

City of Seattle



**Office of Economic Development
Director**

**Confirmation Packet
May 28, 2010**

Stephen H. Johnson



Michael Patrick McGinn
Mayor of Seattle

Hand Deliver

July 21, 2010

The Honorable Richard Conlin
President, Seattle City Council
Seattle City Hall, 2nd Floor
Seattle, WA 98104

Dear President Conlin,

I am pleased to transmit to the City Council the following confirmation packet for my appointment of Stephen Johnson as the Director of the Office of Economic Development. The materials in this packet are divided into two sections:

A. Stephen Johnson

This section contains Mr. Johnson's appointment forms, his résumé, and the press release announcing his appointment.

B. Background Check

This section contains the Mayor's Office report on Mr. Johnson's background check.

Mr. Johnson has an exceptional track record as a career public servant, with more than twenty years experience in international, federal and local government. He currently serves as the Acting Director for the City of Seattle's Office of Economic Development, and has served in that capacity for more than two years. As a loaned Executive to the Seattle Foundation, Mr. Johnson oversaw the creation and implementation of the SkillUp Washington workforce development program, and he has been instrumental in the establishment of several successful community economic development programs and initiatives such as the Rainier Valley Community Development Fund.

Mr. Johnson earned a Bachelor of Arts Degree in History from the University of Santa Clara, a Master's Degree in Public Administration from the University of Washington and a Certificate of Advanced Studies of French Language and Culture from the Universite Catholique d'Angers, France.

Honorable Richard Conlin
March 21, 2010
Page 2.

Mr. Johnson has been an active member of our community serving as a board member of the Seattle Jobs Initiative, a volunteer coach for boys & girls soccer and basketball teams. He is an energetic and conscientious leader, and I am confident he will be an asset to the City and citizens of Seattle.

If you have any questions about the attached materials or need additional information, please contact Timothy Killian, Council Relations, 233.3886.

I appreciate your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael McGinn", with a long horizontal flourish extending to the right.

Michael McGinn
Mayor

Attachments: Stephen Johnson confirmation documents

Copy: Honorable Members of the Seattle City Council



Michael Patrick McGinn
Mayor of Seattle

June 18, 2010

Steve Johnson

[REDACTED]
Seattle WA 98119

Dear Steve:

It is my pleasure to offer you the position of Director, Office of Economic Development (OED) effective May 28, 2010.

The following conditions apply to your appointment:

TERMS OF APPOINTMENT: The Director of the Office of Economic Development is an exempt position which is not covered by the City's Civil Service System. You have been formally appointed by my office and your appointment is subject to confirmation by the City Council. Your term of office is at the discretion of the Mayor.

SALARY: Your annual salary will be \$113,081. The OED position is included in the City's Accountability Pay for Executives (APEX) Program at the Executive 3 level.

Your position is exempt from the provisions of the Fair Labor Standards Act, which means that you do not receive overtime compensation. However, as a salaried employee you are not required to use accrued vacation leave or sick leave for occasional absences of four hours or less during any work day.

VACATION: As a department head, you will receive 30 days of vacation each calendar year during which you serve.

HOLIDAYS: You are eligible for 10 holidays and 2 personal holidays per year.

SICK LEAVE: You will accrue sick leave at the rate of approximately one day per month.

GENERAL BENEFITS: The City offers a comprehensive and generous benefits package. You are entitled to medical, dental and vision coverage, and a number of other benefits that you may elect to take advantage of (e.g., retirement, deferred compensation, group term life insurance, etc.). However, medical coverage requires a employee co-pay.

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Seattle, WA 98124-4749

Tel (206) 684-4000
Fax (206) 684-5360
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E-mail mike.mcgin@seattle.gov

RETIREMENT SYSTEM: At any time during your employment, you may join the City of Seattle's Retirement System. The City's Retirement System has a mandatory employee contribution of 8.03% of gross pay, and an employer contribution of 8.03%. If you end your employment with the City of Seattle prior to retirement, you are entitled to withdraw your own contributions plus accrued interest.

CONFIRMATION HEARINGS: Your appointment as director is subject to City Council confirmation. Therefore, you will need to attend the confirmation hearings of the full City Council.

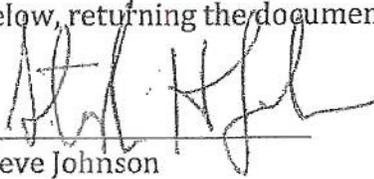
I am looking forward to working with you in your role as Director. As a member of my cabinet, I am confident that you will continue to help administer sound policies that will make Seattle an even better place in which to work, live, and play.

Sincerely,



Michael McGinn
Mayor

ACCEPTANCE OF OFFER: Please indicate your acceptance of this job offer by signing below, returning the document to my office, and keeping a copy for your files.


Steve Johnson

6/20/2010
Date

Section

A

**City of Seattle
Appointment**



Notice of Appointment

Name: Stephen Hayes Johnson	<input checked="" type="checkbox"/> Executive <input type="checkbox"/> Legislative
Position: Director, Office of Economic Development	Date of Appointment: May 28, 2010
Authority (Ord., Res.):	Term of Office: From: Confirmation To: Mayor's discretion
Comments: 	
Authorizing Signature: 	Name and Title of Officer Making Appointments: Michael McGinn, Mayor

Confirmed by the Following Vote at City Council

In Favor:	Against:	Date:
By:		

**City of Seattle
Oath of Office**

STATE OF WASHINGTON

County of King,

I, Stephen Hayes Johnson, confirm that I am the person appointed on May 28, 2010 to the position of Director, Office of Economic Development, City of Seattle, in the State of Washington, and that I possess all the qualifications prescribed for said position by the Charter of the City of Seattle; that I will support the Constitution of the United States and the Constitution of the State of Washington; and the Charter and Ordinances of the City of Seattle; and that I will faithfully conduct myself as Director, for the City of Seattle Office of Economic Development Office.

(Signed)

**Subscribed and sworn to before me
this _____ day of _____, 2010**

Monica Martinez Simmons, City Clerk

STEPHEN H. JOHNSON

RECORD OF ACCOMPLISHMENT

- Clear and steady leadership and notable achievement in restructuring the Seattle Office of Economic Development
- Key role in conception and early execution of *SkillUp Washington*, a new partnership to strengthen the regional economy by increasing the number of low-income working adults who attain postsecondary degrees or credentials that have genuine economic value
- Establishment and implementation of a \$50 million investment fund serving the Rainier Valley
- Led the Broadway business community in the development of a strategy to restore economic vitality to the neighborhood commercial district
- Streamlined access to benefits programs that boosted income of low-wage workers
- Creative dispute resolution sustained the First Thursday Art Walk in Occidental Park
- Negotiated \$64 million EPA Superfund contract for the U.S. EPA
- Secured \$20 million in federal grants and loans for community and economic development
- Improved water quality and filtration system that saved Seattle taxpayers \$150 million
- Consolidated Seattle ownership of the Cedar River Watershed

SUMMARY OF QUALIFICATIONS

- More than fifteen years of demonstrated experience in strategic planning, objective analytical abilities, and consensus building skills, achieving results and creative solutions to complex economic, community and workforce challenges.
- Brought a vision of leadership that further empowers staff and provides clear, consistent communication in the Office of Economic Development during a time of significant transition.
- Led the successful establishment and implementation of a \$50 million fund, self-directed by the Rainier Valley community, that strategically invests in local businesses and real estate development.
- Effective financial, administrative and contract management skills – project manager on an MIS system for \$6.5 billion in Superfund contracts.
- Consistent and proven problem-solving and negotiation skills – brought together diverse interests and views and developed business plans to revitalize the Broadway business district and sustain the First Thursday Art Walk in Occidental Park.
- Proven commitment to economic justice and experienced in working effectively and collaboratively with diverse communities – completed Undoing Institutionalized Racism training and led cross-cultural training for U.S. Peace Corps trainees.

PROFESSIONAL EXPERIENCE

City of Seattle/Office of Economic Development 9/1999 - Present
Acting Director (9/2006 – 4/2007 and 1/2009 to present)

- Provided leadership and vision to 20 employees to carry out the City's economic development agenda. In 2009 led a restructuring of the office that increased morale and productivity despite a 20% reduction in staff and funding.

Loaned Executive to SkillUp Washington (6/2008 – 1/2009)

- Directed initial formation of and investment in a public, private, and philanthropic partnership to improve labor market outcomes of adult workforce education and training

for low-income working adults

Community Development Team Manager (1/2002 – 9/2006 and 5/2007 – 6/2008)

- Managed staff and directed programs supporting small and neighborhood businesses and investing in catalytic real estate development in Seattle's economically distressed neighborhoods.

Strategic Advisor (9/1999 – 1/2002)

- Formed and executed policies to increase the economic self-sufficiency of low-income Seattle residents. Founded City's *People Point* initiative.

City of Seattle/Office of Intergovernmental Relations 5/1994 – 8/1999

Federal Relations Coordinator

- Acted as the City's liaison to the federal government, focusing on housing, economic development, social welfare, transportation, water and electricity policies.

U.S. House of Representatives 1/1990 – 4/1994

Legislative Assistant to Rep. Jim McDermott

- Led legislative effort that enacted tax incentives to encourage the use of mass transit, renewable energy, and energy conservation.

U.S. Environmental Protection Agency 8/1987 - 12/1989

Superfund Budget Analyst and Contract Specialist

- Received the Administrator's Bronze Medal Award for outstanding service.

U.S. Peace Corps 6/1981 – 9/1983

Middle School Teacher and Cross-Cultural Trainer in Boumalne Dades, Morocco

- Taught English to 300 students, four of whom passed the National English Merit Exam and received scholarships to study English in Morocco's capital—a first for the school. Fasted Ramadan in the July heat of the pre-Saharan plains.

EDUCATION

University of Washington 9/1985 – 6/1987

MA Public Administration

- Recipient of Robert H. Pealy Award for Master's Thesis of outstanding merit. Graduated with Honors.

Universite Catholique d'Angers, France 9/1983 – 6/1984

Certificate of Advanced Studies of French Language and Culture

- Studied the French language and actually learned it playing petanque with *les vieux* in the town center.

University of Santa Clara 9/1976 – 6/1980

BA History

- Graduated with honors and studied at the Institute of European Studies in Vienna, Austria during the 1978/79 scholastic year.

INTERESTS AND ACTIVITIES

- Coach of boys and girls soccer and basketball teams.
- Association of Returned Peace Corps Volunteers and Friends of Morocco.
- Board member of the Seattle Jobs Initiative
- Active outdoor enthusiast – biking, hiking, skiing, and kayaking

Section

B



City of Seattle

Michael Patrick McGinn, Mayor

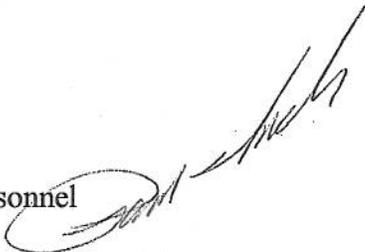
Personnel Department

Darwyn B. Anderson, Acting Personnel Director

MEMORANDUM

DATE: June 29, 2010

TO: Carl Marquardt – Legal Counsel – Mayor’s Office

FROM: Pam Inch – Acting Director, Employment Services - Personnel 

SUBJECT: Criminal History Check and Background Review – Stephen Hayes Johnson

The Personnel Department has completed the criminal history and background review for Stephen Hayes Johnson. There were no findings that would impact the employment eligibility of Mr. Johnson.

cc: Personnel recruitment file

1990s, managing Mark Sidran's attorney general race in 2004, and running Seattle Referendum 1 in 2006 to overturn city regulations on adult cabaret businesses. Killian is a member of the State Sentencing Guidelines Commission.

Lynda Petersen will serve as Seattle's Chief Service Officer, a position created through a grant awarded by the Rockefeller Foundation. Petersen will develop a service plan to coordinate efforts between the City of Seattle, the nonprofit sector and volunteer-based organizations to support the goals of McGinn's Youth and Families Initiative.

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Term as Acting Director

- **What are some of the notable accomplishments of your agency over the past year that you helped achieve? What are some of the things you had hoped to accomplish but didn't?**

Over the past year the Office of Economic Development has transformed itself into an agency that delivers high quality service and advocacy to help Seattle businesses grow and create jobs. This transformation is the result of the urgency of the recession and a 20% downsizing of staff and resources that required OED to focus where it provides unique value. Among the accomplishments are:

- Assembly of \$70 million in business financing to address the shortage of capital;
 - Formation of a strong team to deliver direct services to support retention and growth of Seattle businesses;
 - Restructuring of the City's business services contracts to align with OED's focus on retention and growth of Seattle businesses.
- **How have internal operations in your agency improved over the past year? What are your goals for continuing to improve the internal operations of your department? What are the management challenges that you face?**

The major improvement has been the merger of three lines of business into a consolidated Business Services Team. This change allowed OED to expand its impact, even while absorbing a 20% staff reduction, due to more staff collaboration across areas of expertise, clearer roles and responsibilities, and more streamlined lines of authority. As a result of these improvements, OED has an administration and overhead rate of about 6 percent.

Building more efficient internal management tools is the current priority of OED. This includes integrating workplans across individuals, major projects requiring collaboration, and the organization as a whole. Staff resources are precious and this will allow us to use them most effectively. It will also strengthen our ability to measure progress on our work.

The most significant challenge is remaining ambitious without over-reaching our capacity to deliver high quality results. One of the previous weaknesses of OED is that it was spread too thin. By trying to do too much on too many issues, OED's impact was diminished.

- **As OED's Acting Director for the past year, please describe your role in the agency's 2009 reorganization. Please also explain how key lines of business were selected for the "new" OED and why you think they are appropriate (if you do.)**

My main responsibility over the last year has been to organize and empower a truly remarkable group of professionals to rebuild an agency that they love with a mission about which they are passionate. My other major role has been to rebuild the credibility of the agency externally. Our team has done that by balancing the needs of our customers and asserting ourselves within the leadership of City government.

In 2009, OED conducted a series of focus groups of Seattle businesses and business organizations and economic analysis to identify the most impactful role for the City's economic development agency to play. From the feedback and analysis, we determined that OED's singular focus is to help Seattle's businesses grow and create jobs through two inter-woven functions: high quality direct service and informed leadership to improve the performance of government in support of economic development. The individual services start with hundreds of direct contacts with Seattle businesses offering the following services:

- Navigation of government processes;
- Access to capital;
- Site selection;
- Access to qualified workers;
- Strategic advice on how to grow markets; and
- Connections to potential business partners.

Our leadership function analyzes and acts on the wealth of information gained from this direct contact with Seattle businesses. The actions include advocating for improvements in the way other City agencies serve businesses and the convening of business and government leaders to assess unforeseen opportunities or challenges.

We arrived at this structure by listening carefully to our customers and partners, including meeting with each Councilmember.

- **Please describe your approach to managing external communications and media relations.**

I view communications as an extension of our programming of services to businesses and economic development leadership. Through our new monthly "City Business Casual" networking event, our Daily Digest and our soon to be launched "Grow Seattle" business services web portal, we strive to tell the story of Seattle businesses and create positive connections between and among business and government at all levels.

Relationships with the business community, neighborhoods, and other economic development partners

- **How does your agency approach customer service? What have you accomplished in the past; and what improvements are you working on for the future in the area of customer service? What measurable goals for customer service do you use?**

The most consistent feedback from our focus groups was that Seattle city government is perceived as indifferent and at times hostile to business interests. We built OED to change that perception by delivering high quality direct service and leading initiatives that will help Seattle remain economically competitive. Our initial step in this direction has been the establishment of our Business Services Team, supported by our business services contracts. In 2010 we have set a target of direct contact with 700 businesses resulting in at least 250 cases where we provided a solution. We will closely monitor the contacts and any necessary follow-up through use of Executive Pulse, an online customer service database for economic development. The services and solutions will include the following:

- Navigating government regulations and permit processes;
- Accessing capital to stabilize or expand a business;
- Finding a new location or a strategic partner; and

- o Lowering cost through improvement of energy and water usage;

We are also working on a survey that will allow customers to give immediate feedback. We will initiate this survey in the 3rd quarter using Executive Pulse for all businesses that have received service through the business services team and its partners.

- **How have you been promoting intergovernmental relations? How will you continue to foster partnerships with other governments (e.g., local, state, federal) to develop good public policy?**

OED is aggressively pursuing strong relations with regional, state, and federal governments. These strategic partnerships have value at all levels of government. The City will have more influence on policies that negatively impact businesses and higher levels of government will have a better understanding of the impacts of state and federal policy and programs on local businesses.

Below are three examples of OED's new emphasis on partnering with other levels of government:

- o Retaining NOAA's Marine Operations Center in Seattle: OED has partnered with the Office of Intergovernmental Relations (OIR) to organize regional, state and federal officials in an effort to retain NOAA's 50 year presence in Seattle. At stake are 1,200 jobs and \$80 million in economic activity (direct, indirect and induced). The issue has received attention in a Congressional Hearing that would never have occurred without OED's advocacy.
- o Building a Vibrant Energy Efficiency Economy: OED is partnering with Seattle City Light, the Puget Sound Regional Council, and the Governor's Clean Energy Leadership Council to examine policies and actions that will position our region as a leader in the export of energy efficiency goods and services.
- o Food Stamp Employment & Training (FSET) Program: The highly underutilized but effective federal FSET program supports job training and employment programs that help Food Stamp recipients gain the skills they need to succeed in the labor market. Through its contract with the Seattle Jobs Initiative and in partnership with the OIR, OED has successfully delayed implementation of a ruling by the federal Department of Agriculture that would eliminate millions of dollars of education and training services for low-income Seattle job-seekers. The initiative has brought together other state and local jurisdictions.

OED will continue to foster improved collaboration with other government entities. An important next step is to move from specific issue-oriented partnerships to regular information sharing and strategy development.

- **What work is your agency doing in the City's neighborhoods? How do you conduct outreach to neighborhoods? How do you partner with the Department of Neighborhoods?**

One of Seattle's greatest economic assets is its unique and diverse neighborhoods. An essential ingredient in a neighborhood's attractiveness is the vibrancy of its local business district. As a result, there is a natural alliance between OED and the Department of Neighborhoods (DON) that we mutually recognize and are working to foster. DON has deeper relations with a wider variety of neighborhood stakeholders and OED brings an expertise in the area of economic development.

Specific examples of OED and DON collaboration include:

- o Initiation of a quarterly meeting of OED's Business Services Team and the DON District Coordinators to share information.
- o Joint leadership of efforts to help South Park respond to the closure of the bridge. This includes direct mitigation to individual businesses, improvements to the streetscape, and promotion of the business district.

- Development and execution of the revitalization plan to strengthen the business climate in Pioneer Square.

- **How will you build relationships with non-governmental entities that are engaged in economic development activities?**

OED is building a team with the non-profit associations that are active in the city's economic development. In addition to aligning our contracts with the business workplan of our Business Services team, we will meet quarterly to assess progress, identify ongoing issues or opportunities, and strategize next steps. The partners most directly involved with the team are enterpriseSeattle, the Manufacturing Industrial Council (MIC), Downtown Seattle Association (DSA), Washington Biotechnology and Biomedical Association (WBBA) and the Environmental Coalition of South Seattle (ECOSS).

OED's role within City government

- **What opportunities do you see for improving collaboration between your agency and other City departments?**

Most City agencies and departments touch businesses and workers in one way or another and thus offer the potential for collaboration with OED. This view of OED's role as both a provider of direct services and a bridge between businesses, workers and government is core to the way we do our work. Our direct contact with individual businesses leads us to engage with multiple departments on issues of service delivery. We are also using our connections with businesses and a growing communications platform to help City departments improve communication with businesses. Below are three specific examples of this convening and advocacy role we play across City government:

- OED and Seattle City Light have combined loan funds and rebates to help small grocers upgrade their lighting and cooling systems that will result in both energy and cost savings.
 - OED has formed a "Business Advocacy" team to ensure the delivery of high quality customer service to businesses. Members of the team represent the Department of Planning and Development (DPD), the Department of Transportation (SDOT), Seattle City Light (SCL), and Seattle Public Utilities (SPU).
 - OED regularly features City Councilmembers and Department Directors at the monthly City Business Casual event as a way to increase informal communication with the business community.
 - OED and the Seattle-King County Public Health Department are collaborating on a program to increase healthy foods to low-income neighborhoods. OED's role is to identify a sustainable business model for the project funded by the Centers for Disease Control.
- **Given that demands on the City's finances often exceed available resources, what are your views about various ways to increase available funding? What more should the City do to address the funding gap?**

In 2008 the region suffered a loss of more than 100,000 jobs and doubled its unemployment rate. With roughly half of Seattle's revenues generated by business activity, the most significant action we can take to address funding gaps is to aggressively support business growth.

To facilitate new business growth, we are actively convening regional business and government leaders around areas of common economic interest and opportunity. Three examples of OED's role as convener and catalyst for new economic activity are:

- o Content Technology: Committee of business leaders to identify new business opportunities by connecting leading companies in our software, arts, and digital media industries. The effort is funded by a grant from the Living Cities Foundation.
- o Energy Efficiency: OED and SCL are convening regional business, utility and government leaders to recommend approaches that will position Seattle as a regional hub for innovation in the research, design, and commercialization of new energy efficiency technologies. The effort is funded by a grant from the federal Economic Development Administration.
- o Global Health: OED has successfully obtained a State designation of South Lake Union as an Innovation Partnership Zone for Global Health. OED is working closely with the global health industry to take advantage of this designation.

Government must also learn to be more efficient and partner more effectively in pursuit of the public's interests. Workforce development and business financing are two areas where OED has successfully leveraged its funds to expand resources to achieve our goals.

- o SkillUp Washington is a new initiative supporting career advancement for low-income adults through attainment of a degree or credential with genuine labor market value. OED was a founding member of the public, private and philanthropic collaborative that has raised over \$2 million toward its objective.
 - o OED has responded to the collapse of credit markets, particularly for small and disadvantaged businesses, by raising more than \$70 million in outside funds to finance business expansion.
- **Going forward, how will OED continue to address racial and social inequities as part of the City's Race and Social Justice Initiative?**

It is a privilege to be part of an organization that is firmly committed to addressing racial and social inequities through the City's Race and Social Justice Initiative. These inequities show up most dramatically in economic and educational disparities that exist in our city and OED plays a unique role in combating them.

Entrepreneurship plays a critical role in helping low-income individuals gain a stable economic foothold in our country. We have prioritized financial and technical assistance for micro-enterprises, particularly targeting minority and immigrant owned businesses. For example, I thank Council for approving the Mayor's proposal to use \$300,000 in surplus CDBG funds to support micro-enterprises. OED will use these funds to target immigrant and refugee entrepreneurs and we are collaborating with DON to build stronger connections with these communities.

No other issue will determine our economic future more than our ability to educate all residents of our community, particularly people of color, who represent the only growing demographic of our workforce over the next twenty years. These are families and individuals who have not traditionally fared well in our education system and have not shared the prosperity of our economy. OED has been – and will continue to be – a leading partner in the redesign of adult education and training to address these shortcomings.

Under my leadership, OED will also continue to aggressively execute the City's Race and Social Justice Initiative. I have been at OED since the origins of this initiative and am proud that OED has taken a leadership role in examining hiring, promotion, and contracting practices to eliminate institutional practices and biases that deny opportunities to people of color. We have established a strong Change team, recently completed an all-staff training series on "Race: the Power of an Illusion," and have established strong WMBE utilization targets.

Finally, I am especially grateful that OED has a multi-cultural and multi-racial staff with people of color distributed throughout the chain of command. I benefit greatly from the strong leadership and advice I receive from my team every day.

- **What do you see as OED's role in helping the City to achieve carbon neutrality?**

OED is directly contributing to Seattle's goal of achieving carbon neutrality through our lending programs that help businesses improve the energy efficiency of their buildings and equipment. These improvements will lower carbon emissions, reduce energy demand, and save money for the businesses.

In addition, the energy efficiency industry is expected to grow from \$300 billion in annual revenues in 2004 to \$700 billion in 2030. Seattle and the Pacific Northwest are well suited to compete successfully for this business because of our environmental ethic and history of accomplishment. OED will also work to support an environment of innovation so the Seattle region becomes a world leader in research, design and commercialization of new energy efficiency technology.

Future of OED

- **What are your major goals for OED over the next four years?**

My primary goal over the next four years is to make Seattle a premier city for entrepreneurs to start a business, established businesses to expand their markets, and all businesses to become leaders in environmental stewardship and climate protection. The City's responsibility in this challenge is to create an encouraging environment for entrepreneurship and innovation. OED's role is to execute effectively its new business model of high quality direct assistance to businesses and active leadership in identifying and advocating for service improvements across the city.

I want to emphasize that achieving this goal does not mean Seattle should become the lowest cost city in which to do business. Rather, we need to demonstrate the value for the costs that exist and financial incentives to encourage the type of business activity we desire. This means a strong ethic of customer service across City government and expansion of policies like rebates for energy and water savings.

A complementary goal is to ensure that all Seattleites have opportunities to share in our prosperity as the economy recovers. OED will pursue this goal through its targeted support for women-, minority- and immigrant-owned micro-enterprises and our investments in adult workforce training to help low-income job-seekers obtain good paying jobs with opportunities for career advancement.

- **What do you see as the primary challenges facing your agency in the next four years?**

The primary challenge facing OED over the next four years is to remain focused on our business plan and make good decisions about allocation of resources. The main weakness of OED prior to our restructuring in 2009 was that our staff was spread too thin across too many lines of business.

While we did good work in areas such as transit-oriented development in the Rainier Valley and on Broadway, we lacked the depth and connections to other departments to have sufficient impact. Under the new OED, as demonstrated recently in Pioneer Square, we are focused on organizing the business community around strategies necessary to strengthen the health of the business district. Where issues require the expertise of other Departments, such as parking, public safety, or streetscape improvements, we will help make those connections and defer to their expertise.

- **Are there any emerging economic development trends or activities that you think the City should pursue? How would you, as Director, ensure that OED stays up-to-date on innovative economic development practices and maintains a forward-looking work program?**

A result of our focus groups and economic analysis was our ability to identify opportunities for economic development best suited for leadership by the City of Seattle. Four sectors of economic opportunity rose to the top based on criteria that screened for the: (1) existing concentration of activity; (2) quality of jobs, (3) compatibility with the community's values, and (4) ability of the City to add value. The four sectors are:

- **Manufacturing and Maritime:** No other large city on the West Coast is blessed with an industrial base in its center city. Our manufacturing and maritime businesses support more than 90,000 jobs, generate \$6 billion per year in taxable retail sales, and contribute over \$37 million per year in B&O taxes. Industrial businesses have been remarkably resilient during the economic downturn, but will need the City's support to meet the demands of increasing global competition for resources and talent. The City will actively engage industrial business owners and workers to explore new and innovative ways of supporting long term global competitiveness and improved environmental stewardship.
- **Energy Efficiency Goods and Services:** The U.S. market for energy efficiency technologies and infrastructure will grow from \$300 billion in 2004 to an estimated \$700 billion in 2030. The energy efficiency sector—this includes green building, architecture, engineering, and smart grid—is already the largest sector by employment size, constituting more than 40% of all clean technology jobs in our region. With our innovative companies, world class research institutions, and a strong environmental ethic, Seattle is well positioned to take the lead in the energy efficiency economy.
- **Content Technology:** The City has an opportunity to support the emerging content technology industry, which would leverage local music, game, and film industries with Seattle's well-established software industry. Seattle's music, game, film and software industries, which combined contribute to the state over \$7 billion in direct revenue annually and supports over 45,000 high wage jobs, are some of our greatest resources. We have an opportunity to position Seattle as a global leader in digital media creation and distribution by connecting these industries to develop content that has even greater economic, educational and recreational impact.

- Healthcare, Global Health and Life Sciences: Seattle has become one of the nation's leading healthcare and life science centers with significant concentration of innovative healthcare providers, biotechnology firms, global health organizations, and life science research institutions. Seattle has the largest concentration of medical facilities in the Pacific Northwest with over 74,600 medical workers with \$3 billion in labor income; one in five jobs in Seattle is tied to this healthcare industry cluster. Seattle is home to national leaders in attracting federal life science research funding. The Bill and Melinda Gates Foundation has spurred the global health sector as a new force for the region's economy. When healthcare is linked with the biotechnology and global health sectors and related research institutions, Seattle's broader healthcare and life science cluster totals over 90,000 workers with an annual payroll of \$4 billion.

OED has assumed responsibility for convening business and government leaders in these sectors to strategize what can be done to encourage growth and innovation in each of them. Among the key questions are assessing the current health of the industry, imagining where the industry is heading over the next decade, and determining shared actions that will help each industry sector reach its potential in Seattle.

Another inexorable trend over the next decade is the importance of investing in a skilled workforce that meets the needs of employers. A high school diploma is becoming almost irrelevant as labor market data increasingly underscores the economic importance of obtaining a postsecondary degree or credential. Labor market economists indicate that and this trend will only continue to accelerate as emerging economies around the world become more competitive.

While Seattle is fortunate to have one of the most educated populations in the nation, our record of postsecondary attainment for people who grow up in this community is troubling. A labor market strategy that relies on recruiting people from other regions and countries is not sustainable and we need to alter this reality to remain economically competitive.

OED's extensive outreach and direct contact with businesses is designed both to solve problems for Seattle businesses and keep OED better informed about trends and issues as they occur on the ground. We will utilize our web-based business case management system to record every interaction OED staff or our partners have with an individual business. We will meet regularly with our partners to review both individual cases and emerging trends and survey the businesses we serve and get immediate feedback about our performance and their business health.

Finally, OED will benchmark and report quarterly on overall Seattle job growth and by sector. This will enable OED, Council, and the community to track what is going on in the macro economy and ask probing questions about trends that are emerging.

- **Are there any shortcomings in the City's current economic development strategy that you believe should be addressed?**

The following three areas of emphasis will strengthen economic development efforts in Seattle:

- Adopting a strong service ethic across City government that views businesses as important customers. OED's role will be to identify opportunities for service improvements and partner with Departments to find solutions.
- Strengthening partnerships with other local, regional, and state governments. Seattle's economy lives within a broader regional economy and success means close strategic alignment with other governments, particularly as it relates to influencing state and federal policies.

- Closer alignment of our human and social service investments with education and training milestones that lead to greater economic stability and career advancement. With the devolution of state and federal social safety nets, low-income individuals and families need skill acquired only through postsecondary education to escape poverty. Simplifying this challenge by providing housing, childcare, mental health and drug rehabilitation services to support their success is critical.