

Economic Development Division

Item No. 11b supp 1

Date of Meeting: October 8, 2024



- 2025 Preliminary Budget
- October 8, 2024

2025 PRIORITIES

BUILD ACQUIRE REAL ESTATE

- Construct the Maritime Innovation Center and T-91 Uplands Facilities
- Support SEA Real Estate Needs and Opportunities!
- Look to maximize utilization of existing seaport properties for both Maritime and Northwest Seaport Alliance

TAKE DIVERSITY IN CONTRACTING PROGRAM TO THE NEXT LEVEL

SUPPORT IMPACTFUL ECONOMIC AND EQUITABLE DEVELOPMENT PARTNERSHIPS

- Tourism
- Chamber Community Business Connector
- Maritime Blue
- Greater Seattle Partners
- City Partnerships





SWOT Analysis – Economic Development Division



- Port Commission committed to Equitable Economic & RE Development.
- Port grant partnerships advance equity and regional economic development.
- Talented, connected and respected team.

- Policies and regulations impacts Port efficiency and competitiveness.
- Leadership Succession.
- Diversity in Contracting impacted by staff/institutional biases.

- MInC and other new facilities can drive maritime industry sustainability.
- Room for improvement re: Port funded small biz initiatives.
- Ecotourism and Responsible Tourism.

- Regional collaboration/scaling challenging.
- Political/economic uncertainty impacts RE market, labor/WMBE availability.
- Interest Rates/Inflation create challenges and uncertainty.

Economic Development Division - Total

Profit & Loss Statement

- ❑ **Profit and Loss Statement:**
 - ❑ Tourism \$420K less expenses to (\$1,153K) from moving WA State Tourism contract to Levy.
 - ❑ EDD Levy up \$750K to (\$2.605K)
 - ❑ WA State Tourism Contract \$500K
 - ❑ Tourism Marketing Support \$200K
 - ❑ Green Economy - \$50K
 - ❑ Remaining (\$438K) from contingency and unallocated expenses.

In \$000s	2023 Actuals	2024 Budget	2025 Budget	24B v 25B	% Var
Revenue	(24)	3	3	0	0%
Expenses	3,466	3,087	4,199	1,112	36%
Op Income	(3,490)	(3,084)	(4,196)	(1,112)	(36%)

*\$3K of revenue from small lease for Lower Duwamish Community Hub

Department Only Expenses

- ❑ **Expense Growth:**
 - ❑ Innovation Manager (Transfer from EDD)
 - ❑ Net \$465K increase from payroll factor
 - ❑ Outside Services
 - ❑ Real Estate Planning
 - ❑ Washington State Tourism Contract
- ❑ **Expense Decrease:**
 - ❑ Reduced tourism advertising contracts

In \$000s	2023 Actuals	2024 Budget	2025 Budget	24B v 25B	% Var
Payroll	3,027	3,358	3,807	449	13%
Outside Service	4,046	3,621	4,393	772	21%
Other Expenses	545	994	940	(54)	(5%)
Total Expenses	7,618	7,973	9,140	1,167	15%

Diversity in Contracting

- ❑ Implement new 5-year WMBE utilization goals for Diversity in Contracting program
- ❑ Reduce barriers to WMBE utilization (ex. Access to capital, insurance requirements)
- ❑ Establish and Support the Federal Disadvantaged Business Enterprise (DBE) program at SEA and Maritime
- ❑ Provide PortGen technical assistance seminars and accelerator programs
- ❑ Implement communication and outreach programs to support Diversity in Contracting

In \$000s	2024 Budget	2025 Budget	24B v 25B	% Var
Personnel	1,462	1,649	187	13%
Outside Service	573	478	(95)	(17%)
Promo Expenses	112	88	(23)	(21%)
General Expenses	157	141	(19)	(12%)
Total Expenses	2,304	2,356	53	2%

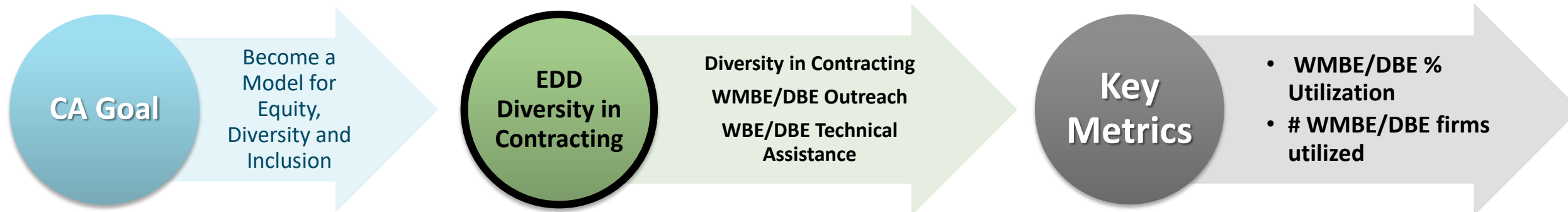
310K Tax Levy Fund budget for:

Business Accelerator **150K**

Highline Small Business Development Center MOU **60K**

DBE/ACDBE/WMBE Training Consultant & Outreach **50K**

PortGen Advance (Construction, Consulting, Goods & Services) **50K**





Tourism

- ❑ Drive visitor-related economic impact related to the Port's aviation and cruise businesses.
- ❑ Work with State of Washington Tourism and Visit Seattle to promote destination in global tourism industry.
- ❑ Continue to support responsible tourism practices and programs throughout Washington's tourism industry.
- ❑ Enhance the efforts of regional tourism partners through Tourism Marketing Support Program grants. Funded projects for 2024/25 are currently in progress.

In \$000s	2024 Budget	2025 Budget	24B v 25B	% Var
Personnel	634	627	(8)	(1%)
Outside Service	924	1,252	328	35%
Promo Expenses	98	105	7	7%
General Expenses	219	170	(18)	(8%)
Total Expenses	1,875	2,154	196	10%

1M Tax Levy Budget for:

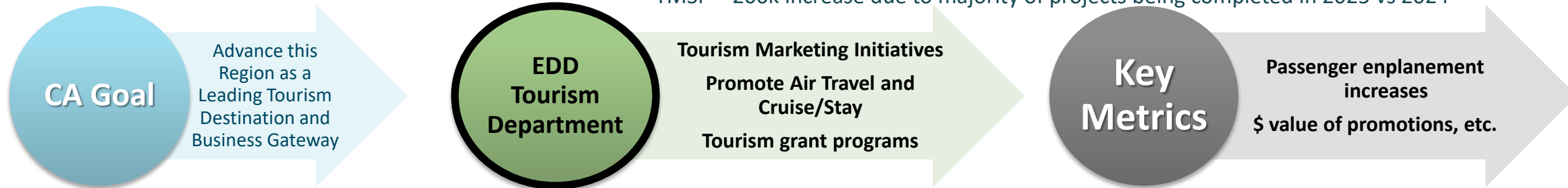
State of WA Tourism contract 500K

Tourism Marketing Support Program (TMSP) 500K

Increase:

Outside Services - State of Washington Tourism contract 500K was 400K in 2024

TMSP – 200k increase due to majority of projects being completed in 2025 vs 2024



Real Estate Development & Planning

- ❑ Redevelop Port properties (ex. Des Moines Creek West, Terminal 91)
- ❑ Close on key SEA acquisitions and take control of strategic properties
- ❑ Manage Maritime Innovation Center construction
- ❑ Work to develop CEM property in partnership with NWSA
- ❑ Respond to USCG decision re T46 and potential land acquisitions

Total Real Estate Development & Planning Expenses

In \$000s	2023 Act	2024 Bud	2025 Bud	24B vs 25B (\$)	24B vs 25B (%)
Salary & Benefits	644	715	690	(25)	(3%)
Outside Service	2325	364	851	486	133%
Other Expenses	7	21	45	24	114%
Total	920	1,100	1,586	486	44%

New Requests:

- \$100K CEM study due diligence
- \$120K Maritime design services and RE strategy implementation
- \$300K Real Estate strategic planning for Fishermen's Terminal, NWSA & Aviation



Economic Development and Innovation Partnerships

- ❑ **Support Community Business Connector initiative**
- ❑ **Support Regional Economic Development** via financial partnerships with cities, Chambers, Small Business Development Centers and other partners
- ❑ Support **Greater Seattle Partners'** trade development and business attraction initiatives
- ❑ Support **Duwamish Community Equity Partners'** economic development initiatives
- ❑ Support **Maritime Blue's Venture Programs** (incubator and accelerator) and work to find entrepreneurs that can address Port challenges and opportunities

In \$000s	2024 Budget	2025 Budget	24B vs 25B	% Var
Personnel	927	767	(160)	(17%)
Outside Service	1,756	1,806	50	3%
Promo Expenses	32	37	5	15%
General Expenses	229	232	3	1%
Total Expenses	2,944	2,842	(102)	(3%)

Includes ED City Partnership grants 880k Community Business Connectors \$350k Maritime Blue 150k Greater Seattle Partners 250k

Increase:

\$50K Green Economy working with Regional partners

\$5K Promotional Hosting Green Economy

\$7.5K Travel Green Economy Outreach

Decrease: Personnel Transfer of EDD Innovation Program Manager position

CA Goal

Responsibly Invest in the Economic Growth of the Region and all its Communities

EDD
Real Estate
& Admin

City ED Partnership Grants
Duwamish partnership
Innovation Initiatives

Key
Metrics

- Green buildings
- Property redeveloped or acquired

EDD FTEs – No New

2025 Economic Development FTEs

Description	FTEs
2024 Approved Budget	37.0
Changes in 2023:	
Mid-Year Approvals	0.0
Eliminated	0.0
Transfer	-19.0
2024 Baseline	18.0
2025 Budget Changes:	
Transfer	0.0
Eliminated	0
New FTEs Approved	0
Net Change	0.0
2025 Proposed FTEs	18.0

Transfers from EDD to MD

- Innovation Mgr. - 1
- Portfolio Mgmt. – 13
- P69 Facilities - 5

Economic Development Appendix

2025 Preliminary Budget
October 8, 2024



Port
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Diversity in Contracting Discretionary Budget

In \$000s	2024 Budget	2025 Budget	24B v 25B	% Var
Outside Services				
Community Development Fund Training	50	50	0	0%
Disparity Study	100	0	(100)	(100%)
Language Access Service	0	5	5	0%
Marketing	10	0	(10)	(100%)
Mentor Protégé (AGC ACEC, WASDOT, Sound Transit) - MOU	50	50	0	0%
Photography Services & Print Materials	3	3	0	0%
Tabor 100 Resource Center	60	60	0	0%
Promotional Expenses	12	17	5	42%
Misc	7	7	0	0%
Replenish items New Banner, Tablecloth	3	3	0	0%
DC Presents/PortGen Meals	2	7	5	250%
Advertising	67.25	63.75	(3.5)	(5%)
Miscellaneous Expense for (WMBE Fees and Certs)	20	5	(15)	(75%)
Trade Business & Community				
Alliance NW (Thurston County) March	5	5	0	0%
Association of Woman and Minority Businesses (AWMB) - Contractors Day (Sponsorship) Mar	5	5	0	0%
Ethnic Chambers	20	20	0	0%
Events: WMBE / Chamber Community Connections	25	25	0	0%
Industry Partner Training Classes (Construction & Consulting)	1.5	1.5	0	0%
DBE/ACDBE/WMBE Training Consultants & Outreach	50	50	0	0%
Portwide Tax Levy				
Business Accelerator	150	150	0	0%
DC Presents/PortGen Advanced (Construction, Consulting, Goods & Services)	50	50	0	0%
Highline Small Business Development Center MOU (yr2 reset) (SKCF) invoice cycle 6/26/25 60K 2025 will bill 6/25-6/26 anniversary date of mou	50	50	0	0%

Tourism Discretionary Budget

In \$000s	2024 Budget	2025 Budget	Increase/Decrease	% Var
Outside Services				
Adobe Acrobat	0	8	8	100%
Other services (printing, etc)	5	5	-	0%
State of Wa Tourism contract	4	5	1	25%
Tourism contracts	219	239	20	9%
Tourism Marketing Support Program	3	5	2	67%
Trade Business & Community				
Industry & Community events	2	-	(2)	(100%)
Sponsorships	10	-	(10)	(100%)
State of WA Tourism Annual Conference	-	10	10	100%
Tourism Industry Event Sponsorships	-	5	5	100%
Advertising				
Airline Co-op	-	15	15	100%
Barrhead Travel	-	10	10	100%
Cruise/Tour Operator	40	-	(40)	(100%)
Digital Influencers	-	10	10	100%
Domestic Cruise Co-op	-	20	20	100%
Industry activations	25	-	(25)	(100%)
Paid Media	24	-	(24)	(100%)
Real Response Media	-	20	20	100%
Tourism Industry Publications	-	10	10	100%
WA State Travel Guide	15	-	(15)	(100%)

In \$000s	2024 Budget	2025 Budget	Increase/Decrease	% Var
Promotional Hosting				
Asia Sales Mission (Japan, Korea TBD)	5	1	(4)	(80%)
Brand USA Travel Week (London, Germany)	1	1	0	0%
Europe Sales Mission (France)	0	4	4	100%
Familiarization Tours & Press Trips	60	65	5	8%
Go West Summit	1	0	(1)	(100%)
IPW (Chicago)	2	1	(1)	(50%)
Media event (New York)	0	4	4	0%
Sales Mission (France/Benelux)	5	0	(5)	(100%)
Tourism events (TBD)	0	10	10	0%
U.S. Tour Operator (Texas)	1	0	(1)	(100%)
UK Sales Mission	5	0	(5)	(100%)
UK Sales Mission (Glasgow)	0	1	1	100%
USA Travel Show (Denmark)	1	0	(1)	(100%)
Budget for various Promo Hosting events (Aer Lingus Roadshow, CLIA CruiseWeek, Mid-Atlantic, Tourism Cares, State of WA conference...)	5.5	3.5	(2)	(36%)

Economic Development & Innovation Partnerships Discretionary Budget

In \$000s	<u>2024 Budget</u>	<u>2025 Budget</u>	<u>24B v 25B</u>	<u>% Var</u>
Outside Services				
Community Biz Connector - Tax Levy	380	380	0	0%
EDD Partnership Grants - Tax Levy	950	950	0	0%
Greater Seattle Partners	250	250	0	0%
Maritime Blue - Tax Levy	175	175	0	0%
Green Economy - Tax Levy	0	50	50	100%
Promotional Expenses				
Promotional Hosting Expense	3	8	5	167%
Trade Business & Community				
Community Investment	28	28	0	0%
Miscellaneous Expense				
EDD Opportunity Fund	150	150	0	0%

EDD Tax Levy Funded Initiatives

Initiative	Funding in \$000s
Community Biz Connector	380
DBE/ACDBE/WMBE Training Consultants & Outreach	50
EDD Partnership Grants	950
Maritime Blue	175
Green Economy - Working with Regional Partners	50
Wa State Tourism	500
Tourism Marketing Support Program	500
Total	2,605