions and policy analyses prepared by BAE, Agency, SEVA, the City of Seattle, and other project partners; most importantly, the strategies incorporate input from a diverse range of residents, business owners, nonprofit organizations, community leaders and other stakeholders who have participated in community workshops, meetings, and informational interviews conducted throughout the Plan preparation process.

The memo also refers to and addresses specific proposed actions identified in the [Racial Equity Toolkit \(RET\) Outcomes](#) for the Downtown Subregional Plan and described fully in other Plan documents. The specific Downtown Regional Center RET outcomes and proposed metrics for Economic Development include the following:

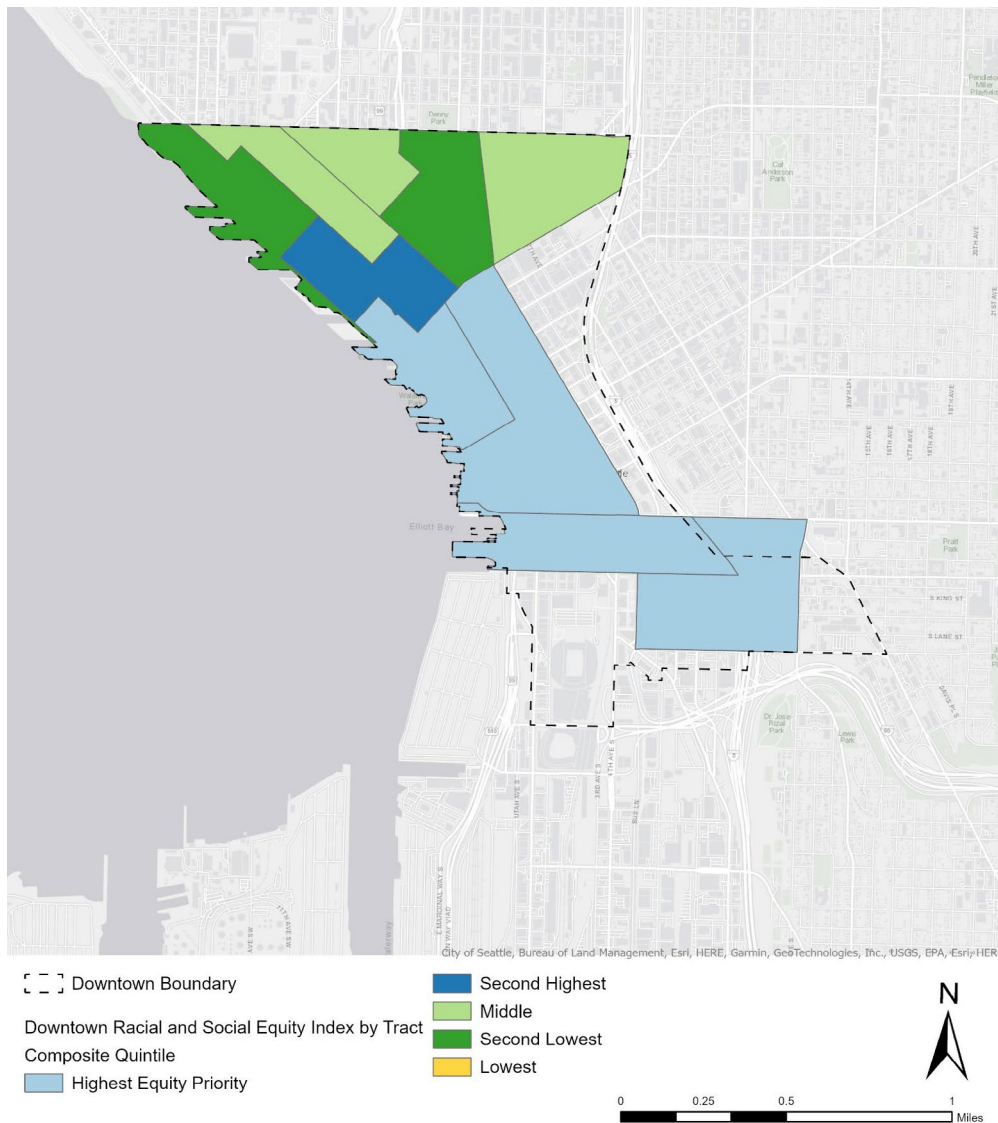
Outcome: Access to Employment and Creating Businesses: Downtown is a center for businesses of all sizes that create financial opportunity and stability for entrepreneurs, owners, and employees.

Proposed Metrics: 1) number of jobs and small businesses by economic sector; 2) small business creation by business and owner type; 3) jobs by race and ethnicity.

Downtown Neighborhoods Socioeconomic Profile

The Downtown Regional Center Plan Area is comprised of five distinct neighborhoods with very different economic conditions and community needs. As with other elements of the Regional Center Plan, this memo accounts for the differences across neighborhoods by providing implementation actions that either apply to Downtown as a whole or to one or more of the distinct neighborhood sub areas. As analyzed in other Plan documents and the City's socioeconomic equity index (see Figure 1 below), Downtown Seattle comprises both "highest equity priority" neighborhoods (e.g., Pioneer Square and Chinatown-International District) and neighborhoods with relatively low equity priority rankings (e.g., Belltown and Denny Triangle). Businesses, households, community organizations and cultural institutions in the Pioneer Square and CID neighborhoods have both reduced economic resources and a higher need for new investment and economic initiatives that explicitly account for intersecting factors (race, ethnicity, households type, income, etc.), that limit economic opportunities for these communities.

Figure 1: Racial and Social Equity Index: Equity Priority Ranking



Source: City of Seattle, 2023; BAE, 2024.

Subarea Geography: 2020 Census Tracts.

Consistency with PSRC Regional Economic Strategy

The 2022-2026 Regional Economic Strategy serves as the Comprehensive Economic Development Strategy (CEDS) for the Central Puget Sound region, including Seattle. The strategy constitutes a blueprint for economic development centered on the following focus areas: Equity; Health; Childcare; Job Distribution; Broadband; Housing; Business Recovery; and, Industry Resilience. Both this memo and the overall Regional Center Plan have been prepared considering both the focus areas and the key industry sectors set forth in the Strategy. In addition, the Regional Strategy's updated 2025 Economic

Development Priorities¹ are incorporated into this and other Plan documents as relevant and appropriate. These include equity; housing; childcare; workforce development; infrastructure; clean energy; and, arts culture and tourism sector support and coordination.

Defining Inclusive and Equitable Economic Development

According to the Aspen Partnership for an Inclusive Economy, “An inclusive economy is an economic system that includes everyone, regardless of age, gender, race/ethnicity, educational attainment, personal background, dis/ability status, or other traits, and respects their individual roles as workers, dependents, students, family members, entrepreneurs, and business owners.”² Within this approach to economic development, broad participation by and access to resources for workers, small businesses owners, and community institutions are integral to ensuring positive long-term economic outcomes. The Draft One Seattle Plan reflects this overall orientation to economic development and further provides “direction about how to maintain and grow Seattle’s vibrant, diverse, and increasingly global economy to benefit individuals equitably across income levels, as well as business, industry, and the city’s racially and culturally diverse communities.”³ This vision emphasizes equitable access to resources, support for small and micro-businesses, partnerships with neighborhood business districts, and investments in the local workforce.

SUMMARY OF ECONOMIC EXISTING CONDITIONS AND POLICY IMPLICATIONS

To provide additional context and support for the strategies and actions provided below, the following portion of this memo summarizes major themes, findings, and policy recommendations from the Economic, Real Estate and Housing Existing Conditions Report⁴ prepared by BAE.

Downtown Seattle is the Largest Employment Center in the Pacific Northwest and is a Major Center for Many of the City’s Critical Economic Growth Sectors.

Despite recent losses in office and retail employment in the wake of the Covid 19 pandemic, Downtown Seattle remains the City’s largest employment node and is projected to add an additional 60,000 jobs by 2044. According to the Draft One Seattle Plan and the City’s Office of Economic Development (OED), key economic growth sectors in Seattle include the following: Technology; Maritime, Manufacturing, and Logistics; Health Services; Life Sciences; Construction; Creative Economy; Green Economy.⁵ All of these sectors have an existing and/or growing footprint in Downtown Seattle and include a diverse range of businesses by number of employees and types of owners.

¹ <https://www.psrc.org/media/9253>

² www.aspeninstitute.org/blog-posts/how-do-you-define-an-inclusive-economy/#:~:text=Economic%20Development,future%20of%20generations%20to%20come.

³ www.seattle.gov/documents/Departments/OPCD/SeattlePlan/OneSeattlePlanDraftPlan2024.pdf

⁴ Placeholder for link to BAE report

⁵ <https://seattle.gov/economic-development/key-industries>

By 2044 Downtown is Projected to be the City's Largest Residential Neighborhood.

Downtown Seattle has added a significant supply of new housing in recent years and by 2044 it is projected to grow by an additional 13,500 housing units. Along with high rates of overpayment⁶, overcrowding is a significant problem reported by many moderate- and lower-income families across Downtown neighborhoods. Additional affordable housing investments will be needed throughout the Plan Area as well as new public service and social infrastructure to support the existing population.

Downtown Already has Sufficient Capacity to Accommodate Future Growth, but Additional Investments in Community Amenities, Affordable Housing, and Basic Infrastructure are Critical to Ensuring Inclusive and Equitable Growth.

According to the Land Use Analysis prepared by Seva Workshop for the Downtown Regional Center Plan,⁷ Downtown already has sufficient land use capacity to accommodate future growth targets; investments in the public realm, basic infrastructure and community amenities, however, will be needed to ensure that future development is both equitable and inclusive and does not exert displacement pressures on existing residents, businesses and community institutions.

Small Businesses are a Critical and Growing Component of Downtown Seattle Economic Base.

Seattle's Downtown Activation Plan views small businesses as a key component of a thriving downtown, providing ownership opportunities for entrepreneurs from diverse backgrounds and filling vacant retail, restaurant, and office spaces with thriving businesses serving Downtown's resident and worker population.⁸ The average number of employees for private businesses located in the Downtown subarea is under 20 persons per business. This indicates the presence of a large number of small firms, including in key growth sectors such as Professional, Scientific & Technology Services businesses (averaging 18.6 employees), Retail Trade (averaging 16.7 employees) and other key sectors as identified by OED.

Despite Having Relatively Low Overall Rates of Unemployment, Downtown Seattle Would Benefit from Additional Investments in Education and Workforce Training, Particularly in Socioeconomically Vulnerable Neighborhoods.

Although unemployment across Downtown as a whole is comparatively low overall and job growth is projected to be robust, many Downtown community members face ongoing challenges entering the labor market and finding pathways to living wage jobs and careers. In addition to existing workforce training services provided by Worksource Seattle and other public-sector and nonprofit agencies, additional investments in K-12, higher education, vocational training and other educational resources are needed to ensure inclusive and equitable development.

⁶ Defined as paying 30 percent or more of gross household income towards total housing costs.

⁷ Placeholder for link to Plan

⁸ <https://www.downtownisyou.com/>

The Housing Market in Downtown Seattle is Relatively Robust Despite Current Challenges to Development Feasibility and Affordable and Workforce Housing Opportunities are Scarce.

Downtown has approximately 36,000 residential units, or nearly nine percent of the city's overall residential inventory. The cost of housing Downtown is generally higher than elsewhere in the City, particularly in terms of rental rates in multifamily apartments. Downtown also has a significantly higher share of lower-income households relative to the City and Region, and these households experience a significant rate of cost burden and other housing problems.

The Commercial Real Estate Market is in a State of Rapid Change, Leading to Declining Demand for Retail and Office Uses but New Opportunities for Lodging, Attractions, Entertainment and Mixed Uses.

Declining demand for retail and office space is leading to a restricting market for these real estate sectors; future development will likely focus on providing new, more contemporary, and higher quality space for retail, food service, and office users without adding significantly to Downtown's existing inventory of commercial space. Downtown's continuing significance as the region's cultural and entertainment hub will support new lodging and visitor uses; in addition, the changing landscape of commercial real estate presents new opportunities for the adaptive reuse of older offices and other commercial buildings for adaptive reuse, particularly for housing.

Vacant, Underutilized and Publicly Owned Sites Represent Important Opportunities for Community-Serving Uses and Amenities, Including Affordable Housing, Educational and Cultural Institutions, Small Business Incubators, Workforce Training Centers and other Nonprofit Organizations and Community Services. According to SEVA Workshop, over 56 percent of land in the Downtown Regional Plan area is owned by public agencies. Another three percent, or 79 acres, of property is currently vacant or is being used for surface and structured parking; Pioneer Square and the CID in particular have a large share of underutilized and vacant land. These land resources represent a critical long-term opportunity for community economic development, affordable housing, and public realm improvements.

Planned Transit Infrastructure Will Bring both New Investment and Mobility Options but also Potential for Displacing Existing Residents and Businesses.

The ST3 light rail expansion includes a number of projects to enhance mobility across the region. Downtown is most directly impacted by new stations and connections developed as part of the Ballard Link Extension Project. Three new stations are proposed Downtown: Denny (right at the border of the Downtown Urban Center boundary), Midtown (location of station TBD); and a new station in the International District. Enhanced connections will be offered at Westlake. Progress on this extension has been delayed as public comment has fueled additional rounds of study of the proposed alignments. These new investments represent critical opportunities for future economic development and community uplift but, without intervention, will present displacement risks for existing residents, businesses, and community institutions.

INCLUSIVE ECONOMIC DEVELOPMENT STRATEGIES

BAE has developed the following strategies in response to the economic conditions and trends summarized above and building on community feedback and existing City and private-sector initiatives. Each strategy includes a range of land use, policy, and programmatic actions that either apply throughout Downtown or are targeted to a specific neighborhood or sub area.

Strategy #1: Support the Reconfiguration of the Built Environment to Adapt to Changing Economic Conditions and Community Needs

The Downtown Regional Center currently consists primarily of commercial land uses: office (25%); retail/other commercial (22%); and mixed-use (13%) properties. Institutions and public facilities account for another 10 percent of land, and multifamily properties make up 9 percent. An additional 14 percent of land is either vacant, an easement, or in use as a parking lot or structure.⁹ Scattered sites with single family homes, industrial uses, and parks comprise the remaining land uses. While proposed zoning changes in the [One Seattle Plan](#) would already provide significant flexibility in terms of allowing residential uses at a variety of densities, heights, and configurations, in the long-term, additional refinements to land use and zoning policies along with supporting technical assistance and funding programs will be needed to facilitate Downtown's transition from a primarily office, retail and commercial center to a mixed-use area with employment, residential, entertainment, cultural, arts and many other types of uses and activities.

Implementation Actions:

1. Continue to Support the Adaptive Reuse of Commercial Buildings

- a. Leverage the City's Housing Levy and other existing and new funding sources to support the reuse of older offices and other commercial buildings that require seismic upgrades and other structural improvements.
- b. Building on the existing State of Washington Department of Commerce program, consider adopting a pilot program that provides funding for residential adaptive reuse retrofit costs in exchange for long-term deed restrictions requiring that units created through the funding are available to low- and moderate-income households.¹⁰
- c. Building on existing City policies such as the recently passed [Office to Residential Legislation](#), continue to work with Downtown property owners to update flexible zoning and development standards for adaptive reuse projects.

⁹ Source: SEVA Workshop Land Use Existing Conditions Report, 2024.

¹⁰ Income limits for ownership and rental housing programs vary by program, funding source and agency, but for the purposes of this action, eligibility would be targeted to households earning between 60 and 100 percent of the Area Median Income as defined by the Seattle Office of Housing. www.seattle.gov/housing/property-managers/income-and-rent-limits

- d. Partner with organizations such as the [Alliance for Pioneer Square](#), the [Chinatown-International District Business Improvement Area](#) and others to tailor adaptive reuse policies and programs to the specific needs of small, heritage and BIPOC-owned businesses in these areas.
- e. Consider expanding support for community wealth-building initiatives like cooperative ownership models of businesses and cultural institutions, and other shared equity to ensure the benefits of economic development are equitably distributed. Similar to the existing Economic Development Initiative, the City could partner with community-based organizations to create a Community Investment Trust or similar entity where residents can invest in and co-own assets like reused commercial properties.

2. Review and Update Zoning Standards to Reflect New Retail Trends and Build on the Strengths of Existing Commercial Areas

- a. Building on the success of [Seattle Restored](#) and other efforts, continue to identify and remove zoning constraints on various retail, food service and entertainment uses, such as limits on outdoor food trucks, outdoor seating, pop-up retail, outdoor kiosks, music, and other special events. As needed, update the zoning code to provide greater flexibility for these uses and/or provide dedicated support and technical assistance for businesses seeking to activate underutilized commercial space.
- b. Conduct periodic zoning audits to ensure that existing zoning standards allow experiential retail uses such as temporary pop-up retail, kiosks, artisanal retail, outdoor events, and maker/craft businesses.
- c. Require flexible and adaptable ground-floor commercial space configurations in mixed-use buildings to allow for a variety of sizes and types of retail, food service and entertainment spaces to meet the needs of distinct types and sizes of businesses, including small and micro-businesses.
- d. In order to preserve the unique character of Downtown's diverse commercial nodes and corridors, consider restricting formula retail uses¹¹ in some areas of Downtown at elevated risk of commercial displacement, particularly Pioneer Square and the CID.

3. Continue to Update and Streamline Land Use, Zoning and Development Standard to Promote High-Quality Workplaces in both New and Existing Commercial Buildings

- a. Consider convening an interdisciplinary team across relevant City Departments (OPCD, SDCl, etc.) to review the building code update processes to ensure consistency and clarity for the development of new office space. This may include limitations on the frequency of periodic code updates in order to provide consistency and clarity for developers and property owners.

¹¹ Cities such as [San Francisco](#) have adopted such ordinances in targeted neighborhoods as both an anti-displacement and economic development strategy; the definition of what types of businesses constitutes a formula or chain retail use varies from jurisdiction to jurisdiction.

- b. Conduct an audit of zoning and development standards to identify administrative and regulatory barriers to the reuse of office properties for other commercial uses/types of workplaces.
- c. Maintain and improve the transparency of permitting processes and land use regulations; make key land use documents and permitting forms available online.
- d. Encourage the development of office spaces that provide opportunities for flexible and open configurations, increased use of communications technologies, hybrid work schedules, social distancing, improved ventilation, and other key attributes of the modern workplace.

Strategy #2: Invest in Public Spaces and Community Infrastructure

As Downtown Seattle absorbs an increasing share of Seattle’s new housing and employment over the next 20 years and evolves to become the City’s largest residential neighborhood, public infrastructure, services, and amenities should also adapt to serve Downtown’s diverse communities. Building on the Draft Public Facilities and Services Analysis conducted by BAE,¹² the following strategies and actions have been developed to address key infrastructure needs which will improve Downtown’s ability to accommodate new growth while minimizing the potential negative impacts of change such as increased displacement pressures of existing households, businesses and community institutions.

Implementation Actions:

1. **Invest in New and Improved Parks and Recreational Amenities.** [Outside Citywide](#) has identified a majority of Downtown as the highest, or a high, priority for open space improvements. Deficiencies in public space access are most prevalent in Pioneer Square, Chinatown-International District, and the Commercial Core, Denny Triangle, and Belltown.
 - a. Align new residential development with strategic investments in high-quality parks, recreational amenities, and green spaces.
 - b. Partner with commercial property owners to update, improve and enhance accessibility to existing and new privately-owned public spaces, including in underutilized commercial centers where these amenities may no longer serve their original function.
 - c. Partner with BIA and community groups to seek funding for small-scale green and active park amenities in underserved areas.
2. **Improve Downtown’s Wastewater Infrastructure.** A majority of Downtown is served by a combined sewer system where wastewater and stormwater are held in the same pipes and conveyed to a wastewater treatment plant. Heavy rain events can cause combined sewer overflows, which in turn can result in negative public health and environmental impacts, as untreated sewage is

¹² Placeholder for link to Analysis

discharged into the local watershed. [SPU's 2019 Wastewater System Analysis](#) found that a majority of Downtown is in a capacity risk area. Pioneer Square and Chinatown-International District are particularly at risk.

- a. Partner with SPU to prioritize resilient wastewater infrastructure investments in areas of the highest need such as Pioneer Square and the CID.
- b. Encourage investment in green and green/blue wastewater infrastructure improvements to address existing system deficiencies and accommodate new planned residential and commercial growth,

3. Expand Services and Housing Options for Unhoused People. Homelessness remains one of the most pressing problems facing Downtown Seattle. New resources and investments should be focused on creating both temporary shelter and services for people experiencing homelessness throughout Downtown as well as longer-term service-enriched housing for both individuals and families.

- a. Create a comprehensive services navigation center in the Commercial Core for individuals and families and families experiencing homelessness.
- b. Invest in additional emergency and short-term shelters with supportive services and security.
- c. Work with key stakeholders including local government departments (the Office of Housing, the King County Regional Homelessness Authority, and the Human Services Department)¹³, nonprofit agencies, and others , to identify new opportunities for permanent supportive housing that serve the needs of the unhoused in all Downtown neighborhoods.
- d. Beyond expanding housing accessibility for unhoused people, implementing anti-displacement strategies specifically within neighborhoods near proposed development or infrastructure that is likely to drive land/property value (including planned transit infrastructure, parks, etc.) as a preventative safeguard to future homelessness. Such policies can include community land trusts, inclusionary zoning, or rent stabilization policies.

4. Continue to Prioritize Efforts to Make Downtown Safe and Welcoming. While reported property and violent crime has decreased between 2019 and 2023 in Downtown, the perception of crime in the area remains high. Building on the [Downtown Activation Plan](#), additional efforts are needed to make Downtown both safe and welcoming for residents, workers, and visitors alike.

¹³ Seattle HSD 'Homelessness' Impact Area page: <https://seattle.gov/human-services/reports-and-data/addressing-homelessness>

- a. Build on existing partnerships with the three Downtown BIAs (CID, Pioneer Square and the Downtown Metropolitan Improvement District), as well as the Seattle Center, the Seattle Metro Chamber, and the Downtown Seattle Association to expand resources for these organizations to support “clean and safe” programming in public spaces.
 - b. Continue to support and expand [community policing solutions](#) in Downtown neighborhoods.
 - c. [Enforce the recently created Stay Out of Drug Areas \(SODAs\)](#) including the area around Third and Pine in the Commercial Core, Belltown, the CID and Pioneer Square.
- 5. **Plan for Additional Primary and Urgent Healthcare Facilities.** While Downtown is proximate to major hospitals west of Interstate 5 in First Hill, there is a scarcity of urgent care and primary care facilities within Downtown’s boundaries. New residential development in the area is likely to increase the demand for health services.
 - a. Ensure existing and/or proposed land use and zoning regulations allow for an adequate supply of professional medical, laboratory, and urgent care space throughout Downtown, including in mixed-use buildings.
 - b. Partner with major medical providers to provide additional medical services and facilities Downtown, including through community health clinics in underserved areas.
- 6. **Encourage Additional K-12 Educational and Childcare Facilities.** There are currently no public schools located within Downtown, and furthermore five of the eight public schools serving Downtown are at 80 percent or higher enrollment capacity. New residential development in Downtown is likely to increase the number of school-age children in the area, as well as the demand for both K-12 educational services and childcare facilities. In addition, childcare facilities are in many respects an essential aspect of inclusive economic development as access to affordable childcare enables parents to participate in the labor force or pursue training, leading to increased family income, economic growth, and productivity. This is particularly true for low-wage earners who can often reap large gains from additional education and training. Moreover, there is a significant body of academic literature that demonstrates how early childhood education can lead to better educational outcomes later in school and higher earnings over a lifetime.
 - a. Partner with the Seattle Public Schools to reevaluate the long-term feasibility of building new K-12 public schools Downtown as the residential population grows.
 - b. Allow for childcare facilities on the ground floor of commercial, residential, and mixed-use buildings and enact standards for on-site amenities suitable for these uses, including child drop off and pick up zones.
 - c. Explore the provision of new childcare facilities as part of a community benefits program for major new development projects or through the adoption of a childcare linkage fee.
 - d. Identify sites or existing structures that might be feasible for new childcare facilities.

Strategy #3: Support Small Businesses and Entrepreneurs

As noted above, Downtown is home to a large number of small businesses across economic sectors. These businesses provide opportunities for wealth building and economic advancement in low-income and immigrant communities and are an essential part of the community character of Downtown's distinct neighborhoods.

Implementation Actions:

1. Support Existing Small- and Medium-sized Businesses and Encourage New Small Business Development

- a. Review existing home-based business rules and identify refinements that can be made to encourage new start-ups and small businesses.
- b. Continue to provide technical assistance and training to entrepreneurs and small businesses through existing [Office of Economic Development \(OED\) and partner economic development agencies](#).
- c. Partner with the OED and the Pioneer Square and CID BIAs to expand technical services and funding for businesses in Pioneer Square and the CID at substantial risk of displacement.

Leverage existing OED small business financing and grant programs, which offer a range of support from access to lending and competitive grants for storefront repairs, to a variety of other resources. Through these existing programs, enhance access to capital specifically for small businesses with women and/or minority ownership status. Building partnerships can provide resources like mentorship, network building, and community foundations in addition to direct access to capital.

2. Provide an Adequate Supply of Suitable Commercial Space for Small- and Medium Sized Businesses

- a. Partner with food policy advocates and regional operators of food incubators/shared kitchens such as the [Food Innovation Network](#) to explore the feasibility of creating a food incubator and/or commercial kitchen Downtown.
- b. Support the preservation and improvement of existing warehouse, distribution, production, and repair spaces in certain areas of Downtown where these uses continue to fulfill an important economic function, including areas like Little Saigon with a high proportion of heritage and BIPOC-owned businesses.
- c. Study the feasibility of preserving existing underutilized warehouse and light industrial buildings in the Downtown core for arts and entertainment and fitness uses such as rehearsal studios, nightlife venues, climbing gyms and other uses that require a relatively large footprint and/or require noise insulation and other physical amenities that these older buildings may provide.
- d. Work with property owners and developers to promote and deliver new small-scale office space options, such as centralized co-working hubs and short-term leases. Adapted zoning codes can encourage development of "innovation districts" that provide affordable

office spaces, access to capital, business mentoring, and coworking spaces for such businesses. There is an opportunity to partner with OED to establish a Downtown incubator program focused on technology, creative industries, and green economy startups.

Strategy #4: Support Efforts to Protect and Revitalize Neighborhood Commercial Districts

Placemaking for a commercial district is crucial for enhancing retail sales and improving the community's quality of life. By creating inviting public spaces, adding aesthetic elements (e.g., public art) and ensuring that the area is pedestrian-friendly, placemaking fosters a sense of community and encourages longer visits, leading to increased spending at local businesses. Additionally, well-designed retail districts can host events, support social interactions, and provide recreational opportunities, contributing to enhanced wellbeing for residents and creating a thriving, dynamic community environment. OED, the Downtown BIAs and other community organizations already sponsor a number of improvement and revitalization efforts; the following actions are meant to compliment these as well as the proposed place-based economic development policies outlined in the Draft One Seattle Plan.

Implementation Actions:

1. **Expand façade improvement support through loan and grant programs.** Commercial facade improvement programs help small businesses and commercial property owners improve their building's exterior and storefronts through financial incentives, such as matching grants and loans, tax abatements, and design assistance.
 - a. Pursue additional funding from both public and private sources to expand façade improvement programs beyond existing programs offered for small businesses in [Pioneer Square](#) and the [waterfront](#).
 - b. Partner with OED and the Downtown BIAs to offer a façade improvement loan and/or grant program for small businesses in commercial nodes and corridors in all five Downtown sub areas.
2. **Consider Creating a Downtown-Focused Legacy Business Program.** Legacy business programs have been adopted by cities across the US to assist longtime businesses that contribute to a neighborhood's history, identity, and character. These programs also offer financial incentives, including grants, to commercial landlords to retain legacy businesses.
 - a. Evaluate the feasibility of relaunching the [legacy business grant program formerly offered by OED](#), with a particular focus on historic businesses in Pioneer Square and the CID.
3. **Facilitate Retail Recruitment through Establishing Partnerships between Neighborhood Brokers and Property Owners**
 - a. Support a retail attraction initiative featuring a designated broker who specializes in retail spaces within a specific neighborhood and building relationships with the encompassing property owners.

4. Pursue grant funding to support improvements such as additional lighting and landscaping, street trees, bike parking, street furniture, and parklets.

- a. Seek grant funding from the private sector, community foundations, community development financial institutions and other funders to generate new resources for commercial district revitalization activities.
- b. Partner with OEDs, BIAs, nonprofit organizations and relevant city public agencies to implement improvements.
- c. Facilitate place-building activities and events throughout Downtown, focusing on the unique cultural and commercial identities of each neighborhood.

5. Plan proactively to prevent business disruptions related to planned transit improvements.

- a. Inspired by the example of the [Central Corridor Funders Collaborative](#) in Minneapolis Saint Paul, convene a working group of community groups, business organizations and funders to study the potential for establishing a fund and a set of related programs to assist small businesses during the planned light-rail construction projects due to take place through 2039.

Strategy #5: Improve Educational and Workforce Training Services to Provide Pathways to Living Wage Jobs

Downtown currently has a relative dearth of targeted workforce training and educational services and programs, particularly considering its status as the largest employment center in the Pacific Northwest. The following actions would involve partnerships between employers, the City, major educational institutions and community-based organizations, and would require additional funding commitments from both public and private-sector sources.

Implementation Actions:

1. Expand vocational and workforce training programs and services for Downtown residents.

- a. Partner with the existing resources such as [Worksource Seattle](#), [Seattle Central College](#) and other [workforce development agencies](#) to offer targeted services in Downtown locations, particularly Pioneer Square and the CID.
- b. Work with private-sector employers to explore the feasibility of creating new vocational and apprenticeship programs in key growth sectors of the economy such as maritime, the creative economy, green economy and other as identified by OED.

2. Leverage Major Public Works Projects to Create First Hire and other Workforce Training Programs for Downtown residents.

- a. Building on the example of [King County's Priority Hire Program](#) and the [City of Seattle Priority Hire Program](#), partner with OED and/or other workforce development agencies to launch a targeted Downtown workforce and economic development initiative designed to provide training and living-wage employment opportunities in the construction industry for Downtown residents.
- b. Explore the feasibility of requiring major public works projects Downtown to be subject to a guiding community workforce agreement providing employment opportunities for employment with participating trade unions. Further, new policies requiring inclusive procurement policies can mandate a portion of public contracts be allocated to minority- and women-owned businesses (MWBs).
- c. As with the King County and City programs, the program would prioritize individuals from economically distressed areas and underserved socioeconomic groups, aiming to enhance workforce diversity and provide equitable access to construction careers.

3. Consider the Use of Community Benefits Agreements to Expand Workforce Training and Job Opportunities.

- a. Building in the example of the [Key Arena Agreement and MOU](#), encourage the use of community benefits agreements for major private-sector projects to provide additional funding for community development, workforce training and jobs for local residents, with a focus on women and BIPOC communities.

Strategy #6: Leverage Vacant, Underutilized and Publicly Owned Sites to Support Long-Term Economic and Community Vitality

Publicly-owned and vacant underutilized sites present a strategic opportunity for community investments in public infrastructure, affordable housing and other uses that support an inclusive and equitable economy. Particularly as new transit investments take place with the attendant consequences for increased land values, community-ownership of key sites provides a critical hedge against displacement and can ensure a diversity of housing types by affordability and businesses by type and size.

Implementation Actions:

1. Explore opportunities for the acquisition and assembly of privately held vacant sites for future community-oriented development.

- a. Study the feasibility of site acquisition and assembly of key sites and the potential for the development of community-serving residential, commercial, and civic uses.
- b. Conduct outreach to foundations, CDFIs and other private- and public-sector partners to evaluate the feasibility of establishing an acquisition fund for underutilized vacant sites.
- c. As feasible, create a new program either within the City or through a new public-private partnership to dispose of and develop the sites according to a set of guidelines/parameters for the development community-serving uses.

2. Prioritize the Use of Publicly Owned Sites for Affordable Housing and Community Economic Development.

- a. Create a comprehensive inventory of publicly owned sites by agency and create a priority list of sites for development with affordable housing and other priority community-serving uses (e.g., schools, cultural centers, etc.).
- b. Create a community-led and inclusive process for guiding the disposal and development of these key sites facilitated either by the City and/or a working group of public agencies with land assets located in the Downtown Plan Area.

Strategy #7: Evaluate the Feasibility of Establishing New District-Scale Entities and Financing Tools

Both the City of Seattle, through its various agencies and departments, and a variety of existing nonprofit and business organizations already have significant capacity and well development programs focused on Downtown neighborhoods. Despite this, research conducted by BAE for this effort suggests that additional organizational and financing tools may be required to address the full scale of future economic development and infrastructure needs for downtown over the 20 years of the regional center plan. These include but are not limited to the potential actions listed below.

Implementation Actions:

- 1. Study the feasibility of establishing a new special district such as an ecodistrict in all or part of Downtown promote and pilot sustainable, inclusive, and equitable economic and community development. This would potentially build on the example of [the Capitol Hill EcoDistrict](#) managed by the Urban League of Greater Seattle.**
 - a. Conduct outreach to key stakeholders in the City and existing nonprofit agencies and business organizations to comprehensively assess the utility and feasibility of creating new district to bring additional resources and capacity to all or part of Downtown.
 - b. As feasible, develop a funding strategy and business plan for creating the district and/or expanding the scope and capacity of existing entities such as existing BIAs and community-based organizations.
- 2. Conduct a Feasibility Analysis for the Establishing of a [Tax Increment Financing District](#) in All or Part of Downtown to Fund Needed Infrastructure Improvements.**
 - a. Consistent with recently passed legislation and working with private- and public-sector partners (e.g., taxing districts), convene a working group to study the feasibility of establishing a TIF district in all or part of Downtown Seattle to create a funding stream for future infrastructure improvements.
 - b. As feasible, establish a TIF District and develop guidelines to prioritize investments that advance the goals of inclusive and equitable development.

Appendix A: Economic Development Funding Sources

City of Seattle Programs

OED offers the following programs for entrepreneurs and small businesses:

- Small Business Capital Access Program: Provides grants to reduce 20% of the principal on qualifying loans, aiding small businesses in managing debt and improving financial health.
- Tenant Improvement Fund: Offers grants to small businesses (with fewer than 50 employees) for storefront expansion or improvements, enhancing their physical presence and customer experience.
- Business Community Ownership Fund: Assists businesses in securing fixed and affordable commercial rents, promoting long-term stability and community presence.
- Storefront Repair Fund: Provides \$2,000 grants for small businesses to repair storefront property damage, helping maintain attractive and functional storefronts.

Other relevant City of Seattle programs include:

- Equitable Development Initiative (EDI): Funds projects aimed at reducing displacement and increasing access to opportunities in high-risk neighborhoods, with a focus on serving the BIPOC community.
- Digital Equity Grants: Through the Technology Matching Fund and Digital Navigator Grant, these programs help bridge the digital divide for those with limited access, supporting digital literacy and connectivity.
- Environmental Justice Fund: Supports initiatives that address environmental conditions and climate change impacts, particularly in underserved communities.
- Food Equity Fund: Provides resources to bring culturally relevant food and knowledge to communities, promoting food security and cultural preservation.
- Recreation for All Fund: Offers grants for culturally relevant programs and events in parks, community centers, and pools, fostering community engagement and well-being.

State and Federal Resources

- The Washington State Department of Commerce oversees multiple programs aimed at strengthening communities and fostering economic development, such as the Housing Trust Fund and the Community Reinvestment Project (CRP). The CRP, for instance, provides grants to organizations supporting equitable economic development.
- The U.S. Economic Development Administration (EDA) offers grants and technical assistance to support economic development strategies that lead to job creation.
- The Small Business Administration (SBA) provides loans, grants, and counseling services to small businesses to promote growth and sustainability.
- Along with other HUD-funded programs, the Community Development Block Grant (CDBG) Program provides annual grants to the City of Seattle to support the City's economic development agenda.

Private Philanthropy

- The Seattle Foundation is the region's largest community foundation, focusing on advancing equity and shared prosperity. Relevant programs include the Communities of Opportunity initiative, launched in partnership with King County, which aims to improve health, social, racial, and economic outcomes by investing in community-led partnerships and policy reforms.
- 4Culture: Serving all of King County, 4Culture integrates arts, heritage, preservation, and public art to enhance community vitality. By funding cultural projects and preserving historical sites, 4Culture contributes to the region's economic development and cultural richness.
- The Bill & Melinda Gates Foundation provides grants to local organizations in and around Seattle. These grants support efforts to end homelessness, connect individuals to stable housing, and address pressing community needs, thereby fostering economic stability and growth.

Community Development Financial Institutions (CDFIs)

- Craft3 is a nonprofit CDFI that provides loans to businesses, nonprofits, and individuals, focusing on fostering economic, ecological, and family resilience in Pacific Northwest communities.
- Impact Capital offers financing and technical assistance to nonprofit organizations and affordable housing developers, aiming to revitalize underserved communities throughout the State of Washington.

- LISC Puget Sound, in collaboration with Kaiser Permanente, is implementing a place-focused and people-centered strategy to enhance health and wealth through district, business, and talent development in the Puget Sound region. This initiative aims to address barriers to inclusive growth and economic mobility, particularly those affecting Black, Indigenous, and people of color communities.