



City of Bellevue Economic Development Plan



ADOPTED PLAN
NOVEMBER 2, 2020

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EXECUTIVE SUMMARY

Bellevue is widely recognized as a high-quality place to live and work and continues to attract highly educated individuals and high-wage jobs. With job growth continuing a trend of outpacing population growth, the city has become the second largest business center in Washington and a global information technology hub, which presents both opportunities and challenges.

This economic development plan update was requested by Bellevue City Council in July 2019 to help address these opportunities and challenges through an aligned, citywide strategy. Before completion in October 2020, the plan was further refined to address the COVID-19 pandemic's effects on Bellevue's economy. As a result, this plan is focused on strategies to ensure Bellevue emerges from the pandemic stronger and more resilient than ever before.



Economic Development Plan Vision

Bellevue is a vibrant and inclusive global innovation hub fueled by a highly educated, entrepreneurial, and diverse workforce.

Strategies

Attaining these outcomes will require the City and its partners to activate a number of different strategies, while remaining flexible and adaptable to changing situations – particularly in light of the COVID-19 pandemic. Foundational Strategies describe the City's longer-term, ongoing activities that lay the foundation for overall livability and success of the city. These strategies are typically the responsibility of multiple departments.

They include:

- Providing a business climate and related infrastructure that facilitate and encourage desirable business investment.
- Cultivating attractive and diverse business districts across the city.

- Supporting the development and attraction of world-class talent.
- Continuing to make Bellevue a great place to live, work, and visit.
- Taking local and regional approaches to solving transportation challenges through innovative solutions.
- Encouraging a variety of housing choices within the city.
- Viewing all activities through a lens of diversity, equity and inclusion.

Bellevue will also continue to provide ongoing core economic development services necessary for a sustainably functioning economy. These include a range of programs focused on business retention & expansion, business attraction, supporting entrepreneurs, fostering public-private partnerships, and supporting the creative economy.

The City will also focus on Direct Strategies that address prioritized focus areas and include actions that either directly affect businesses' satisfaction with Bellevue or improve the business ecosystem for businesses of all types and sizes. *The focus areas identified for this plan and the direct strategies that support them are summarized below:*

Capacity Building and Partnerships

- CB 1. Work with partner organizations to be a more active convener on topics of importance.
- CB 2. Apply a partnership approach to strategies throughout economic development efforts to expand and improve service delivery.
- CB 3. Increase business and employee engagement in the community.

Small Business and Entrepreneurship

- SB 1. Work with partner organizations to expand access to technical training for entrepreneurs and small business owners with a focus on those of diverse backgrounds.
- SB 2. Focus Bellevue's existing business retention and expansion program to build relationships with entrepreneurs and small businesses across sectors so they receive proactive services.
- SB 3. Encourage the preservation of existing spaces and the creation of new spaces that are suitable for small businesses.

Workforce

- WF 1. Expand access to education and professional experience opportunities within the city that directly lead to industry certifications, degrees, and job placement.

- WF 2. Create stronger links between local employers, education and service providers, and residents.
- WF 3. Continue to expand transportation including multimodal and advanced options.

Retail

- R 1. Retain and recruit a healthy and diverse retail mix, including neighborhood and resident serving businesses throughout the city.
- R 2. Encourage the preservation of existing spaces and the creation of new spaces that are suitable for independent retail, neighborhood services, restaurant, and beverage establishments.
- R 3. Create contiguous, high-quality retail experiences in major employment centers by designating streets as active or non-active in future land use updates.
- R 4. Develop an auto services retention strategy that ensures a future presence for auto dealerships and related businesses to preserve services for residents.

Creative Economy

- CE 1. Enhance Bellevue's leading position in the digital creative sector and encourage linkages with the traditional creative sector where possible.
- CE 2. Develop the built and institutional infrastructure needed to position the BelRed Arts District as a major destination.
- CE 3. Promote and expand festivals, events and activities to grow the creative economy sector and promote a strong creative brand for Bellevue.

Tourism

- T 1. Develop more activities and product offerings that take advantage of the city's assets and proximity to regional activities.
- T 2. Facilitate development of expanded visitor-related facilities to increase the number of conventions, performances, and special events the city can host.



Background

Thanks to decades of diligent planning and commitment to implementation, Bellevue is recognized by firms from around the world as a high-quality place to live and work. With the city's enviable reputation and abundance of competitive strengths, Bellevue continues to grow its reputation as a major technology innovation and engineering center for industry-leading companies. Those primary employers are attracted by the city's and region's highly educated residents and create high-wage jobs. From 2013 to 2018, Bellevue's population increased by nearly 13,800 residents and employment grew by 17,600 jobs. With job growth continuing a decades-long trend of outpacing population growth, the city has become the second largest business center in Washington and a global information technology hub. Today, nearly 90% of workers employed in Bellevue live outside the city.

Economic Development Plan Update Guidance Group

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Bellevue's growth trajectory presents both opportunities and challenges. Employment gains provide greater career opportunities for many individuals, but can also contribute to increased traffic congestion. Population growth brings diversity, a younger workforce, and energy to the city, but can also fuel escalating housing costs and place greater demands on existing infrastructure. In 2020, the COVID-19 pandemic intersected with these trends, making this a pivotal time for the City to evaluate its existing economic development strategies and ensure future resources are directed towards activities that will advance economic recovery, provide more equitable opportunities, and optimize growth towards the community's desired outcomes.

Planning Process

In July 2019, the Bellevue City Council initiated the strategic planning process with the goal of building upon the city's strengths and continuing to improve the city's business-friendly environment. It approved eight strategic objectives for the updated plan:

1. Address ways to support the creative economy - arts, culture, and creative businesses - to ensure a high quality of life, and attractiveness for residents, visitors, and businesses.
2. Explore new opportunities to support entrepreneurs and retain local businesses, especially those of diverse backgrounds, in ways that fit within Washington State's regulatory environment.
3. Acknowledge the ongoing transformation of retail and identify ways the City and its partners can support more robust and sustainable activity.
4. Identify best practices for integrating Bellevue's newer businesses and employees into the local community.

5. Explore capacity-building for partner organizations, new partnerships, and alternative service delivery models that enable Bellevue to provide a higher level of service and support to small businesses, non-profit organizations, and major community events beyond what it the City can do on its own.
6. Integrate work from prior studies like the 2017 Destination Development Plan and 2017 Creative Edge study.
7. Make the Economic Development Plan easier to update by moving to a chapter-based approach which allows more frequent and targeted updates.
8. Support local workforce development options and programs; with a strong focus on internships, apprenticeships, and other tools that improve the local pipeline.

Based on the defined objectives, the City conducted a nationwide search for a consulting firm and selected Avalanche Consulting to assist with updating the Plan. Over the course of 12 months from October 2019-October 2020, staff worked closely with Avalanche Consulting (acquired by EY in March 2020) to review previous studies and documents, analyze Bellevue's economic position, conduct extensive stakeholder outreach, with more than 75 participants in focus groups and interviews, and draft the plan update.

The consultant leveraged the findings from the data analysis as a starting point for stakeholder discussions. The project engaged the business community through individual interviews and focus groups. The focus groups met twice over the plan development process and provided valuable insight in the development of the strategies included in this plan. Full focus group feedback is included in the Appendix.

COVID-19

In March 2020, as this planning process was preparing to conclude, the novel coronavirus COVID-19 bloomed into a global health pandemic. Work on the update paused for several months as local and national governments turned their attention to relief efforts. In July 2020, progress and strategies for this plan were re-evaluated and refined to address the necessary economic recovery and to provide flexibility for the unknowns. This additional lens strengthens the Plan and may improve local outcomes through an increased focus on resiliency and equity, with initial strategies focused on recovery and later strategies positioned for growth. Approximately two years into this plan, strategies and tactics pertaining to growth will be re-evaluated based on trends and needs at that time.

Building on the success of the previous plan, the new focus areas are included as specific chapters to make the Plan easy to understand and update. Each area is informed by national best practices to ensure Bellevue stays competitive among peer cities across the country and around the world. In addition to these focus areas, City staff will continue to sustain ongoing economic development operations that include business attraction, business retention and expansion (BRE), development of public private partnerships, and tourism development that intersect with local industries and competitive strengths.

KEY FINDINGS

Bellevue's spirit of innovation permeates the local culture. The community's desire to be a welcoming community, on the leading edge of technology, and a national leader in urban development best practices, means the City is continuously looking at best practices nationwide. The attached Appendix provides a detailed overview of Bellevue's major economic and demographic characteristics. This data analysis includes benchmark geographies to help provide better context to Bellevue's position. In most cases, Bellevue is compared with five communities with similar economic and demographic profiles. Like Bellevue, these benchmark cities are also located in major metropolitan regions. The benchmark cities include Arlington County, VA (In Virginia, the County is equivalent to the City); Boulder, CO; Cambridge, MA; Santa Monica, CA; and Sunnyvale, CA.

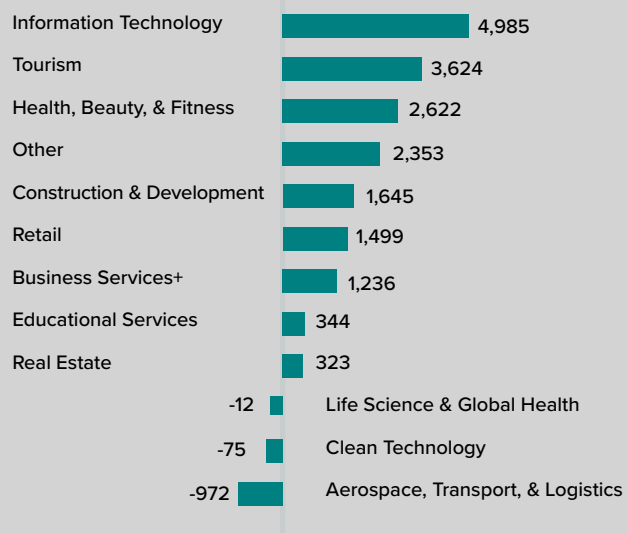
Key findings from the data analysis include:

1. Over the past five years, more than 17,500 new jobs were created in Bellevue - a gain of 14.2%. No other benchmark city added as many jobs during this period.

- Information Technology created nearly 5,000 jobs – accounting for more than a quarter of the new jobs in Bellevue.
- The industries with the next largest employment increases were Tourism (3,600 jobs); Health, Beauty & Fitness (2,600); Construction & Development (1,600); Retail (1,500); and Business Services (1,200).
- Over the same time period, Aerospace, Transportation, & Logistics lost nearly 1,000 jobs. Both Life Science & Global Health and Clean Technology employment in Bellevue also dipped slightly.

Bellevue Employment Change by Major Industry, 2013-2018

Source: Avalanche Consulting / Puget Sound Regional Council

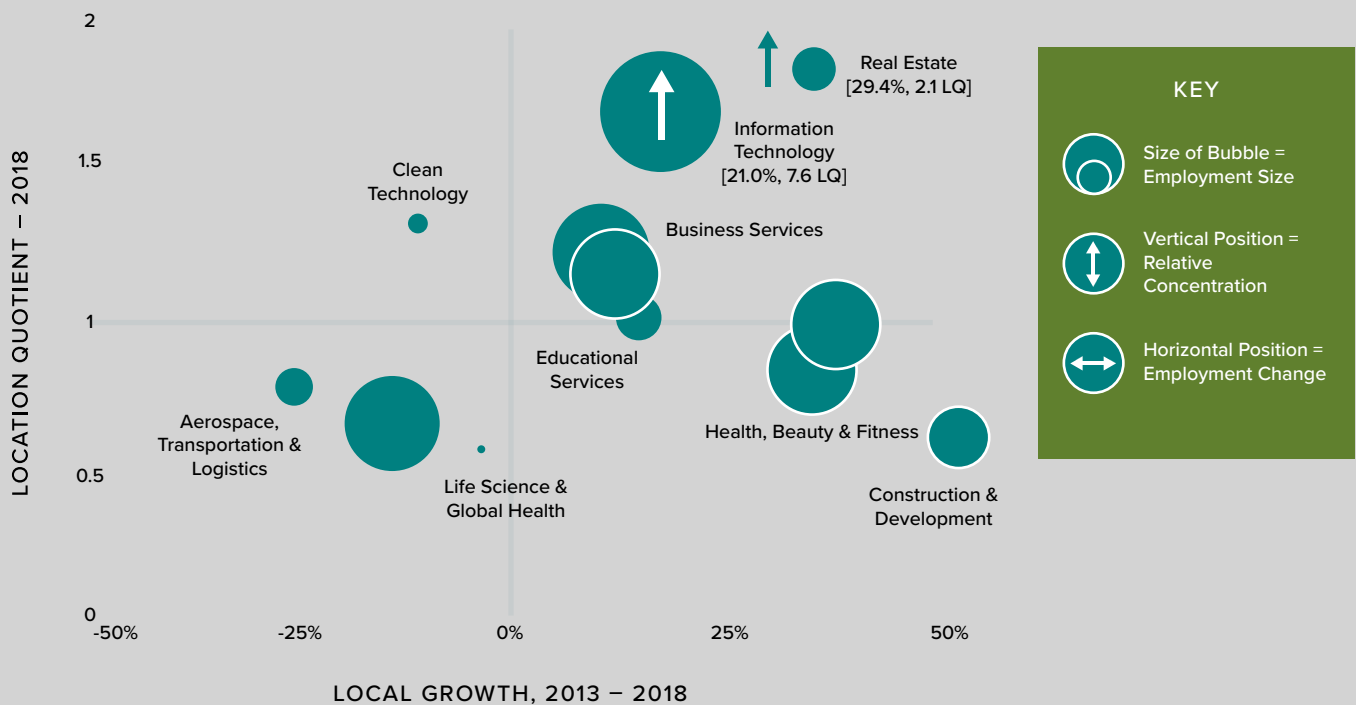


2. Information Technology is by far the most concentrated industry in Bellevue – with a location quotient (LQ) of 7.6 – meaning that on a per job basis, the industry is 7.6 times more concentrated than the US average.

- On a percentage basis, Information Technology grew 21% in Bellevue from 2013 to 2018.
- The next most concentrated industries in Bellevue are Real Estate (2.1 LQ), Clean Technology (1.4 LQ), Business Services (1.3 LQ), and Retail (1.2 LQ).
- The fastest growing clusters in Bellevue from 2013 to 2018 were Construction & Development (53% growth); Tourism (32%); Health, Beauty, & Fitness (31%); and Real Estate (29%).

Bellevue Major Industry Cluster by Size, Employment Change & Concentration

Source: Avalanche Consulting / Puget Sound Regional Council

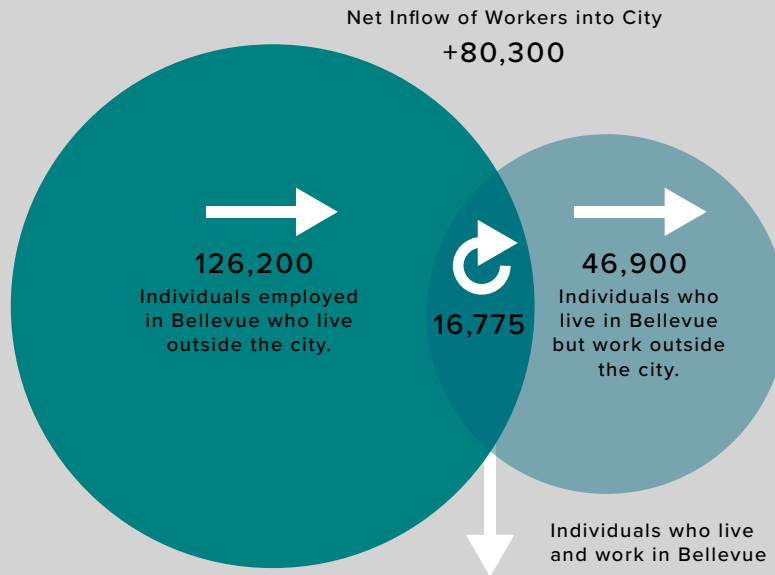


3. Bellevue is truly an employment destination, with almost three times the jobs in the city than working residents.

- Nearly 90% of workers employed in Bellevue live outside the city. At the same time, nearly 75% of employed Bellevue residents are employed elsewhere.

City of Bellevue Commuting Patterns, 2017

Source: Avalanche Consulting / US Census Bureau

**4. Bellevue is among the most educated communities in the US – ranking 3rd best educated among the nation’s 200 largest cities.****Resource and Local Capacity**

As part of their research, Avalanche/EY conducted an analysis of the City’s resource model relative to its peer set. They noted that Bellevue has limited staff, budget and partner resources dedicated to economic development relative to peer cities. With strong local growth creating more demand for services across all lines of City business, economic development programs must look for efficiencies utilizing existing resources, search for outside funding opportunities, and sequence new work to make the best use of new resources as they become available. Partner organizations, such as Visit Bellevue, the Bellevue Downtown Association, the Bellevue Chamber of Commerce and community-based organizations will continue to be included in planning and implementation activities to ensure activities are performed by those with the proper technical expertise and resources. The City will also continue to seek out new partners within the city and throughout the region.

To improve local coordination, ensure community transparency, and keep resources strategically allocated, Economic Development staff will continue to develop an annual Action Plan laying out work for each calendar year. This process has helped the City to remain nimble and ready to take advantage of important opportunities while also aligning with local budgeting and grant processes.

Peer Cities as outlined in Appendix A – Demographic and Economic Scan include: Santa Monica, California, Sunnyvale, California, Cambridge, Massachusetts, Boulder, Colorado and Arlington County, Virginia.

A VISION FOR BELLEVUE'S ECONOMIC FUTURE

Bellevue 2035 - The City Where You Want to Be

For the City of Bellevue, economic development helps build a sustainable, inclusive economy that supports prosperity and enhances quality of life for the entire community. These goals are achieved through proactive activities that foster the conditions for economic success and support the capacity of public, private, and non-profit partners to achieve collective goals.

Citywide, economic development plan activities are focused on a shared vision for Bellevue's economic future:

Bellevue is a vibrant and inclusive global innovation hub fueled by a highly educated, entrepreneurial, and diverse workforce.



This vision is aligned with the Economic Development Element of the City of Bellevue's Comprehensive Plan, which outlines goals and policies for **Business Climate, Community Livability, Education, Planning & Infrastructure**, and **Economic Implementation**. It also aligns with the City Council's Vision statement and 2018 strategic priorities, which includes Economic Development as a key target area.

Achieving this vision depends on effectively coordinating numerous activities across City departments and external partner organizations. Through ongoing communication and a sustained focus on shared priorities, Bellevue will continue to utilize the One City approach of exceptional customer service, teaming, work quality, and innovation to achieve this vision.

Many specific activities outlined in this Plan will be led by the Cultural & Economic Development division within the City's Community Development Department. Where City staff lacks the technical expertise and resources to perform certain activities, public and private partners and consultants may be engaged to lead efforts as modeled after national leading practices.

Community Development Department

Mission:

We are stewards of Bellevue's community vision. Together, we take action to create and sustain positive change, practice transparency in all of our work and build strong relationships to form an active, informed and resilient community.

Cultural & Economic Development Division

Mission:

We build a foundation for broad-based community prosperity and creative learning in Bellevue by supporting innovation and growth among artists, entrepreneurs, and businesses.

Desired Outcomes

The ultimate goal of the economic development plan is to sustain and enhance Bellevue's exemplary quality of life. A vibrant economy helps support a variety of shopping, recreation, entertainment, cultural, and employment options that attract the world's best to live, work, play, and invest in Bellevue. Cities require a healthy economy and thriving businesses that provide tax revenues to offset the burden on residents in providing high-quality services, build infrastructure, a world-class park system, and a professional, responsive city government.

To achieve Bellevue's economic development vision, the City's economic development activities seek the following desired outcomes:

- **A resilient local economy** that supports the City's ability to provide quality services to residents and business owners and enhances economic resiliency. Investment by businesses and individuals from many sectors and many countries contributes to the health and vitality of the Bellevue economy.
- **A strong regional economy** that benefits residents and business in Bellevue and neighboring communities. As the lead economic engine of the Eastside, Bellevue must advance a regional, collaborative approach across areas of common interest among greater Seattle area communities to leverage opportunities and preserve our economic position.
- **Employment opportunities and paths to prosperity for a wide range of residents and workers.** Bellevue is a diverse community, encompassing residents employed by the world's most innovative technology companies as well as others who struggle to live in an increasingly expensive city. The City's economic development activities include programs that benefit residents and workers of all backgrounds and income levels. This includes helping individuals and families find the technical skills and entrepreneurial resources to advance their economic wellbeing.
- **A supportive and attractive place to do business** that offers a full range of attractive commercial building types, reliable and up-to-date technology infrastructure, and a positive business climate.
- **A sustainable and equitable city,** with a prosperous economy, a healthy environment, and an innovative, caring community. We guide Bellevue's growth in a responsible manner, well-planned and in sync with our natural and built environments.

Metrics of Success

As Bellevue works towards its economic development vision and desired outcomes, it is important to regularly examine measurable trends to evaluate progress. Recovery from COVID-19 impacts will need to be monitored to determine when to pivot from recovery to growth strategies in this plan.

Measuring Recovery from COVID-19

The COVID-19 pandemic continues to impact and change our local and national economies making it difficult to define a “new normal” as we recover. We must continuously monitor trends to ensure we can respond to changing conditions and recognize when recovery ends and expansion resumes. Staff will monitor regional and state recovery interpretation and compare to Bellevue specific metrics and recovery trending to evaluate and recommend when a pivot to growth strategies is appropriate.

Key Performance Indicators:

Metrics	Pre-COVID	Post-COVID
Bellevue Unemployment	2.20% - Feb 2020	6.60% - June 2020
National Unemployment	3.50% - Feb 2020	10.20% - July 2020
Job Growth Rate	2.20% - 2018 – 2028	N/A*
Sales Tax Total	\$20,495,534 - Q4 2019	N/A*
Admission Tax	\$636,501 - 2019	N/A*
New Business Starts	1808 - 2019	N/A*
Number of Visitors	174,538 - Feb 2020	58,608 - July 2020
Number of Special Events	31 - 2019	N/A*
Building Pipeline Office Sq-ft Total	6,629,475 - Q2 2020	N/A*
Class A Office Rate per Sq-ft	\$54.55 - Q1 2020	\$54.13 - Q2 2020

**Data was not available for “Post COVID” timeframe*

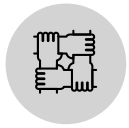
Where possible, staff will also compare Bellevue’s performance to the nation, Puget Sound region, and this Plan’s benchmark cities. In choosing these KPIs, the City considered best practices, reliable availability of data, and the context of local economic health. It is expected that the economy may rebound in fits and starts, so paying attention to the overall growth trends and how the KPIs are trending in relation to each other will be important to understand successful movement towards recovery targets.

Additionally, qualitative data from resident and business engagement will help to validate recovery sentiments. In order to minimize survey fatigue, where possible the City of Bellevue will utilize data from regional and partner surveys.

ECONOMIC DEVELOPMENT APPROACH

Strategic Themes

The following themes run throughout the City's Economic Development Plan and describe key aspects of how Bellevue should approach all economic development efforts:



Collaboration: Bellevue will work with public and private partners to leverage outside resources and organizational strengths to achieve greater outcomes than could be accomplished individually. Wherever practical and beneficial, public private partnerships will be utilized to enhance economic development goals.



Regionalism: Bellevue's economy, workforce, and multicultural community is intrinsically linked to both the Eastside and Puget Sound regions. The City will be both a leader and collaborator in addressing regional issues such as transportation, housing, business attraction, tourism, and innovation.



Internationalism: Bellevue is a global city with residents, businesses, employees, and visitors from across the world. Wherever possible, this international, multicultural connectivity should be celebrated and leveraged to attract and welcome new businesses, talent, and investment to the city.



Connection: Fostering a strong economy and community relies on bringing people together through light rail, parks, and pedestrian walkways such as the Grand Connection and Eastrail. Bellevue will continue to encourage greater connectivity between people, businesses, public spaces, and different geographic parts of the city.



Communication: Communication is critical to building a sense of shared identity and priorities. Bellevue has a highly diverse community, including residents and workers of many different races, ethnicities, cultures, and ages. Bringing together these communities to share stories, discuss and understand how the city is changing, and advocate for common needs will help spread Bellevue's story with the rest of the region and world.

Foundational & Direct Strategies

Bellevue's economic development approach is divided into two areas to help reinforce the overall vision for the city and clarify short-term action. **Foundational Strategies** are a lens for the City's longer-term, ongoing activities that lay the foundation for overall livability and success of the city. These strategies are typically the responsibility of multiple departments.

Direct Strategies address the short-term focus areas for Economic Development staff and focus on actions that either directly affect businesses' satisfaction with Bellevue or improve the business ecosystem for businesses of all types and sizes. These strategies are primarily led by the Cultural & Economic Development division and are completed through collaboration with other departments and public and private partners.

FOUNDATIONAL STRATEGIES

The Foundational Strategies below are essential to a well-functioning community and will maintain the high quality of life that Bellevue residents and businesses currently treasure.

Provide a business climate and related infrastructure that facilitate and encourage desirable business investment.

Bellevue is known for having a competitive business climate. Businesses and developers cite the quality and consistency of City services, infrastructure, and business friendly regulations as major reasons for doing business in city. The City may face challenges maintaining high-quality infrastructure and government services with the substantial office development planned for the city's urban core. This includes internet and other digital infrastructure as outlined in the Bellevue Smart City Plan. The City should continue all ongoing efforts to improve the local business climate, modernize and streamline codes and regulations, and maintain development predictability. To ensure these efforts are recognized by residents and businesses, the City should develop a communication plan to proactively share preparations made for new growth.

Cultivate attractive and diverse business districts across the city.

Talent is a primary driver of business location decisions in the modern economy. Employers are investing in locations based on the current availability of skilled workers and the long-term capacity to attract and retain the best talent. Bellevue currently has access to a large pool of workers within the city and the broader Puget Sound region, but some interviewed employers raised concerns about the ability to attract workers to live and work in Bellevue, due to the lack of cultural amenities and nightlife that appeal to younger, creative demographics.

These employers are looking for a diverse range of built environments with unique cultural amenities that appeal to employees at all stages in life. The City should continue to develop business districts outside of Downtown, including Factoria/Eastgate, Wilburton, Spring District, Crossroads and BelRed - with the goal of creating more distinct identities in each area including consideration of an EcoDistrict. Continued redevelopment of these areas will improve the quality of life for Bellevue residents, offer more diverse and dynamic places to shop and recreate, help attract and retain innovative companies, draw more tourists and increase retail sales throughout the City.



Support the development and attraction of world-class talent.

The Bellevue School District is one of the community's greatest assets. It consistently ranks among the best in the nation and is regularly cited by stakeholders as a primary reason for living in Bellevue, along with low crime, high-quality parks, and other lifestyle amenities that primarily cater to family-oriented households. Continuing to support success in the school system will maintain Bellevue's desirability as a place to live and help with attracting a world-class workforce.

The school district is also a source of talent, along with Bellevue College and the Global Innovation Exchange. Demand for skilled workers will grow in the years ahead, and these and other organizations must continue to expand programming and training that prepares students and adult learners for locally in-demand jobs, especially in Science, Technology, Engineering, and Math (STEM) fields. This topic is explored further in the Workforce chapter but remains a primary foundational pillar of economic development. This need should be considered when exploring investments in transportation, livability, and other amenities such as childcare that will help attract and retain a talented workforce.

Continue to make Bellevue a great place to live, work, and visit.

A high quality of life is one of Bellevue's greatest economic development assets, helping to attract both world-class businesses and residents. More can be done to improve quality of life and cultivate a sense of community, through the activation of public spaces, increased walkability, expanded nightlife, and more events—with a diversity of cultural offerings, types of interactions, and times of day. A vibrant community with strong cultural diversity, arts, livability, and events aligns with the desires of existing Bellevue residents, knowledge workers that are integral to the City's global vision, and tourists seeking unique cultural attractions to visit.

Take local and regional approaches to solving transportation challenges through innovative solutions.

Transportation remains one of Bellevue's greatest assets and greatest challenges, as highlighted by almost all stakeholders engaged in the planning process and by resident and business surveys. Population and employment growth in Bellevue and around the region contribute to increased traffic congestion and longer commute times. Expansion of public transportation options and completion of Sound Transit's 2 Line / East Link Extension will expand transportation, and the City should continue to provide leadership around transportation investments within the City and region, including expanded multi-modal and advanced transportation options such as ACES (automated, connected, electric, shared) technologies. To do this, Bellevue must continue leveraging regional support and exploring new infrastructure funding tools. Rapid job and resident growth in Downtown Bellevue will continue to require additional planning and traffic mitigation in the near-term. These efforts will help ensure smooth

Encourage a variety of housing choices within the city.

After transportation, cost is consistently cited as one of the greatest challenges for business in Bellevue, especially cost of housing for workers. A sustainable economy requires workers at all income levels, but rapid population growth in Bellevue and the region has made housing unaffordable for many residents and workers at lower income levels. Bellevue, the Eastside, and the larger Puget Sound continue to need more housing choices for diverse income levels throughout the city.

View all activities through a lens of diversity, equity and inclusion.

Bellevue prides itself on its diverse population, a dynamic that enhances the city's cultural and economic vibrancy. Although overall Bellevue is relatively affluent and well-educated, poverty and disparities still existing within the city. In a truly successful and sustainable economy, all members of the community have the opportunity to thrive, and Bellevue must continue to identify challenges, resource gaps, and other opportunities to better support underserved residents and businesses. All economic development activities and investments must consider how they proactively address and impact diversity, equity, and inclusion.

Ongoing Economic Development Services

Since the last update of the Economic Development Plan in 2014, the City has grown its overall economic development expertise and capacity in many areas that are critical for the community's long-term health. These programs are now part of the general "day to day" work of staff and local partners. While this update calls out new areas of focus or recommends entirely new programs to help close local gaps, the City's economic development staff will continue to maintain operations and programs that meet continuing needs within the community.

Ongoing activities include:

- **Business Attraction** - Continue to provide support to businesses seeking to locate in Bellevue.
- **Business Retention & Expansion (BRE)** - Continue to engage representatives of the private sector to understand their needs, address issues of shared interest, and assist with expansion of operations in the city.
- **Small Business and Entrepreneurship Support*** - Continue to provide the resources that businesses need to start, stay, grow and thrive in Bellevue.
- **Creative Economy*** - Continue to create a thriving creative sector and provide support for arts and culture.
- **Public Private Partnerships*** - Continue to leverage the expertise and resources of our community through innovative public-private partnerships.
- **Tourism Development*** - Continue to partner with Visit Bellevue Washington to implement a coordinated tourism strategy encompassing business-related and leisure markets.

*See chapter in this Plan for expanded strategic focus

CAPACITY BUILDING AND PARTNERSHIPS

Bellevue is recognized as a great place to do businesses, boasting a strong pipeline of new development, new businesses, and new residents. Existing partners like the Bellevue Downtown Association (BDA), Bellevue Chamber, and Visit Bellevue provide valuable support and services to local businesses. However, businesses, employees, and residents are increasingly asking for a higher level of service befitting a city of Bellevue's growing size and stature. Some of these are currently outside the City's expertise and capacity to deliver. As such, Bellevue needs to grow organizational capacity with existing partners to help with advocacy, funding, technical support, and management expertise for big items —from affordable housing to place management, and from developing the Grand Connection to workforce development.

Bellevue should continue discussions with partner organizations, at the local, regional, state, and national level. This includes a mix of chambers, business associations, economic development agencies, and others that help the City implement its plans. The City should also explore new partnerships with organizations and residents throughout the region who have the expertise and strategic ability to help achieve the City's goals including multicultural and community-based organizations.



COVID-19 Impacts

Cities and regions with strong partnerships and organizational capacity are displaying the greatest resilience through the COVID-19 pandemic. In Bellevue, the pandemic has highlighted the importance of strong partnerships with local and regional organizations that can efficiently work together to deliver services to the business community. The relationship and partnership development that has been advanced through the relief work will continue and will be leveraged to put the city's growth back on solid footing.



Capacity Building and Partnership Strategies & Tactics

CB 1. Work with partner organizations to be a more active convener on topics of importance.

CB 1.1 Utilize a shared leadership model to convene, support and build the capacity of community organizations that the city can partner with.

CB 2. Apply a partnership approach to strategies throughout economic development efforts to expand and improve service delivery.

CB 2.1 Increase opportunities for community partners to assist or lead the visioning and implementation of economic development projects.

CB 2.2 Develop additional public-private partnership tools and funding mechanisms.

CB 3. Increase business and employee engagement in the community. (Growth)



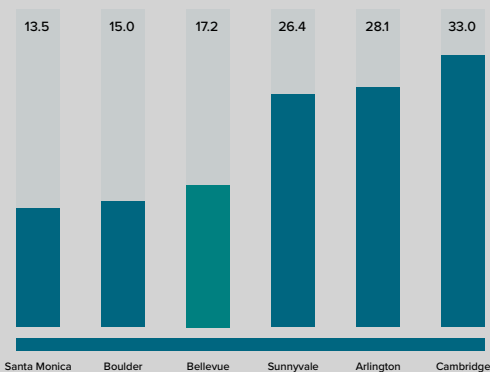
SMALL BUSINESS AND ENTREPRENEURSHIP

A healthy economy depends on the presence of businesses in a variety of industries and sizes. Bellevue should continue to maintain its innovative and creative environment attracting and inspiring the next generation of visionaries who take on today's biggest challenges to build a better tomorrow. Affordability, availability of space, and workforce remain top concerns for many small businesses in Bellevue across many different sectors. The rising cost of commercial and office space makes it increasingly difficult for many small businesses to operate in Bellevue. In 2019, Class A office space in Bellevue was more expensive than in the Seattle Central Business District, as well as other benchmark communities. The current development pipeline will deliver an impressive amount of new office and retail spaces; however, the size and cost of those spaces will be beyond the means of many small businesses.

Bellevue nonetheless remains home to many small businesses, with 97% of firms employing 100 or fewer workers and an average employment size of 17.2. Bellevue and the Eastside are also home to a variety of small business support organizations, including Startup 425 and OneRedmond's Small Business Development Center, but there are some gaps in available services. For small businesses and microenterprises to continue thriving, expanded resources are needed to improve long-term viability. These businesses would benefit from more consolidated and easily accessible sources of information. There are also opportunities to expand access and outreach to support more diverse small business ownership, including immigrants and non-English speakers.

Average Employment Size by Firm, 2016

Source: Avalanche Consulting / US Census Bureau



COVID-19 Impacts

Nationally, small businesses are the most impacted by the COVID-19 pandemic, and businesses owned by people of color are disproportionately impacted. Small businesses, especially those in the retail and hospitality industry, have been severely impacted by loss of business due to stay at home orders. Recognizing that small businesses are suffering today and yet will drive recovery in the future, best practices include boosting programs and resources for small businesses and entrepreneurs. Additionally, business starts have historically increased after a recession, so it is vital to bolster programs to ensure small business success as the pandemic subsides.

Small Business and Entrepreneurship Strategies & Tactics

SB 1. Work with partner organizations to expand access to technical training for entrepreneurs and small business owners with a focus on those of diverse backgrounds.

SB 1.1 Work with Startup 425 partners to expand the website as a centralized one-stop-shop with additional resources in multiple languages.

SB 1.2 Support efforts to expand in-person and virtual training options.

SB 2. Focus Bellevue's existing business retention and expansion program to build relationships with entrepreneurs and small businesses across sectors so they receive proactive services.

SB 2.1 Promote business resiliency and preparedness by aggregating and promoting best practices.

SB 2.2 Streamline the city's approach to resolving business technical issues.

A recommended tactic that will be re-evaluated when the lasting impacts of COVID-19 are realized is:

SB 2.3 Develop partnerships to expand small business support.

SB 3. Encourage the preservation of existing spaces and the creation of new spaces that are suitable for small businesses. (Growth)

Recommended tactics that will be re-evaluated when the lasting impacts of COVID-19 are realized include:

SB 3.1 Review the land use code to remove barriers for small businesses moving into existing spaces.

SB 3.2 Study and implement methods to encourage the preservation of small format office space.

SB 3.3 Calibrate incentives for new construction to bolster the availability of smaller office spaces.

SB 3.4 Utilize future zoning updates, such as Wilburton, to develop more flexible land use approaches.



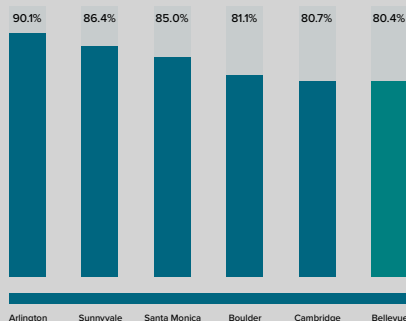
WORKFORCE

Employers are attracted to locations with a skilled workforce and the ability to train, attract, and retain workers. Residents, meanwhile, benefit from local training opportunities that allow them to upskill with a changing economy and continue to find meaningful careers. Fortunately, Bellevue is home to many well-educated residents, incredible K-12 schools, and two successful post-secondary educational institutions, Bellevue College and the Global Innovation Exchange. With nearly 70% of adults holding a bachelor's degree or higher, Bellevue is the third best-educated city among the nation's 200 largest. Employers in Bellevue draw from a large, well-skilled labor pool that stretches across the Puget Sound. The strength of Bellevue as an employment destination is seen in the magnitude of its labor draw—90% of individuals employed live outside the city.

Despite this abundant labor pool, many employers in Bellevue struggle to find and retain talent. This includes technology workers, skilled professionals, and lower-wage service workers, who are critical to a functioning economy but must often commute long distances to work in Bellevue. With the right training opportunities, less skilled or unemployed Bellevue residents could better compete for local jobs. Workforce strategies must take a broad approach to addressing these needs by training students for future local jobs; helping upskill under- and unemployed adult residents returning to the workforce; and attracting and retaining talent from across the region, nation, and world. At 80.4%, Bellevue has the lowest prime working age labor force participation rate among benchmark cities, which indicates some residents could potentially return to the workforce with the right training and opportunity.

Labor Force Participation Rate (Age 25 to 64), 2018

Source: Avalanche Consulting / US Census Bureau



COVID-19 Impacts

The need for workforce development programs to upskill Bellevue residents was acknowledged before the COVID-19 pandemic. In April 2020, as a result of COVID-19, unemployment in Bellevue reached 11.5%. Addressing the needs of workers displaced during the pandemic is a top priority in all American cities, and Bellevue is not unique. This topic is especially important because it disproportionately affects lower-income individuals and people of color, further emphasizing the need for equitable and inclusive workforce solutions. Prior to the pandemic, the need for more and affordable childcare options was a critical issue for local businesses and residents. COVID-19 has also added workforce strain due to the cancelling of in-person schooling and limited childcare availability, which has created additional challenges for dual working parent households.



Workforce Strategies & Tactics

WF 1. **Expand access to education and professional experience opportunities within the city that directly lead to industry certifications, degrees, and job placement.**

- WF 1.1 Work with service providers and employers to expand internship, apprenticeship and training opportunities across the city. Prioritize opportunities that help Bellevue residents access jobs in the city.
- WF 1.2 Encourage the development of a “Welcome Back Center” that fosters opportunities for residents to gain necessary experience to return to the workforce.

A recommended tactic that will be re-evaluated when the lasting impacts of COVID-19 are realized is:

- WF 1.3 Work with education providers and private industry to create a permanent presence for a four-year research university in Bellevue.

WF 2. **Create stronger links between local employers, education and service providers, and residents.**

- WF 2.1 Create a webpage with a list of regional resources that can be shared with Bellevue employers and residents to help connect them to training opportunities, service providers and jobs.
- WF 2.2 Develop partnerships to facilitate increased communication and collaboration between service providers and employers.

WF 3. **Continue to expand transportation including multimodal and advanced options.**

A recommended tactic that will be re-evaluated when the lasting impacts of COVID-19 are realized is:

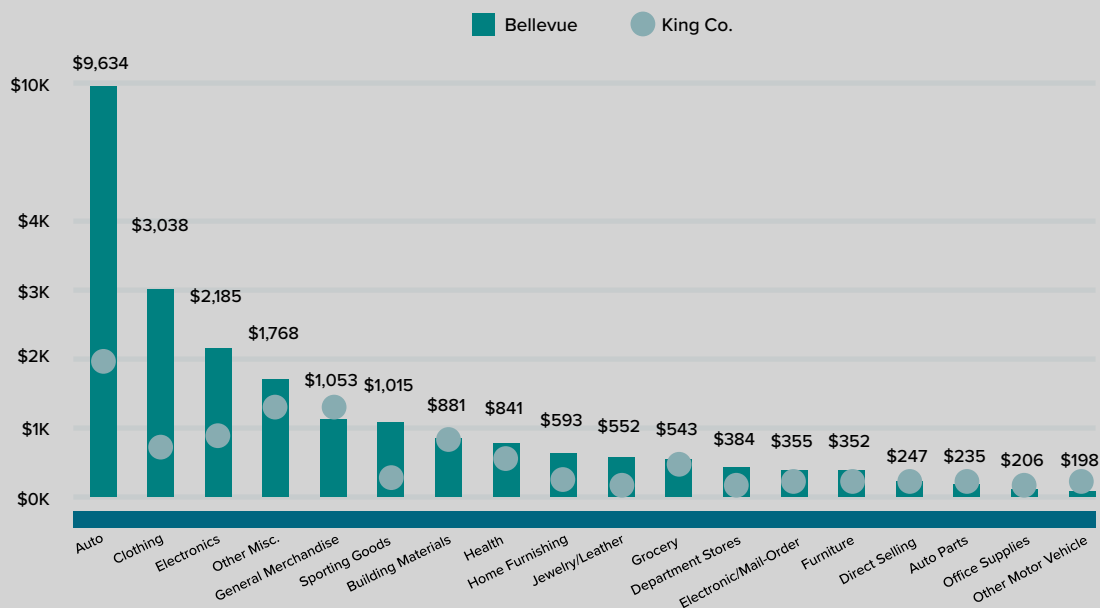
- WF 3.1 Work with major employers to identify major commute destinations and origins to inform future transportation investments.

Retail serves multiple roles in an economy, including bolstering a community’s ability to attract tourists, providing lifestyle amenities to residents and workers, and generating sales tax revenue.

The nature of retail is rapidly changing. While sales for dry goods continue to move online, consumers are increasingly flocking to experiential services, such as restaurants, yoga studios, and entertainment venues. As for other small businesses, affordability, availability of space, and workforce are top concerns for many retailers and restaurants in Bellevue—especially non-chain, locally-owned establishments. Within Bellevue, local retailers and restaurants have expressed a desire for increased organization to help them share resources and build their capacity to promote their businesses and advocate for their needs in the community. Greater coordination can also help facilitate placemaking activities within the various retail districts across the city.

Per Capita Retail Sales, 2018

Source: Avalanche Consulting / Washington State Department of Revenue



COVID-19 Impacts

As we see businesses start to re-open in modified fashions, we are still discovering what the new normal will look like for brick and mortar retail and restaurants—and what best practices for placemaking and retail district development may include. With traditional retail unlikely to return to “normal” in the short-term, cities are enabling creative solutions that encourage shopping, dining, and socializing in safe ways.

Retail Strategies & Tactics

R 1. Retain and recruit a healthy and diverse retail mix, including neighborhood and resident serving businesses throughout the city.

R 1.1 Encourage capacity building at partner organizations that can support merchants in the city's retail destination districts.

A recommended tactic that will be re-evaluated when the lasting impacts of COVID-19 are realized is:

R 1.2 Work with partner organizations to develop and implement retail action plans that foster unique district identities and increased visibility for local establishments.

R 2. Encourage the preservation of existing spaces and the creation of new spaces that are suitable for independent retail, neighborhood services, restaurant, and beverage establishments. (Growth)

Recommended tactics that will be re-evaluated when the lasting impacts of COVID-19 are realized include:

R 2.1 Study and respond to barriers for new restaurants, beverage establishments and retail in existing spaces in Bellevue.

R 2.2 Calibrate incentives for developers to create smaller, more accessible commercial spaces for retail and restaurants in new developments.

R 2.3 Expand temporary and provisional usage permits to foster pop-up or temporary operations.

R 2.4 Work with partner organizations and property owners to create a Shared Parking programs to utilize private business parking garages for nighttime and weekend use.

R 3. Create contiguous, high-quality retail experiences in major employment centers by designating streets as active or non-active in future land use updates. (Growth)

R 4. Develop an auto services retention strategy that ensures a future presence for auto dealerships and related businesses to preserve services for residents. (Growth)



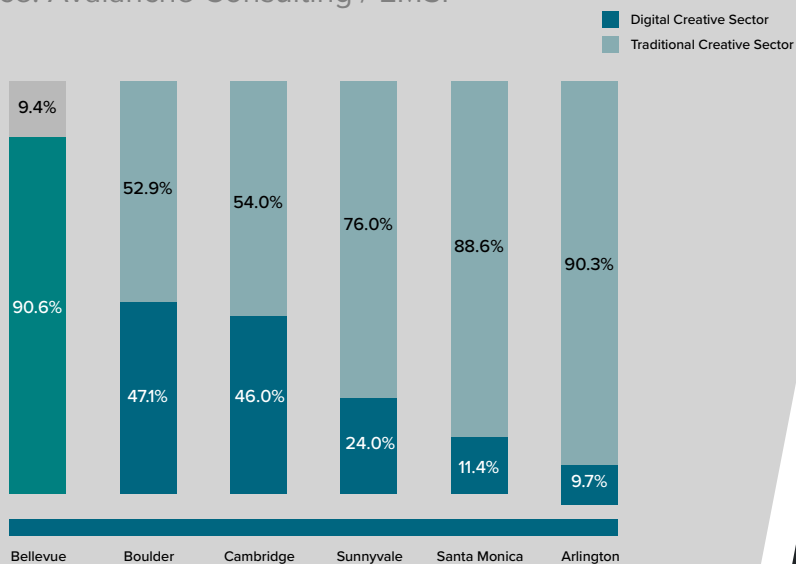
CREATIVE ECONOMY

A strong, visible creative sector is a vital element of a community's general livability and reflects a thriving culture. The creative economy also serves as a key driver of talent recruitment and retention for businesses. This is especially important in a competitive environment in which firms are vying to retain and attract the best and brightest employees.

Bellevue's Creative Economy can be generally separated into two sub-sectors - Digital Creative and Traditional Creative. The city's Digital Creative sector includes many successful global gaming companies, such as Bungie and Valve. Digital Creative comprises nearly 91% of Bellevue's Creative Economy. The Traditional Creative sector, which captures visual and performance artists, studios, art teaching spaces, performance spaces, and similar activities, is less concentrated at only 9%, and many of the individuals and organizations in this sector face significant challenges affording space in Bellevue. Bellevue's Creative Economy also suffers from a lack of organizational capacity and a lack of awareness about the city's numerous cultural offerings. Unlike many peer and benchmark cities, Bellevue lacks a private arts fund that could assist artists and organizations with operational costs and other challenges.

% of Creative Economy Employment by Sector, 2018

Source: Avalanche Consulting / EMSI



COVID-19 Impacts

A survey by Americans for the Art in March 2020 found that 62% of artists and creative workers became fully unemployed due to COVID-19 and 95% have experienced income loss. With lowered discretionary spending by consumers due to the poor economy, limitations on public events due to health concerns, and public and private art budgets tightening, it has become even more challenging for many creative organizations to survive. Supporting the creative economy through the COVID-19 pandemic will require creative thinking and collaboration across public, private, and non-profit organizations.

Creative Economy Strategies & Tactics

CE 1. Enhance Bellevue's leading position in the digital creative sector and encourage linkages with the traditional creative sector where possible.

- CE 1.1 Pursue regional collaboration that supports and promotes the creative cultural sector in Bellevue.
- CE 1.2 Expand audiences for Bellevue's multi-cultural organizations and offerings.

CE 2. Develop the built and institutional infrastructure needed to position the BelRed Arts District as a major destination.

- CE 2.1 Establish a working group to convene, foster and promote the BelRed Arts District.
- CE 2.2 Reduce barriers for arts uses and improve prioritization of the arts incentive for new development in the BelRed Arts District.

CE 3. Promote and expand festivals, events and activities to grow the creative economy sector and promote a strong creative brand for Bellevue. (Growth)

Recommended tactics that will be re-evaluated when the lasting impacts of COVID-19 are realized include:

- CE 3.1 Explore options for the City to initiate a public private partnership to construct and manage multi-purpose creative arts spaces.
- CE 3.2 Partner with Visit Bellevue to create a High-Tech working group to foster collaboration and explore opportunities for technology focused festivals and events.

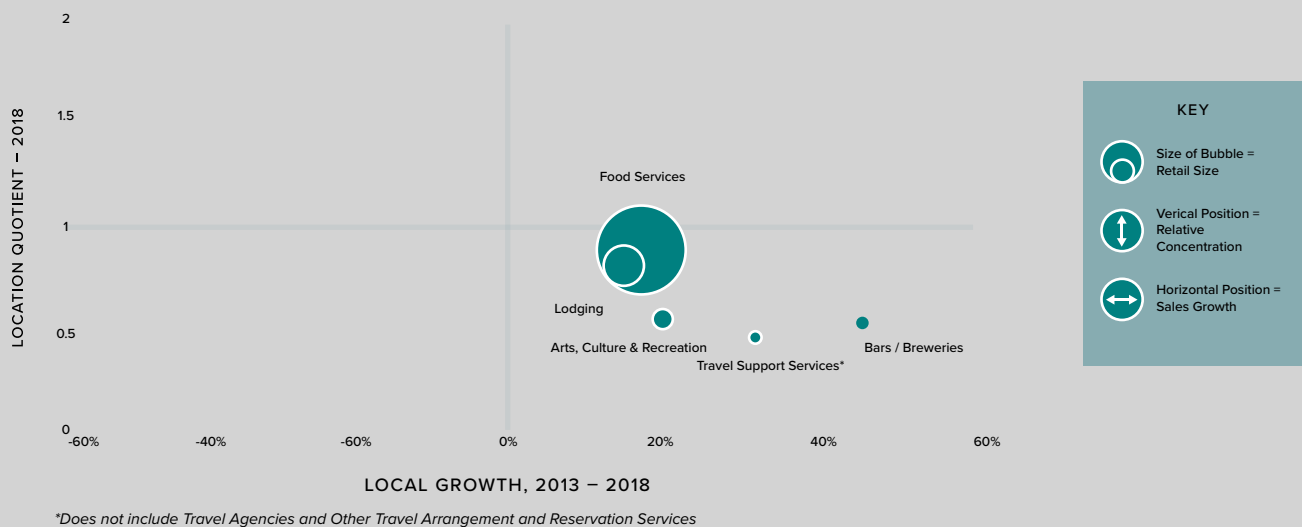


A successful economy hosts visitors throughout the year who inject new dollars into the local economy and evangelize the city's brand to others; creating a virtuous cycle of tourism growth. Bellevue's tourism sector has traditionally been focused on business travelers and conventions but continues to grow and evolve. Despite steady growth, most tourism sub-sectors, such as dining, lodging, arts/culture/recreation, and bars/breweries, are less concentrated than the national average, creating significant opportunities for future growth.

Food Services is the largest and most concentrated sub-sector, with a location quotient of 0.9, whereas Bars & Breweries are much less concentrated, with a location quotient of 0.4, but are growing more rapidly. Many of these operations are retail establishments and small businesses and will thus benefit from strategies identified in those related chapters of this plan. Visit Bellevue's Destination Development Plan is also well-developed and outlines important strategies already underway to build this sector. These can be reinforced and supplemented by additional efforts outlined below.

Bellevue Tourism Industry Sub-Cluster by Size, Employment Change & Concentration

Source: Avalanche Consulting / Puget Sound Regional Council / EMSI



COVID-19 Impacts

Tourism was one of the hardest hit sectors by COVID-19. In April 2020, Bellevue's tourism sector only served 24,900 visitors (a decrease of 88% from 2019) and registered just a 9.7% citywide hotel occupancy rate (an 86% drop). As economies reopen, business travel is expected to resume in a limited fashion, but many industry experts predict very slow growth in leisure travel until a vaccine is developed and consumer fear of exposure subside. Staff is working closely with Visit Bellevue to monitor the return of visitors and assist in positioning Bellevue as a destination of choice as growth begins.

Tourism Strategies & Tactics

T 1. Develop more activities and product offerings that take advantage of the city's assets and proximity to regional activities.

T 1.1 Restructure special event policies to encourage more activities and events that enhance placemaking, community building, and promotion of Bellevue.

Recommended tactics that will be re-evaluated when the lasting impacts of COVID-19 are realized include:

T 1.2 Partner with Visit Bellevue to develop an Events & Festival Strategy.

T 1.3 Partner with Visit Bellevue to develop a Nightlife Strategy.

T 2. Facilitate development of expanded visitor-related facilities to increase the number of conventions, performances, and special events the city can host. (Growth)



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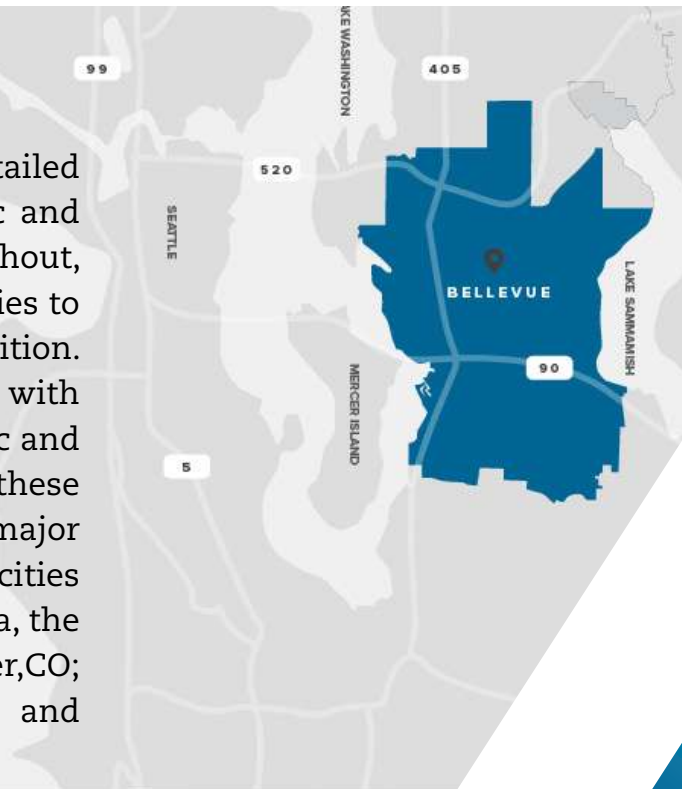
APPENDIX I

ECONOMIC & DEMOGRAPHIC ANALYSIS

Introduction

The following Appendix provides a detailed overview of Bellevue's major economic and demographic characteristics. Throughout, the scan includes benchmark geographies to help provide context to Bellevue's position. In most cases, Bellevue is compared with five communities with similar economic and demographic profiles. Like Bellevue, these benchmark cities are also located in major metropolitan regions. The benchmark cities include Arlington County, VA (In Virginia, the County is equivalent to the City); Boulder, CO; Cambridge, MA; Santa Monica, CA; and Sunnyvale, CA.

Notably, when examining retail and tourism trends, Bellevue is compared to benchmarks within King County, WA. Sales tax data is less readily available in states other than Washington, and the unique structure of sales taxes within each state make it difficult to compare Bellevue to the national benchmarks. As a result, Bellevue's retail position is compared to King County and other cities located within the county. This also provides greater context on what makes Bellevue's retail unique in the region, which is the primary source of shoppers and competition for retail sales.



Similarly, tourism data, such as hotel stays, is locally collected and generally not available to the public. This scan utilizes some data provided by Visit Bellevue but cannot make comparison to other cities within King County or across the country. Instead in these cases, historical trends within Bellevue are examined to better understand how the sector is performing.

It is also important to note that the following examination of employment trends utilizes industry clusters previously defined by the City of Bellevue and consultants. These definitions were used to provide consistency with past economic reporting but also impose limitations. For example, not all employment categories were assigned to industry clusters in these definitions and thus were categorized as ‘Other’ in this report. The Other cluster is notably large and primarily contains employment in Manufacturing, Personal Services, Back Office, and Wholesale Trade.

This does not affect the analysis or strategic directions in this scan or plan update, but it is recommended that in the future, Bellevue update the industry cluster definitions to incorporate all employment categories – removing the need for an Other category. This would ensure all industries are fully captured in the analysis and would also ease the collection and presentation of data going forward.



Bellevue



Arlington



Boulder



Cambridge



Santa Monica



Sunnyvale

“

“Bellevue’s overall economy is growing rapidly. Between 2013 and 2018, employment in Bellevue increased by more than 17,500 jobs.”

OVERALL

Employment Growth

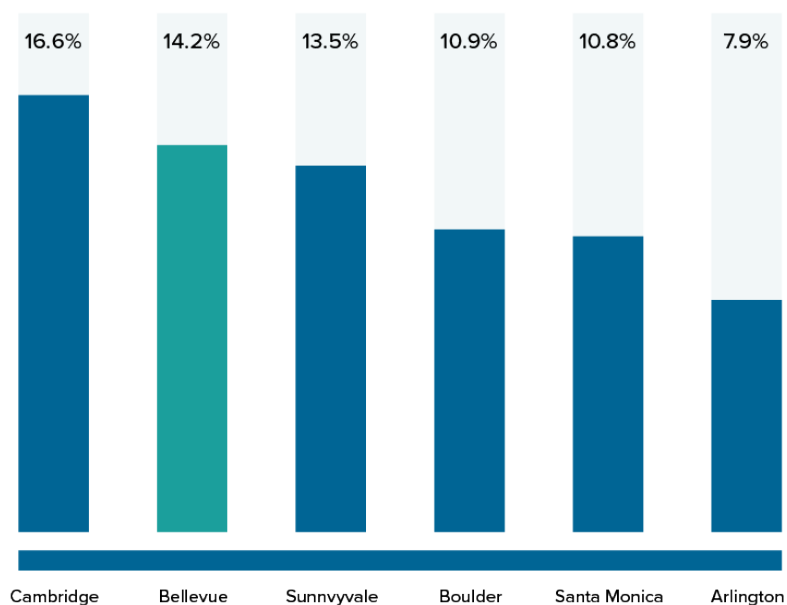
Bellevue's overall economy is growing rapidly. Between 2013 and 2018, employment in Bellevue increased by more than 17,500 jobs – a gain of 14.2%.

On an absolute basis, Bellevue created the most jobs among the benchmark cities – followed by Cambridge (15,600), Arlington (13,100), and Sunnyvale (11,100).

On a proportional basis, employment growth in Bellevue outpaced the US average and all benchmarked communities, except Cambridge, which saw 16.6% job growth over the same period.

Figure 1. Employment Growth, 2013 – 2018

Source: Avalanche Consulting / Puget Sound Regional Council / EMSI



Income

In 2018, median household income in Bellevue approached \$114,000. Nationally, median household income is less than \$62,000.

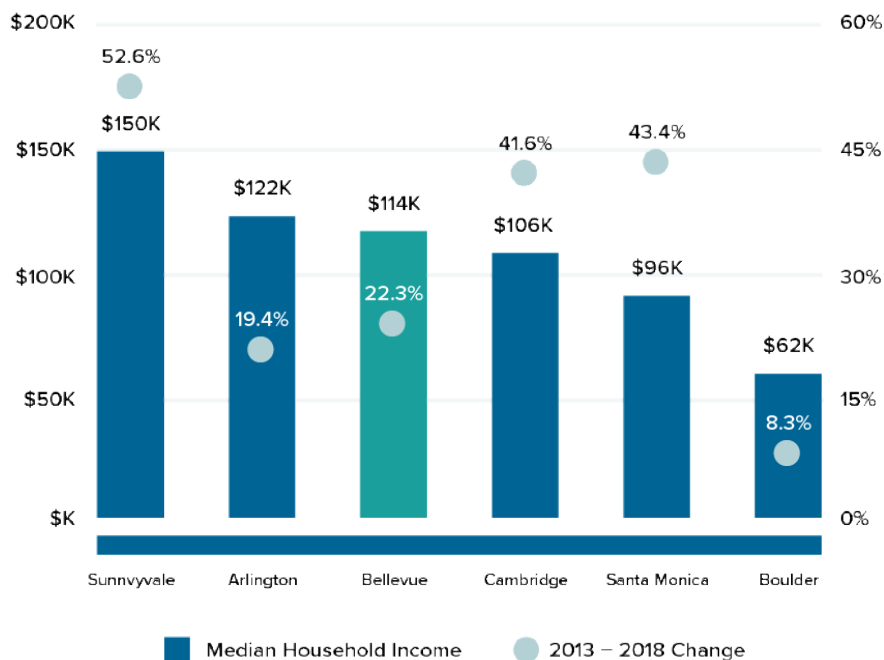
Median household income levels in all benchmark communities are substantially higher than the US average – excepting Boulder, which has a high concentration of students who earn little or no income.

At more than \$150,000 and \$122,000 respectively, Sunnyvale and Arlington County have the highest household income levels.

Since 2013, median household income in Bellevue grew 22%. While this growth exceeded the US average, Sunnyvale, Cambridge, and Santa Monica all saw greater gains in household income.

Figure 2. Median Household Income, 2018

Source: Avalanche Consulting / US Census Bureau



Poverty

In 2018, nearly 8% of Bellevue residents lived below the federal poverty line. This was roughly five percentage points less than the national average.

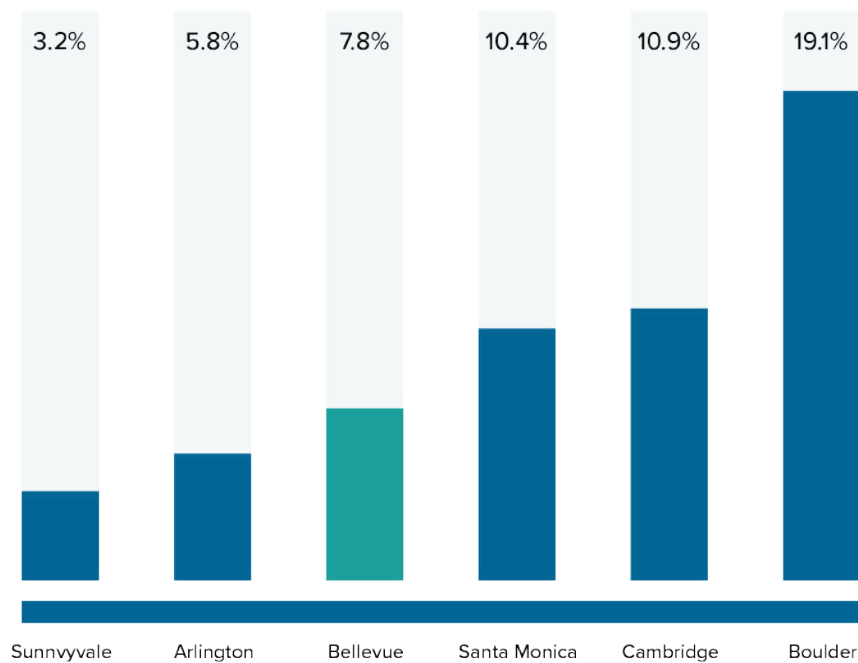
Both local and national poverty rates have steadily declined in recent years.

Among benchmark regions, only Sunnyvale and Arlington County have lower poverty rates. At just 3.2%, the percentage of Sunnyvale residents living in poverty is among the lowest in the US.

High poverty rates (19%) in Boulder are largely distorted by the high concentration of students in the city, who as adults without income are considered in poverty.

Figure 3. Poverty Rate, 2018

Source: Avalanche Consulting / US Census Bureau



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“Both local and national poverty rates have steadily declined in recent years.”

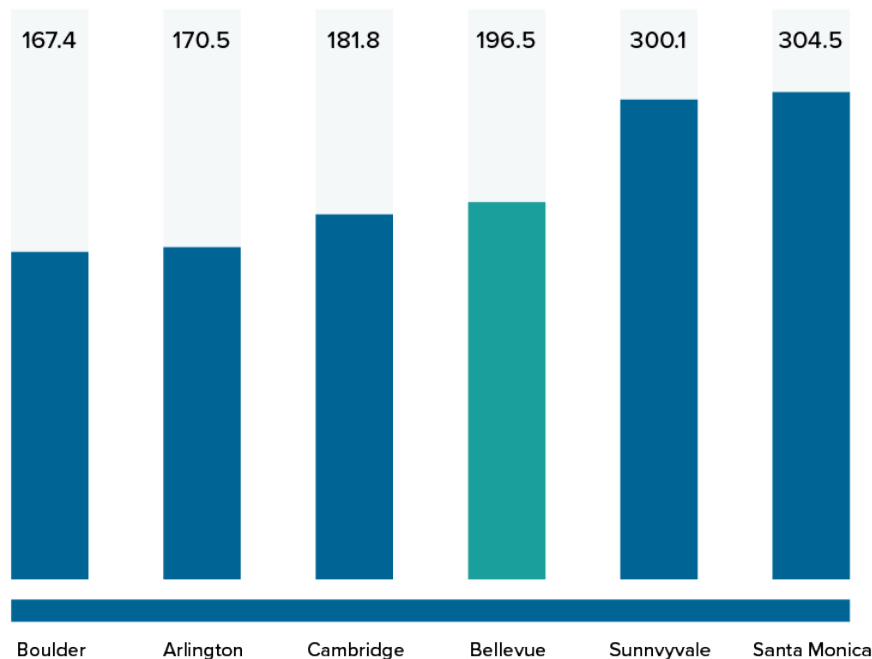
Affordability

Bellevue is nearly twice as expensive as the US average – with an overall cost of living index (COLI) rating of 196.5. This index takes into account the price of Housing, Groceries, Transportation, Health, Utilities, and Miscellaneous other cost factors. Bellevue is more expensive overall than Seattle, which has a COLI rating of 172, King County (159), and the state of Washington (118).

Among the benchmarks examined, Bellevue is more expensive than Boulder (167), Arlington (171), and Cambridge (182). The two California benchmarks – Sunnyvale and Santa Monica – are significantly more expensive at 300 and 305 respectively. Most of this additional expense is due to exceptionally high housing costs.

Figure 4. Cost of Living Index (COLI) – Overall Rating (100 = National Average, Higher is more Expensive),

Source: Avalanche Consulting / Sperling's Best Places



Office Real Estate

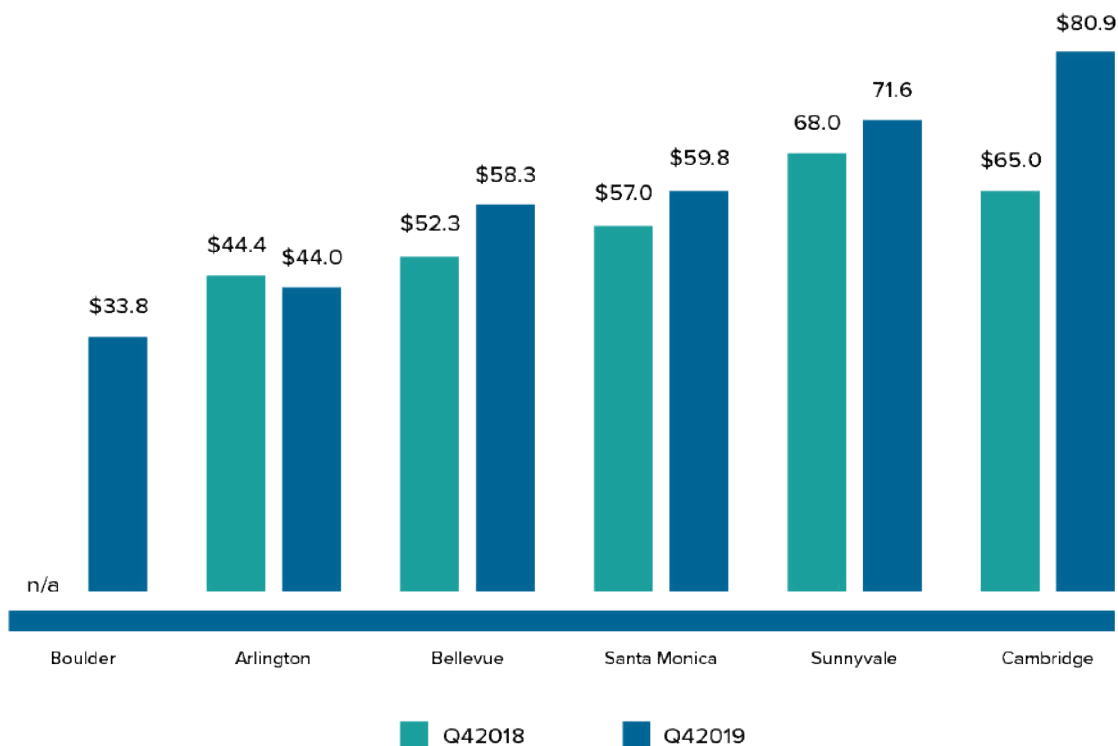
Bellevue has been adding office inventory at a rapid pace in recent years, but this space is in high demand and the price continues to rise.

In Q4 2019, the average asking price for Class A office space in Bellevue was \$58.3 per square foot – less than in Santa Monica (\$59.8), Sunnyvale (\$71.6) and Cambridge (\$80.9), but greater than the Seattle Central Business District (\$55.5).

Between Q4 2018 and Q4 2019, the average asking price for Class A office space in Bellevue rose 12% – a faster rate of growth than all benchmarks except Cambridge, which saw a 25% increase in cost.

Figure 5. Average Asking Rent for Class A Office Space

Source: Avalanche Consulting / Colliers / Cushman Wakefield



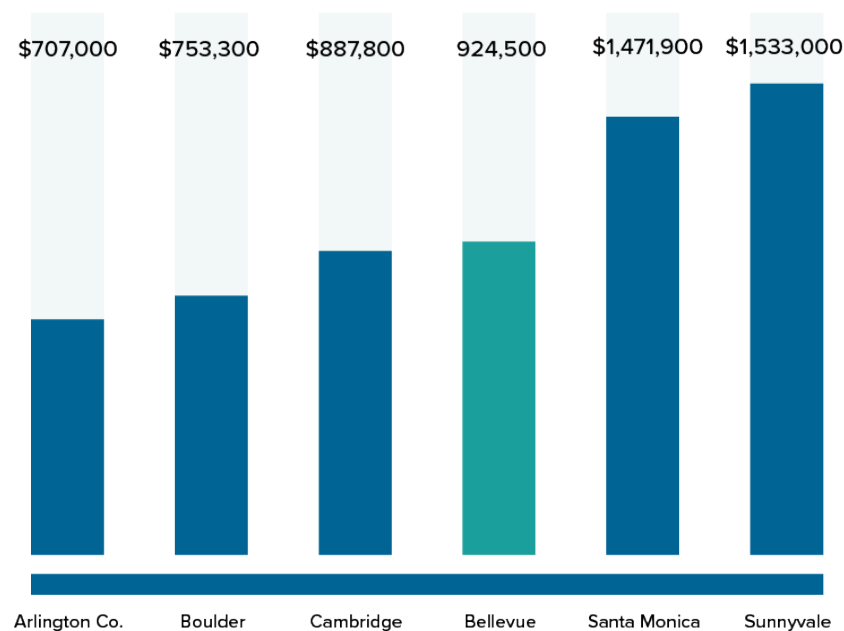
Home Values

In 2018, the median home value in Bellevue reached \$924,500 – 46% higher than King County (\$635,200) and 22% higher than Seattle (\$758,200). This is also three times more than the US median home value (\$229,700).

Among Bellevue's benchmarks, Arlington (\$707,000), Boulder (\$753,300), and Cambridge (\$887,800) all have less expensive homes, but Santa Monica and Sunnyvale are significantly more expensive, with median home values of \$1,471,900 and \$1,533,000 respectively.

Figure 6. Median Home Value, 2018

Source: Avalanche Consulting / US Census Bureau



“

“In 2018, the median home value in Bellevue reached \$924,500.”

Rental Costs

Rent in Bellevue is relatively more affordable than homes for purchase. In 2018, median rent in Bellevue was \$2,051 – 23% higher than King County (\$1,674) and 21% higher than Seattle (\$1,699). This was also 94% higher than the US median rent (\$1,058).

Among Bellevue's benchmarks, Boulder (\$1,516), Santa Monica (\$1,795), and Arlington (\$1,924) had lower rental costs. Interestingly, home values in Santa Monica are exorbitant but rents are relatively low – this is due to rental units being much more common than owner-occupied units. In Santa Monica, 73% of all housing units are rentals. In contrast, only 47% of housing units are rented in Bellevue.

Cambridge (\$2,350) and Sunnyvale (\$2,580) both have higher median rents than Bellevue.

Figure 7. Median Rent, 2018

Source: Avalanche Consulting / US Census Bureau



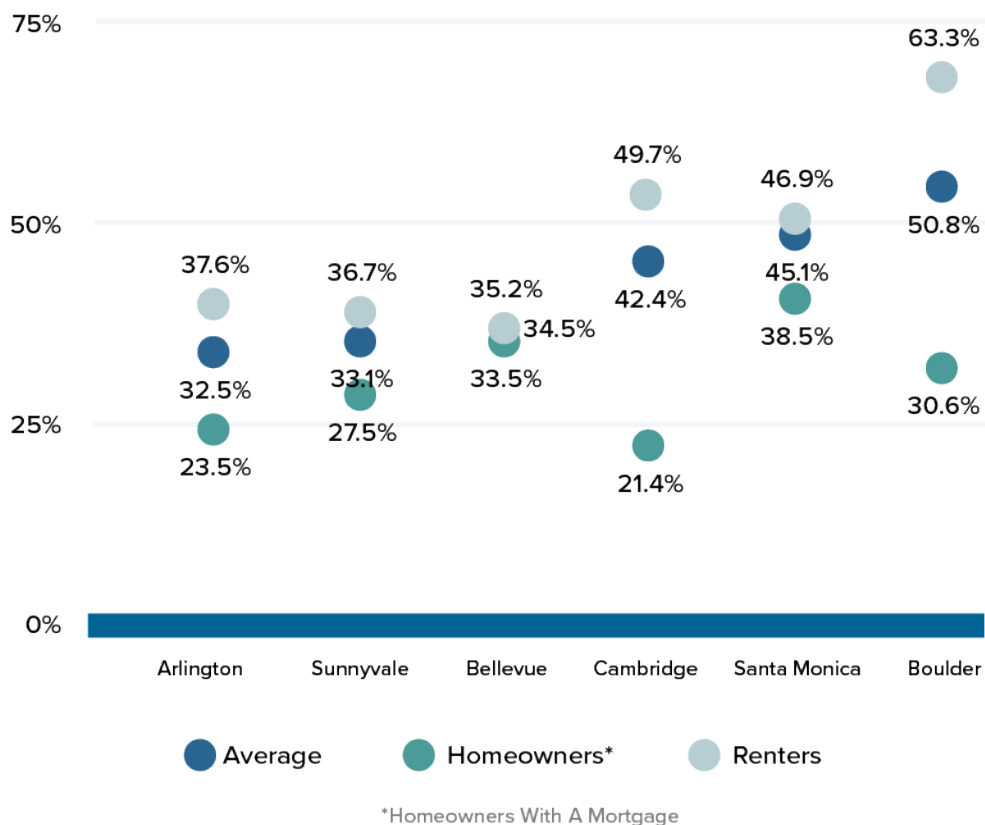
Housing Affordability

Homeowners and renters are considered “cost burdened” if housing expenses consume 30% or more of household income. In general, renters are more likely to be costburdened than homeowners.

Approximately 35% of Bellevue households are cost-burdened. The proportion is slightly higher than in Arlington and Sunnyvale, but lower than in Cambridge, Santa Monica, and Boulder. Unlike most other benchmark communities, there is very little difference in the proportions of cost-burdened renters and homeowners in Bellevue. In contrast, renters in locales such as Cambridge and Boulder are more than twice as likely to be cost-burdened relative to their homeownership counterparts.

Figure 8. % of Cost Burdened Homeowners and Renters, 2018

Source: Avalanche Consulting / US Census Bureau



Income Equality

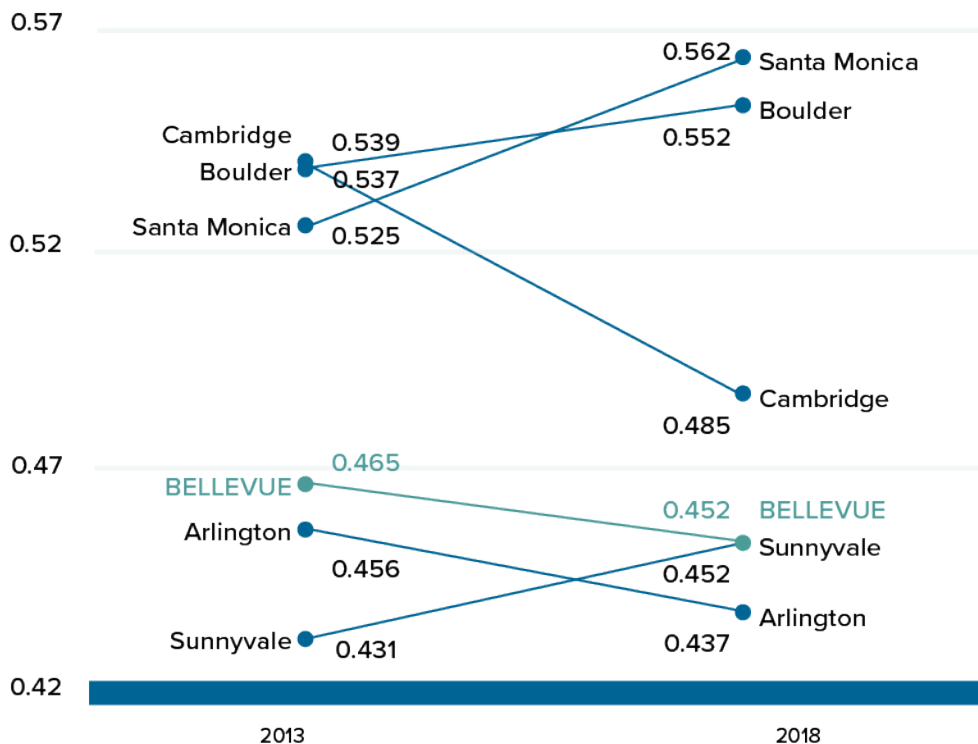
The Gini Index is a measure of income inequality. The Gini coefficient ranges from 0 to 1. A value of 0 reflects absolute equality while a value of 1 indicates absolute inequality.

With a Gini coefficient of 0.452, income inequality in Bellevue is less than the national average and all benchmark communities except Sunnyvale and Arlington.

Notably, the Gini index fell in Bellevue over the past five years – meaning that incomes became more equal. Among benchmark communities, only Cambridge and Arlington similarly saw greater income equality.

Figure 9. Gini Index of Inequality, 2018

Source: Avalanche Consulting / US Census Bureau



Income Equality (continued)

The distribution of household income in a community can also provide an illuminating snapshot of economic inequality.

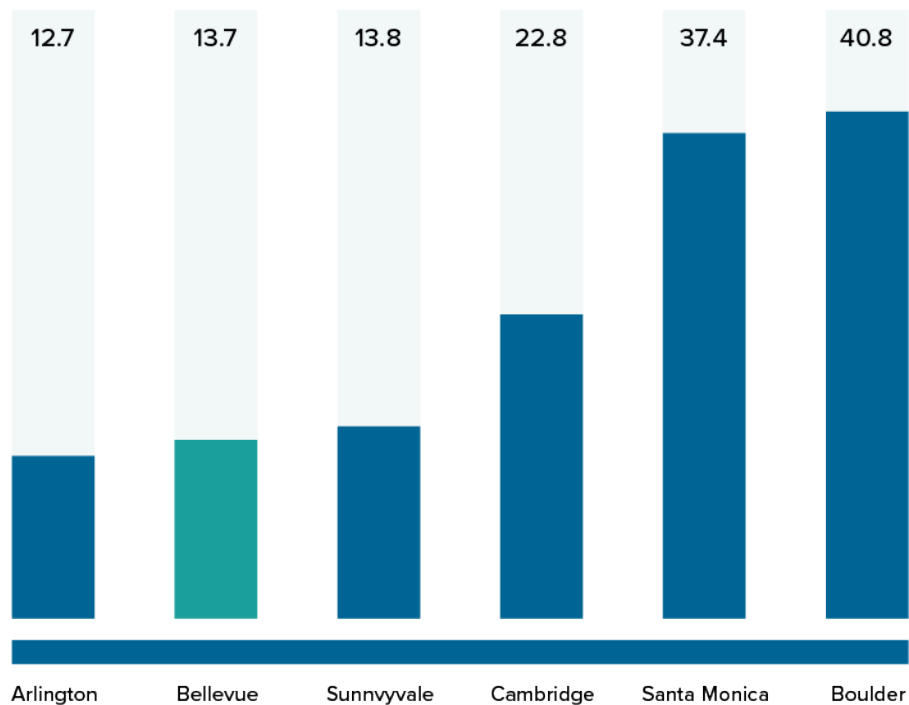
In Bellevue, for example, the top 20% of households captured 49% of all income in the city in 2018. In contrast, the bottom 20% of households in Bellevue accounted for less than 4% of all income in the city.

This represents less income disparity than most of the benchmark cities. In Boulder, for example, the top 20% of households accounted for 57% of all income in the city; the bottom 20% captured less than 2% of all income in Boulder.

Only Arlington had less income disparity than Bellevue – by a small margin.

Figure 10. Ratio of Share of Aggregate Household Income of Top 20% of Households Relative to Bottom 20% of Households , 2018

Source: Avalanche Consulting / US Census Bureau



ECONOMIC RESILIENCE

Employment Growth by Industry

Over the past five years, more than 17,500 new jobs were created in Bellevue. No other benchmark region added as many jobs during this period.

Information Technology created nearly 5,000 jobs – accounting for more than a quarter of the new jobs in Bellevue.

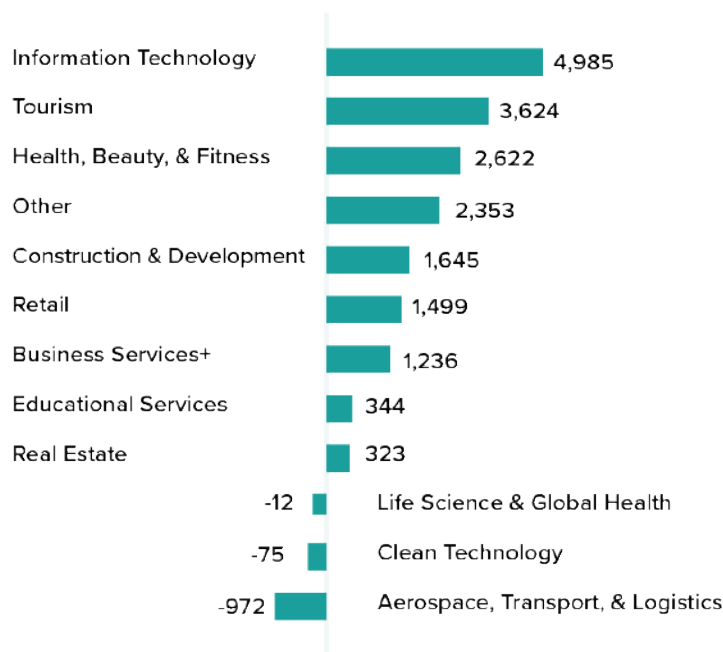
The industries with the next largest employment increases were Tourism (3,600 jobs); Health, Beauty & Fitness (2,600); Construction & Development (1,600); Retail (1,500); and Business Services (1,200).

Over the same time period, Aerospace, Transportation, & Logistics lost nearly 1,000 jobs. Both Life Science & Global Health and Clean Technology employment in Bellevue also dipped slightly.

As noted in the introduction, Other includes a wide range of additional industries – from vehicle maintenance to film production.

Figure 11. Bellevue Employment Change by Major Industry

Source: Avalanche Consulting / Puget Sound Regional Council



Industry Cluster Analysis

Information Technology is by far the most concentrated industry in Bellevue – with a location quotient (LQ) of 7.6 – meaning that on a per job basis, the industry is 7.6 times more concentrated than the US average. On a percentage basis, Information Technology grew 21% in Bellevue from 2013 to 2018.

The next most concentrated industries in Bellevue are Real Estate (2.1 LQ), Clean Technology (1.4 LQ), Business Services (1.3 LQ), and Retail (1.2 LQ).

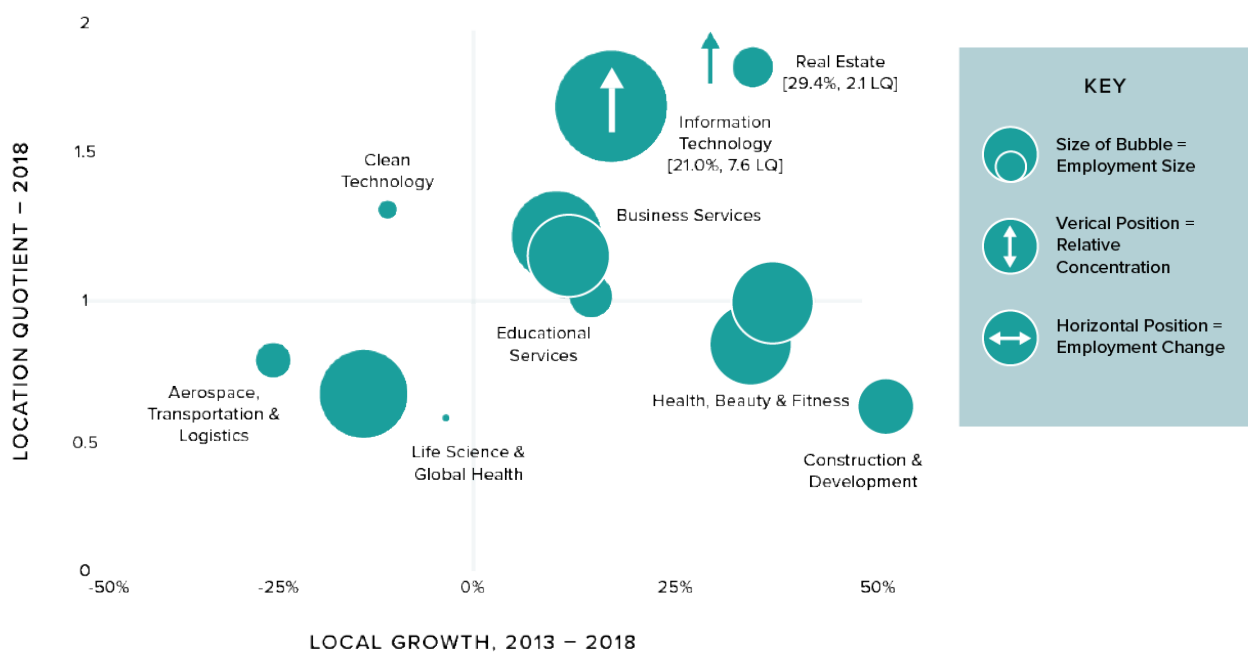
Less concentrated local industries include Life Science & Global Health, which has an LQ of 0.4 LQ – meaning it is 60% less concentrated than the US average – and Aerospace, Transportation, & Logistics (0.5 LQ).

The fastest growing clusters in Bellevue from 2013 to 2018 were Construction & Development (53% growth); Tourism (32%); Health, Beauty, & Fitness (31%); and Real Estate (29%).

The Other cluster is based on previous industry cluster definitions and is notably large. It largely contains employment in Manufacturing, Personal Services, Back Office, and Wholesale Trade. *This does not directly affect the analysis of this scan, but it is recommended that cluster definitions be updated in the future.*

Figure 12. Bellevue Major Industry Cluster by Size, Employment Change & Concentration

Source: Avalanche Consulting / Puget Sound Regional Council



Economic Diversity

Like the concept of biodiversity, economic diversity measures the relative number of jobs in different industries within a community. Cities with large, highly concentrated industry clusters tend to have smaller employment numbers in other clusters – making them less economically diverse.

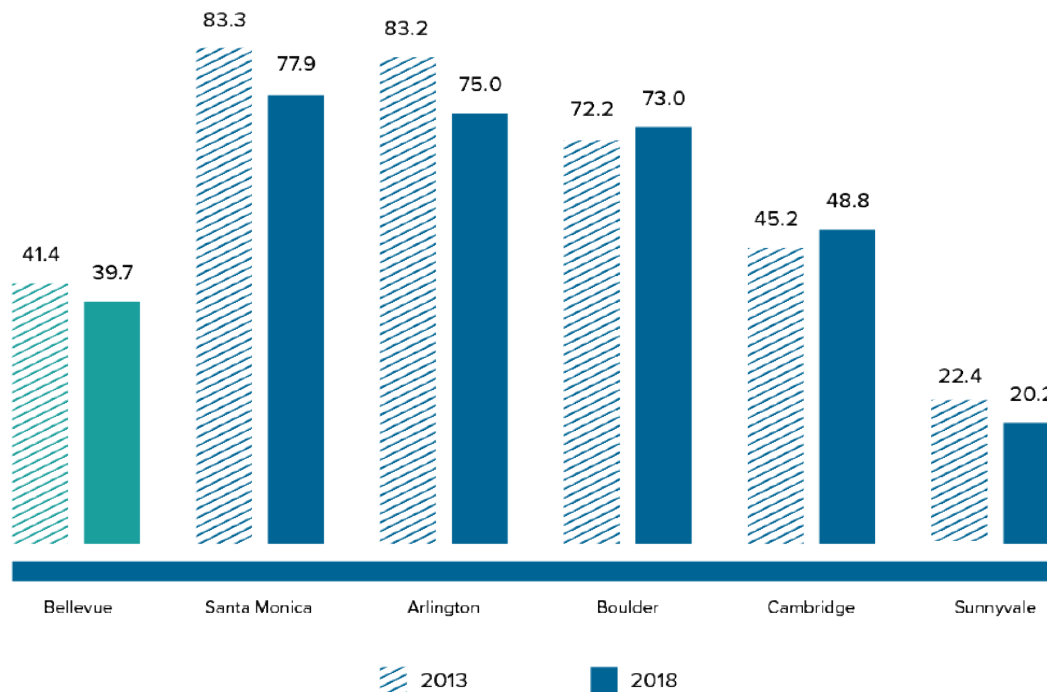
The Economic Diversity Index rates the distribution of industry employment in a community based on a national average distribution of 100 – with less economically diverse areas receiving lower scores.

With an Economic Diversity Index of 39.7, Bellevue is less economically diverse than all benchmark cities except Sunnyvale, CA (20.2).

Between 2013 and 2018, Bellevue became slightly less economically diverse. The decline in economic diversity likely reflects relatively high growth in Information Technology combined with small job losses in other clusters.

Figure 13. Economic Diversity Index (100 = National Average)

Source: Avalanche Consulting / EMSI



Occupational Diversity

The occupational diversity index measures the extent to which the occupations of individuals employed within a city mirror the distribution of occupations across the nation.

Regional economies typically specialize to some extent, but Bellevue's labor force reveals exceptionally low occupational diversity, with an Occupational Diversity Index rating of 15.6 – compared to a national average distribution of 100.

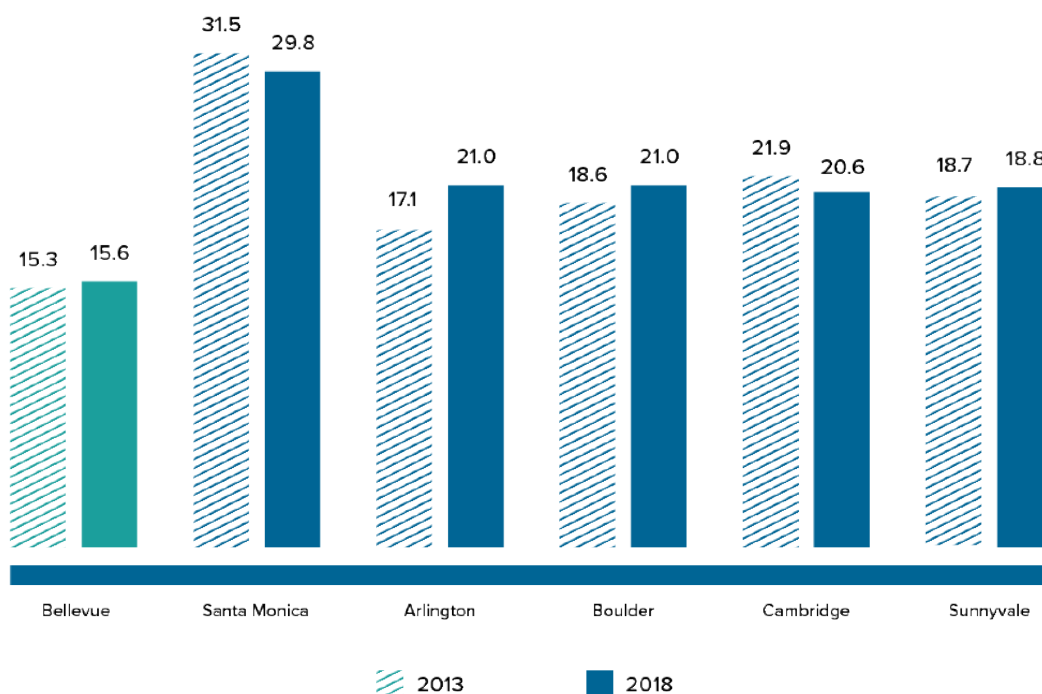
Lack of occupational diversity in Bellevue is largely driven by the high concentration of software developers in the city – a reflection of tremendous local strengths in this field.

Residents of Bellevue alone cannot supply this high concentration of software talent, but local employers are able to pull from the extraordinarily large pool of skilled workers available from across the Seattle region.

Among benchmark cities, Arlington, VA has the highest occupational diversity, with an index of 29.8, and Santa Monica has the lowest relative diversity, with an index of 18.8.

Figure 14. Occupational Diversity Index (100 = National Average)

Source: Avalanche Consulting / EMSI



SMALL BUSINESS & ENTREPRENEURSHIP

Employer Size

In addition to industry diversity, the most economically resilient communities also feature a balance of small and large businesses.

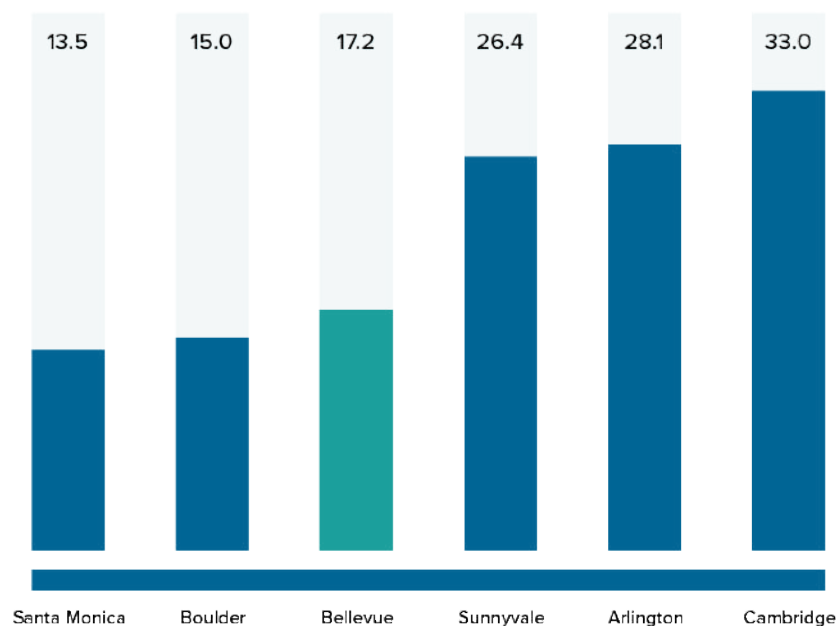
Bellevue is home to several very large companies, but nearly 97% of all firms located in the city have 100 or fewer employees. On average, businesses in Bellevue employ slightly above 17 workers. Cambridge, Sunnyvale, and Arlington County are all home to much larger firms on average.

Although today the average firm size is relatively small in Bellevue compared to its benchmarks, this is likely to grow in coming years. Current expansion plans by companies such as Amazon, REI, and Facebook will likely result in a smaller number of companies accounting for a growing portion of the city's employment.

Note: new business and startup data is not available for cities – only counties, metropolitan statistical areas, and states.

Figure 15. Average Employment Size by Firm, 2016

Source: Avalanche Consulting / US Census Bureau



Patent Activity

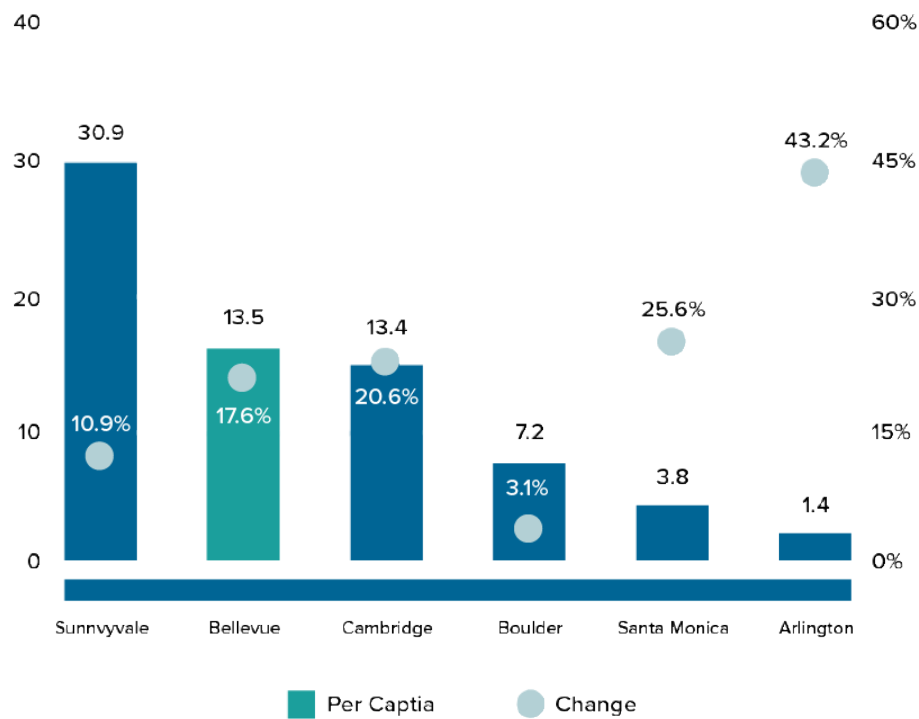
Bellevue is a highly inventive city. In 2018, individuals living in Bellevue produced 13.5 patents for every 1,000 residents. This was roughly equivalent to Cambridge and a higher share than other benchmark cities, except Sunnyvale, which produced 30.9 per 1,000 residents.

From 2013 to 2018, the number of patents attributed to Bellevue residents rose nearly 18% on a per capita basis.

While communities such as Santa Monica and Arlington saw greater increases in patent production over this period, overall patent activity in both places remains significantly less than in Bellevue.

Figure 16. Patent Activity by Inventor Location, 2018

Source: Avalanche Consulting / US Patent & Trade Office



Self-Employment

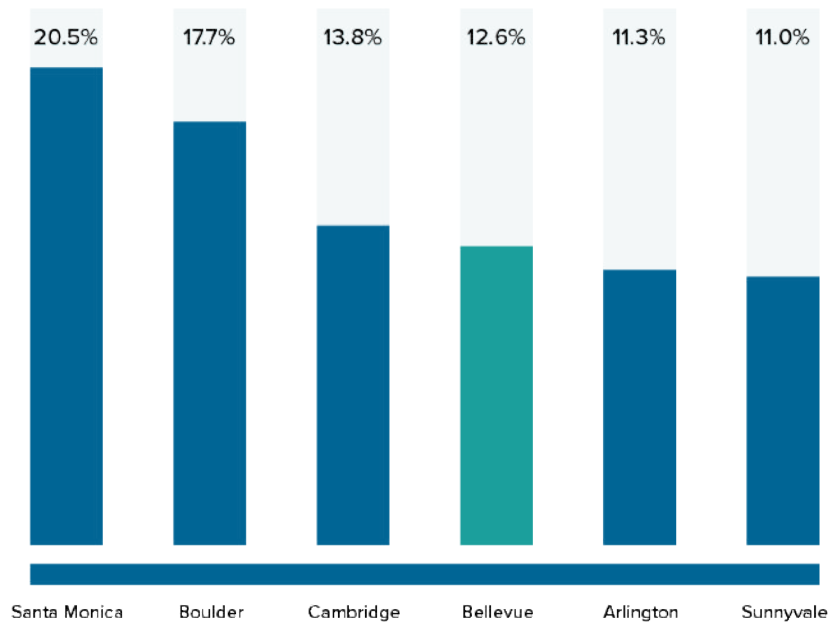
More than 12% of households in Bellevue reported receiving self-employment income in 2018. This could include individuals who own their own businesses or those working in “gig” positions, such as drivers for ridesharing companies.

Among benchmark regions, Bellevue ranks 4th in the proportion of households that reported self-employment income.

At more than 20%, Sunnyvale has the highest share of households within self-employment income. Both Boulder and Cambridge also feature greater proportions of households with self-employment income than Bellevue – at 18% and 14% respectively.

Figure 17. % of Households with Self-Employment Income, 2018

Source: Avalanche Consulting / US Census Bureau



Self-Employment Income

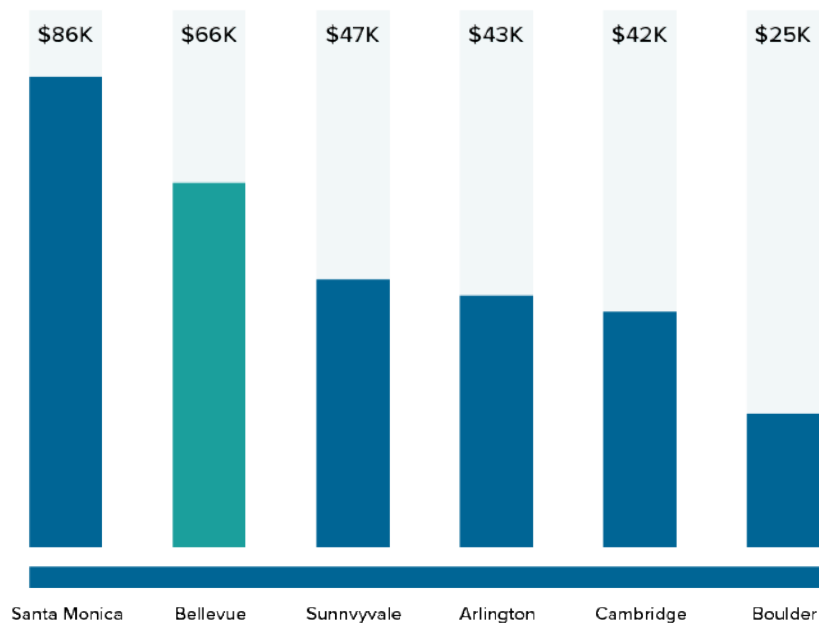
Self-employed individuals in Bellevue earn relatively high incomes. In 2018, average self-employment income among Bellevue households that reported self-employment income was roughly \$66,000.

This indicates that likely many self-employed individuals in Bellevue are not working in “gig” jobs, which tend to pay below average wages, but instead operating as services or other businesses.

Among benchmark regions, only Sunnyvale boasts greater self-employment income levels, with average self-employment income among Sunnyvale households that reported self-employment income slightly above \$86,000.

Figure 18. Average Self-Employment Income Among Households Reporting Self-Employment Income, 2018

Source: Avalanche Consulting / US Census Bureau



TALENT

Population Growth

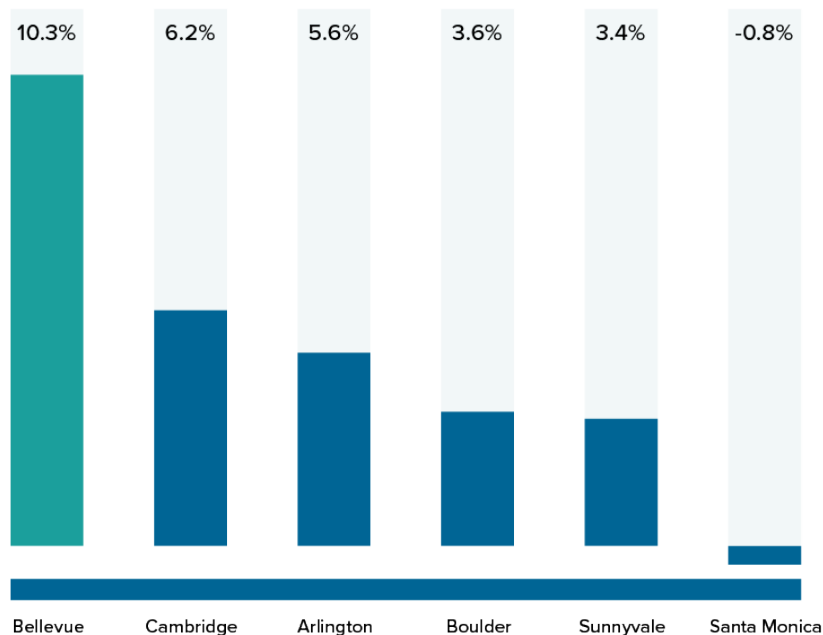
From 2013 to 2018, Bellevue's population grew more than 10% – surpassing 147,500 in 2018. This population growth rate exceeded the US average and all benchmark cities. Bellevue also benefits from a large and rapidly growing population in the surrounding region. In 2018, the Seattle region reached a population of nearly 4 million. The region's population grew 9% from 2013 to 2018 – faster than all benchmark regions: Boston, Boulder, Los Angeles, San Jose, and Washington DC.

Bellevue's growth is striking given its relative maturity and the limits of geography. Fast growing communities are often located on the far edge of metropolitan areas and characterized by an abundance of undeveloped land.

Being a more developed inner-ring community, Bellevue's growth has been facilitated by redevelopment patterns that have helped boost density throughout the city. Bellevue will likely be able to physically sustain significant growth for years to come as the city's population density remains less than all examined benchmark communities.

Figure 19. Population Growth, 2013 – 2018

Source: Avalanche Consulting / US Census Bureau



Population Density

Although downtown Bellevue features many high-rise office buildings and condos, overall the city has low population density.

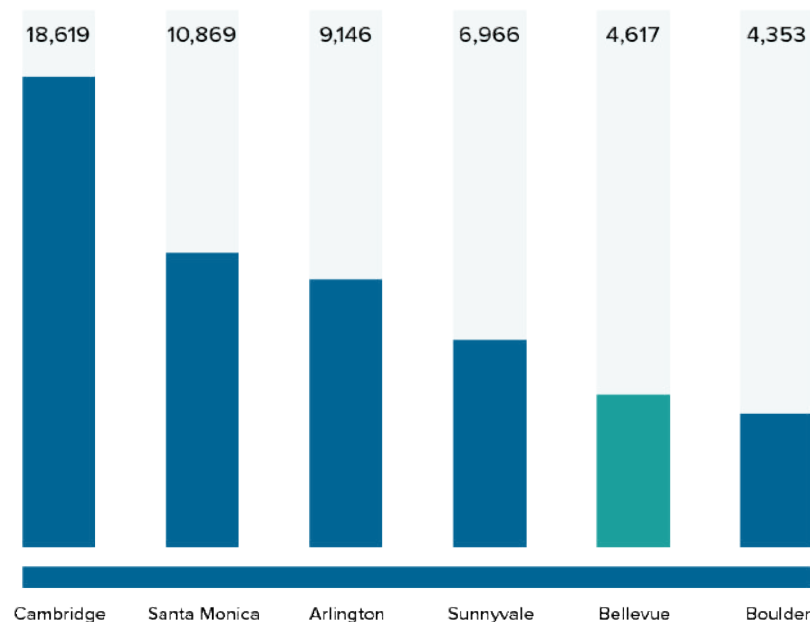
In 2018, Bellevue's population density was approximately 4,600 people per square mile.

Among benchmark communities, only Boulder had fewer residents per square mile. While in contrast, Cambridge had four times the population density of Bellevue.

Santa Monica, Arlington, and Sunnyvale are also significantly more population dense than Bellevue.

Figure 20. Residents per Square Mile, 2018

Source: Avalanche Consulting / US Census Bureau



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“In 2018, Bellevue’s population density was approximately 4,600 people per square mile.”

Racial Diversity

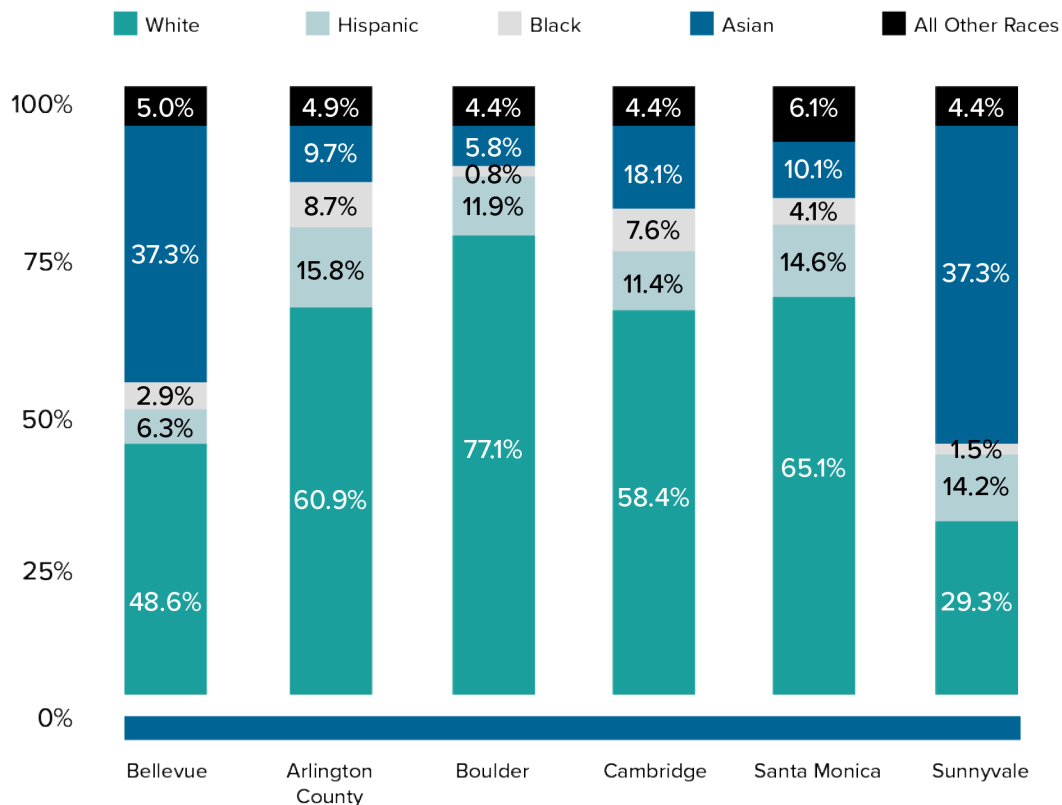
Bellevue is a remarkably racially diverse community. White residents make up 49% of the city's population, followed by Asian residents (37%), Hispanic residents (6%), All Other Races (5%), and Black residents (3%).

Among the benchmark communities, only Sunnyvale is more racially diverse – with White residents comprising only 29% of the population.

Both Bellevue and Sunnyvale have the largest share of Asian residents at 37% and 51% respectively.

Figure 21. Racial Distribution of Residents, 2018

Source: Avalanche Consulting / US Census Bureau



Commuting Patterns

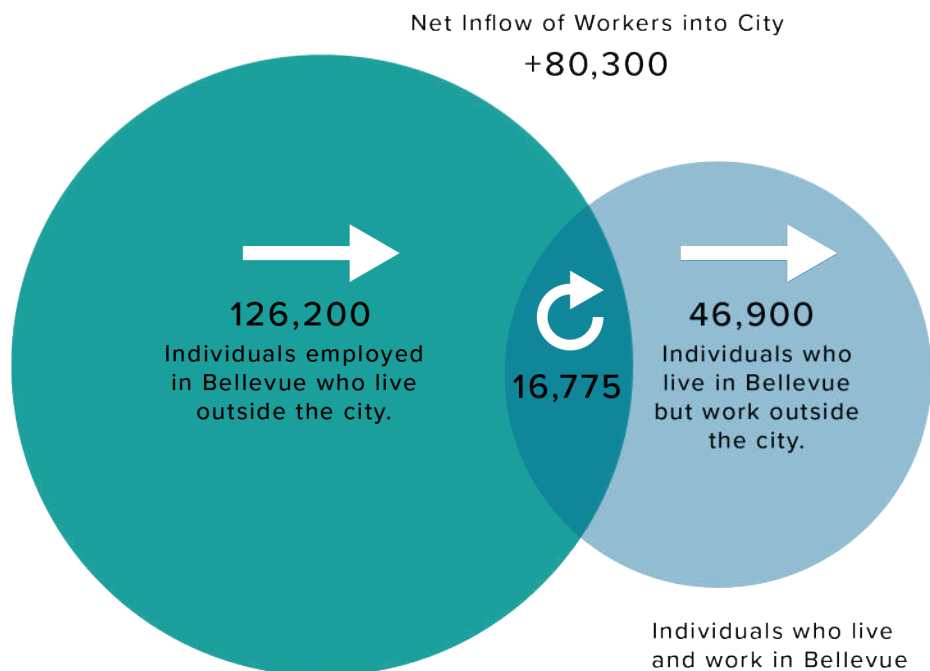
Bellevue is truly an employment destination, with almost three times the jobs in the city than working residents. These groups are also two distinct populations. There is relatively little overlap between those who live in Bellevue and those employed in Bellevue. Nearly 90% of workers employed in Bellevue live outside the city. At the same time, nearly 75% of employed Bellevue residents are employed elsewhere.

This is not uncommon for cities similarly positioned in large metropolitan areas – although the relatively high number of jobs in Bellevue is rare. All the benchmark cities see between 77% and 90% of their jobs filled by non-residents. Similarly, most see 70% to 90% of their residents working in other parts of their metropolitan areas.

The exception is Boulder, where 53% of working residents work within the city, but because Boulder is just outside the Denver metropolitan area, this may explain the difference.

Figure 22. City of Bellevue Commuting Patterns, 2017

Source: Avalanche Consulting / US Census Bureau



Transportation to Work

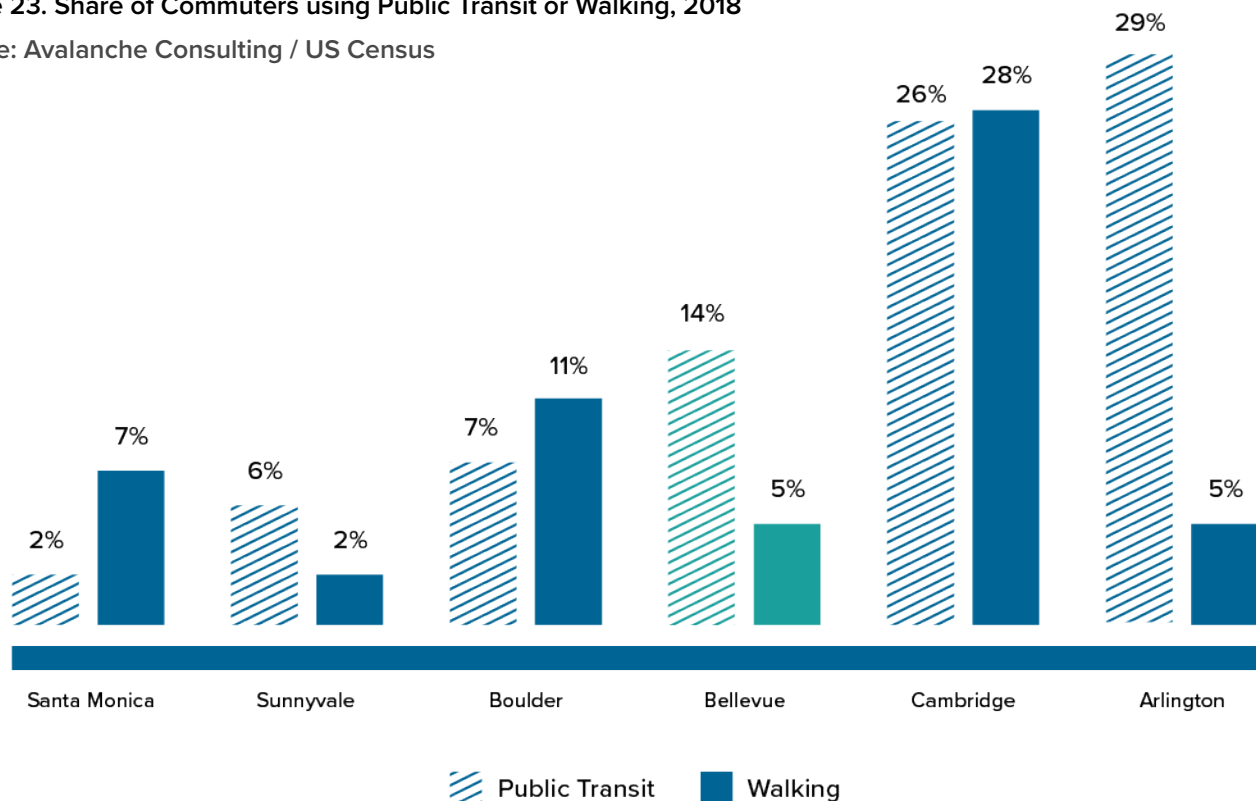
In 2018, a relatively high share (29%) of Bellevue residents used alternatives to driving in their commute to work. Among commuting Bellevue residents, 14% used public transit and another 5% walked – this is the same as in King County overall and only slightly below Seattle, where 23% used public transit and 10% walked.

Among Bellevue's benchmarks, Arlington had the highest share of public transit users (29%) but the same share of walkers (5%) as Bellevue. Cambridge had the next highest share of public transit users (26%) and the highest share of walkers (28%) – likely reflective of the college town atmosphere and more historic nature of the town's design, which is more conducive to walking.

Santa Monica (2%), Sunnyvale (6%), and Boulder (7%) all saw less public transit usage than Bellevue. Santa Monica (7%) and Boulder (11%) had a higher share of residents walking to work than Bellevue, but Sunnyvale had the lowest share at 2%.

Figure 23. Share of Commuters using Public Transit or Walking, 2018

Source: Avalanche Consulting / US Census



Educational Attainment

Bellevue is among the most educated communities in the US – ranking 3rd best educated among the nation’s 200 largest cities.

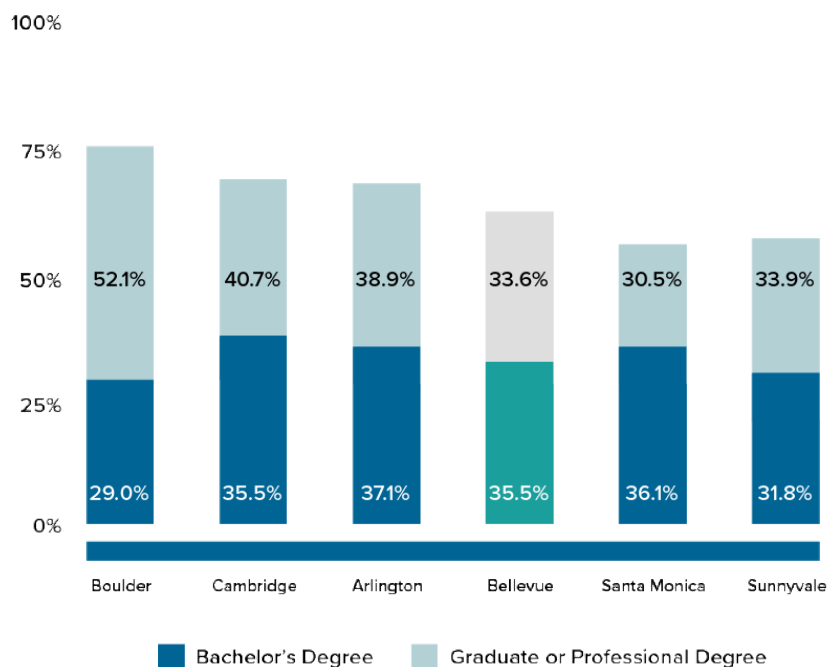
Nationally, approximately one in three adults age 25 and older possess a bachelor’s degree or higher level of education. In Bellevue, nearly 70% of adults age 25 and older hold a bachelor’s degrees and possibly a graduate or professional degree.

Bellevue’s benchmark communities are also very well-educated. Boulder, Cambridge, and Arlington County all have higher levels of educational attainment than Bellevue. This is largely explained by the presence of the University of Colorado in Boulder and Harvard and MIT in Cambridge. Arlington is also home to numerous 4-year universities.

The fact that Bellevue is as well educated as these major university centers reflects the city’s success in attracting new residents with advanced degrees. Bellevue College, the city’s large post-secondary educational institution, awarded less than 200 bachelor’s degrees in 2018, and the Global Innovation Exchange (GIX) also confers a modest number of degrees each year. Most residents of Bellevue with advanced degrees at some point moved to the city from somewhere else.

Figure 24. Educational Attainment Among Population Age 25+, 2018

Source: Avalanche Consulting / US Census Bureau



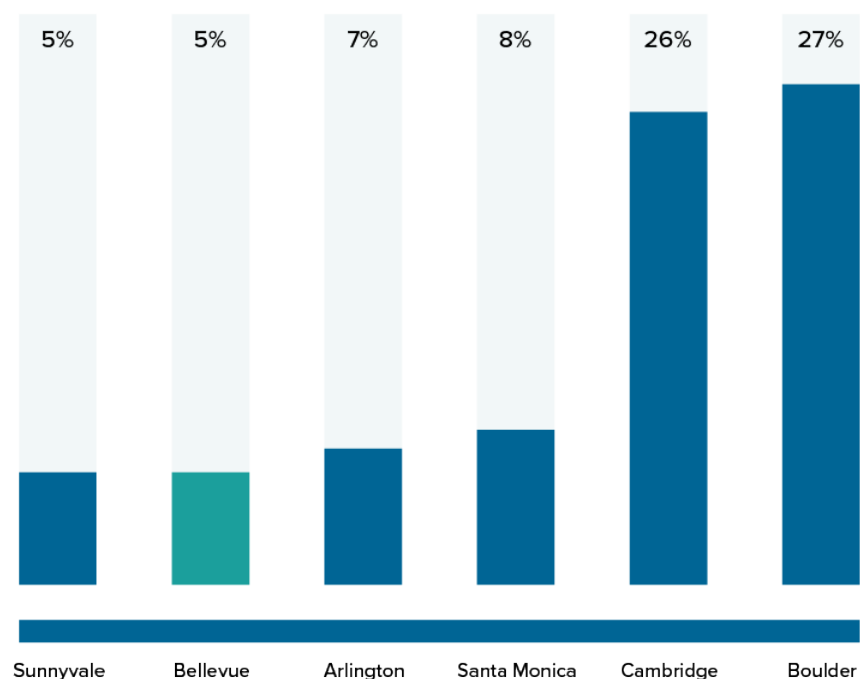
Education Pipeline

In 2018, 8,000 residents of Bellevue were enrolled in some form of college – approximately 5% of the city’s population. This was about the same number and share as Sunnyvale, which had 7,851 students. Boulder (29,100 students at 27%) and Cambridge (31,100 at 26%) had the largest student populations, which reflects the presence of large universities within both cities. The same year, King County was home to 121,700 college students – roughly 5% of the population. In contrast, many other regions have a higher share of college students – for example, 7% of Los Angeles County residents were college students and 8% of the San Francisco Metropolitan Area and Washington DC Metropolitan Areas.

Most of Bellevue’s college students are enrolled in Bellevue College – the largest school in the Washington Community and Technical Colleges system, and the third largest post- secondary educational institution in the state of Washington. In 2018, Bellevue College awarded 376 certificates – with roughly a third in Computer Science, a third in Business, and a third in Health Professions. The college awarded another 2,123 associate degrees – with the majority (1,445) in Liberal Arts, which usually indicates plans to transfer to a larger, 4-year institution. The next largest associate degree categories were Business (24), Health Professions (163) and Computer Science (87). Bellevue College also awarded 173 bachelor’s degrees – with the largest categories in Health Professions (63), Computer Science (56), and Visual & Performing Arts (38).

Figure 25. Share of Population Enrolled in College, 2018

Source: Avalanche Consulting / US Census Bureau



Labor Force Participation

Approximately 80% of Bellevue residents between the ages of 25 and 64 participate in the workforce. Among benchmark communities, Bellevue has the lowest labor participation rate among its prime working age population (though it exceeds the US figure).

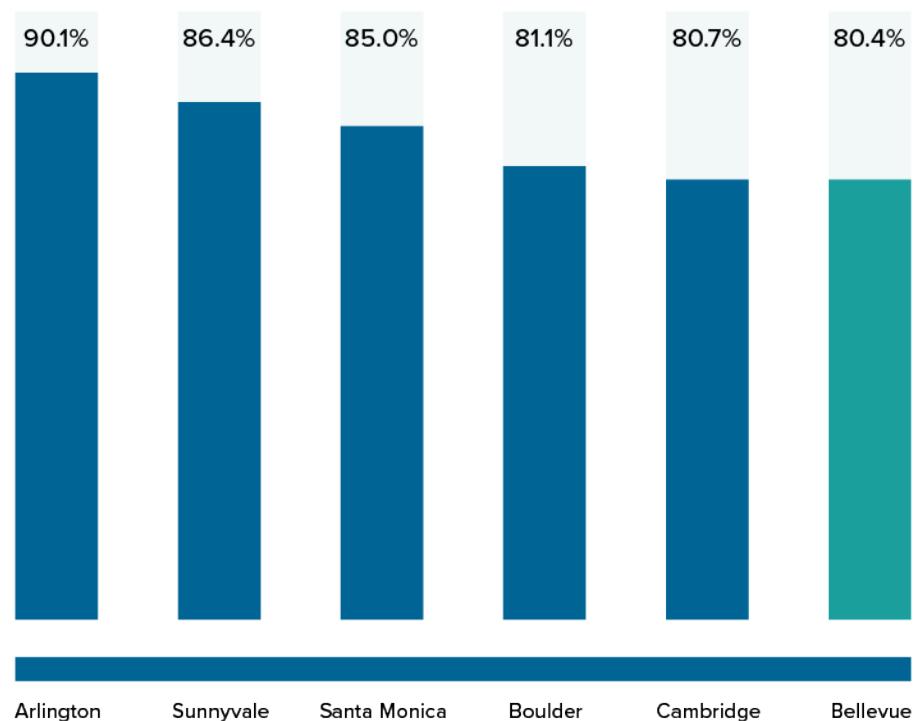
At just 56%, labor participation rates among Bellevue residents between the ages of 60 and 64 are especially low.

Of Bellevue residents between 25 and 64 not in the labor force, 75% are women, 62% are White, 35% are Asian, and 60% have a bachelor's degree.

Of working age individuals not in the labor force, 42% have children under 18 at home.

Figure 26. Labor Force Participation Rate (Age 25 to 64), 2018

Source: Avalanche Consulting / US Census Bureau



RETAIL

Historical Total Retail Sales

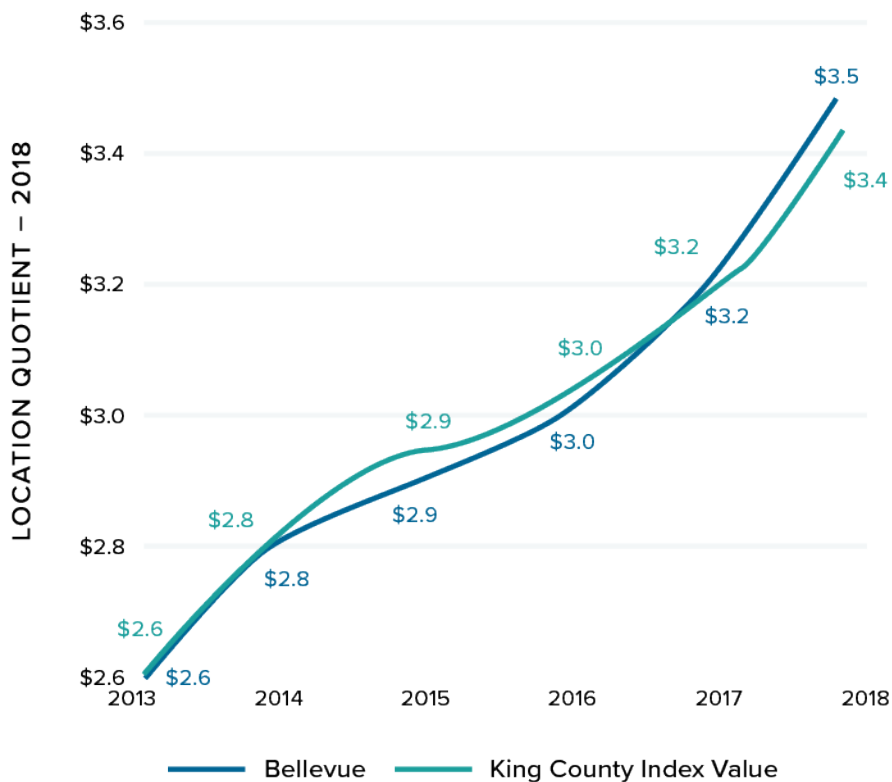
Retail sales have grown steadily in Bellevue in recent years, reaching \$3.5 billion in 2018 – a 30% increase over five years.

On a percentage basis, these gains have largely tracked the combined totals for King County and its constituent cities.

From 2017 to 2018, however, retail sales in Bellevue rose 10% - faster than the 7.2% increase in in King County.

Figure 27. Retail Sales (in billions)

Source: Avalanche Consulting / Washington State Department of Revenue



Retail Sales – Total & Per Capita

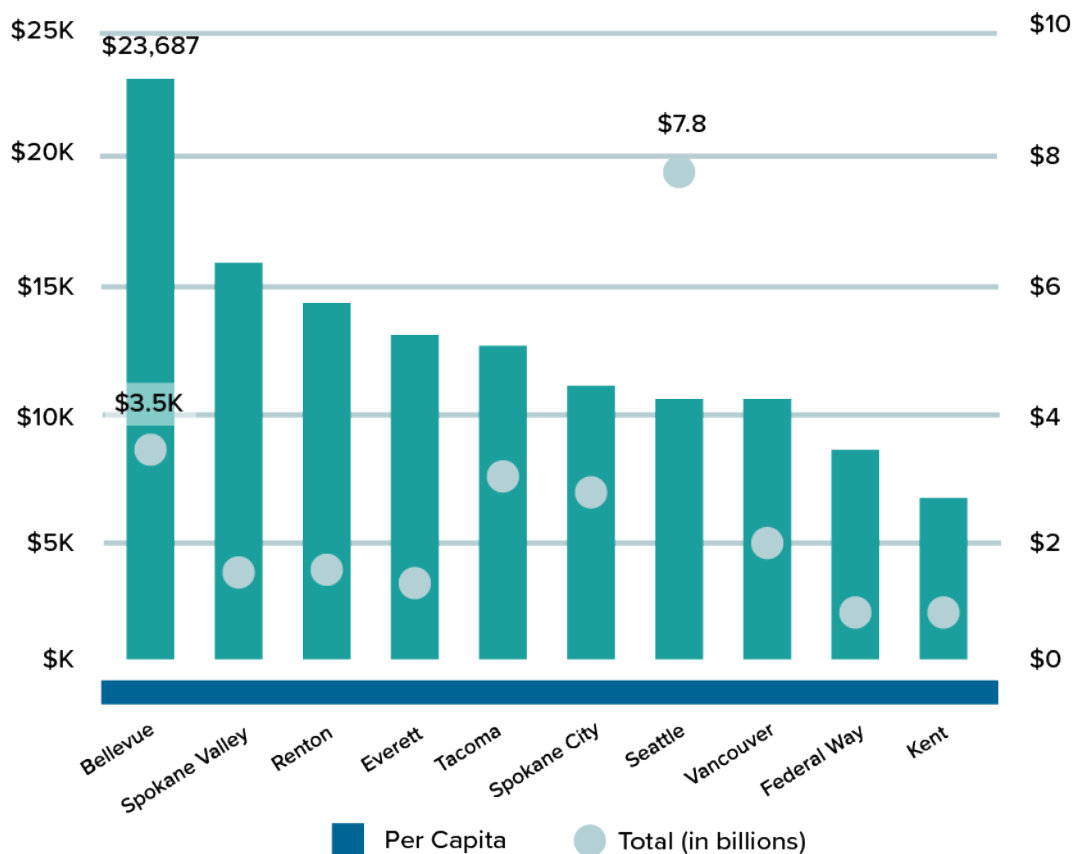
In 2018, Bellevue had the 2nd highest total retail sales among Washington’s 10 most populous cities. Seattle had the most volume at \$7.8 billion in sales, followed by Bellevue (\$3.5B), Tacoma (\$2.6B), Spokane City (\$2.4B), and Vancouver (\$1.9B).

The same year, Bellevue had the highest per capita retail sales by a significant margin. Bellevue had nearly \$24,000 retail sales per resident – approximately 60% higher than the second most concentrated, Spokane Valley. This indicates that Bellevue is a destination for retail – with significantly more sales than the city’s population alone would expect.

While retail sales in the city were bolstered by anchors such as Bellevue Square and The Shops at The Bravern, car dealerships were the largest contributor to local retail sales value. In 2018, automobile sales represented nearly 40% of all retail sales value in Bellevue.

Figure 28. Per Capita & Total Retail Sales (10 Most Populous Cities in WA), 2018

Source: Avalanche Consulting / Washington State Department of Revenue



Total Retail Sales by Category

Despite frequent national talk of the coming “retail apocalypse,” brick and mortar sales in Bellevue continue to increase among most retail categories.

Auto sales represent the largest share of taxable sales – \$1.3 billion and nearly 40% of all sales in 2018, which is double the King County average. These sales are also growing rapidly – rising 58% from 2013 to 2018.

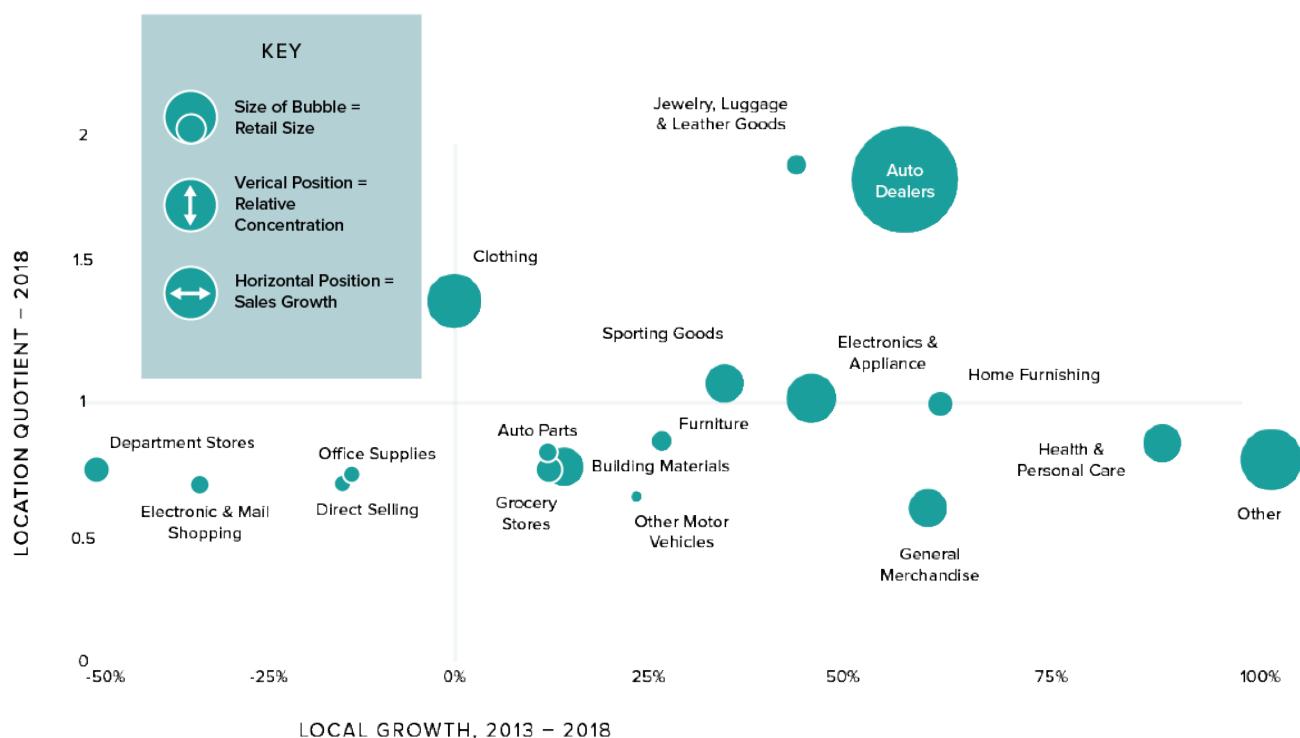
The next largest retail sales categories are Clothing (\$429 million), Electronics & Appliance (\$309 million), General Merchandise (\$149 million), Sporting Goods (\$144 million), and Building Materials (\$125 million).

On a proportional basis, the retail sales categories more concentrated in Bellevue than King County are Jewelry, Luggage, & Leather Goods; Auto Dealers; Clothing; Sporting Goods; and Electronics & Appliance.

From 2013 to 2018, the fastest growing retail sales categories in Bellevue were Health & Personal Care (88% growth), Home Furnishing (60%), Auto Dealers (58%), General Merchandise (52%), and Electronics & Appliance (41%).

Figure 29. Bellevue Retail Sales by Sector, Growth and Relative Concentration to King County

Source: Avalanche Consulting / Washington State Department of Revenue



Per Capita Retail Sales by Category

Per capita retail sales in Bellevue exceed the countywide figure across almost every retail category.

Bellevue most outperforms the county average in Automobile sales. In 2018, per capita auto sales in Bellevue approached \$10,000, whereas in King County, per capita auto sales were \$1,500.

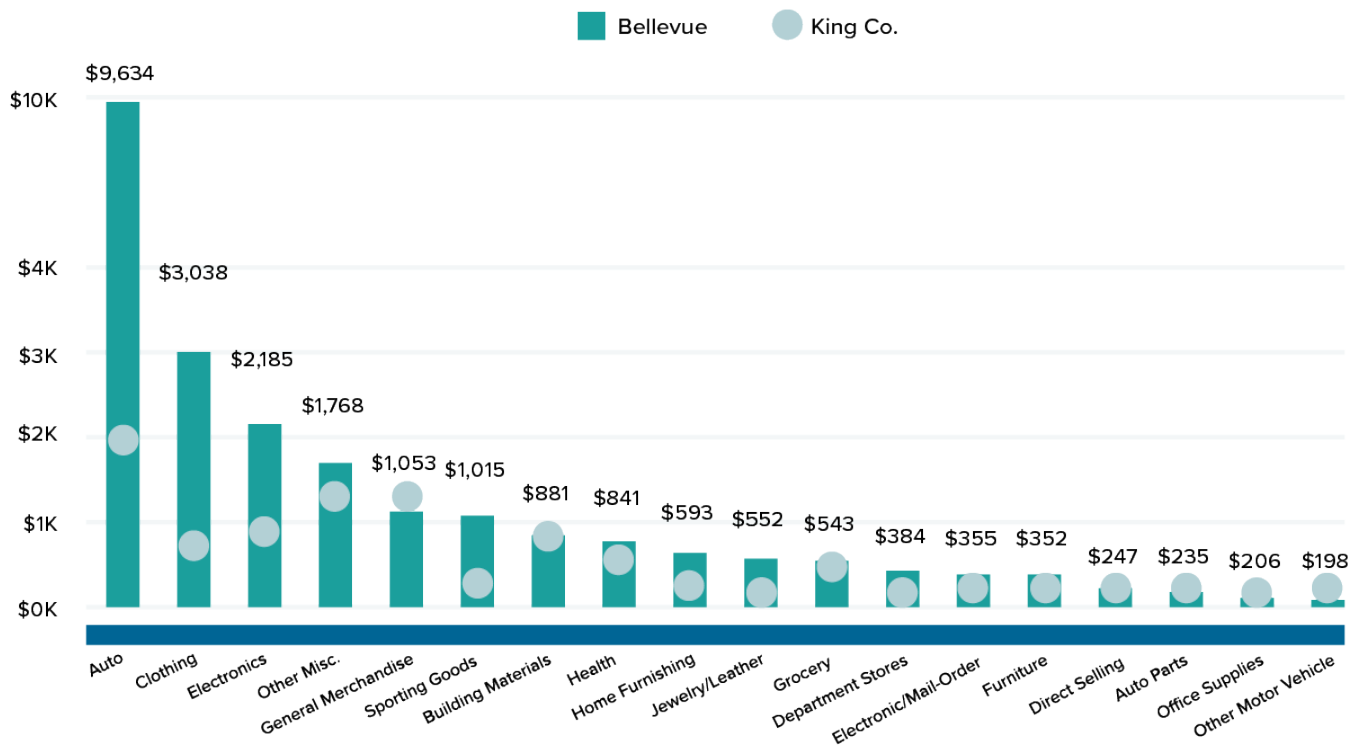
At more than \$3,000 per person, clothing sales in Bellevue are more than 4 times greater than the King County average.

Other areas of relative retail strength in Bellevue include Electronics/Appliance stores, Sports Goods, Hobby & Musical Instrument Stores, Jewelry, Luggage & Leather Goods Stores, and Building Materials & Supplies Stores.

Per capita sales figures in Bellevue for Other General Merchandise Stores and Other Motor Vehicle Stores the countywide averages by slight margins.

Figure 30. Per Capita Retail Sales, 2018

Source: Avalanche Consulting / Washington State Department of Revenue



Change in Retail Sales by Category

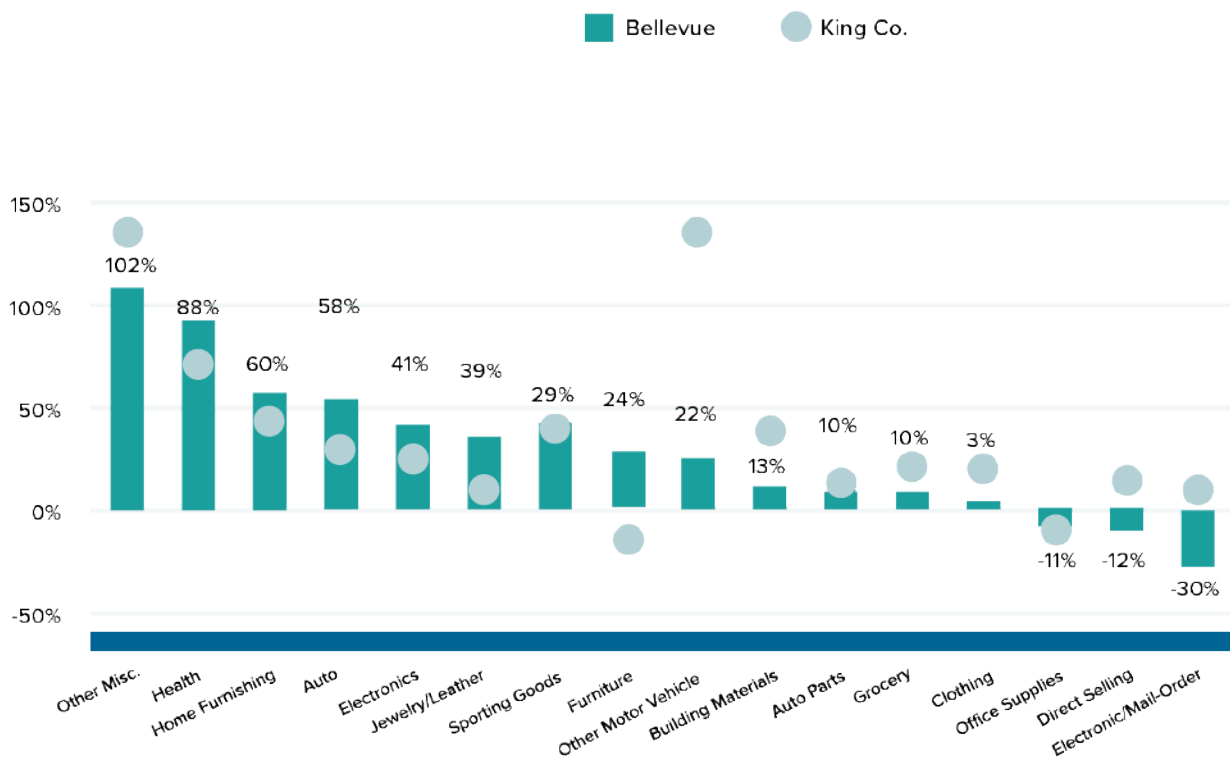
Retail sales in most categories grew in Bellevue over the past five years – often faster than growth in King County as a whole.

Sales from Other Miscellaneous Store Retailers in Bellevue doubled between 2013 and 2018. Health & Personal Care Stores and Home Furnishing sales in Bellevue climbed approximately 90% and 60% respectively. Auto sales rose 58% - nearly twice the countywide growth rate.

Due to the incredible volume of auto sales in Bellevue, the category was responsible for half of all the sales tax revenue increase in the city between 2013 and 2018.

Figure 31. Change in Retail Sales by Retail Category, 2013 – 2018

Source: Avalanche Consulting / Washington State Department of Revenue



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Sales from Other Miscellaneous Store Retailers in Bellevue doubled between 2013 and 2018.

CREATIVE ECONOMY

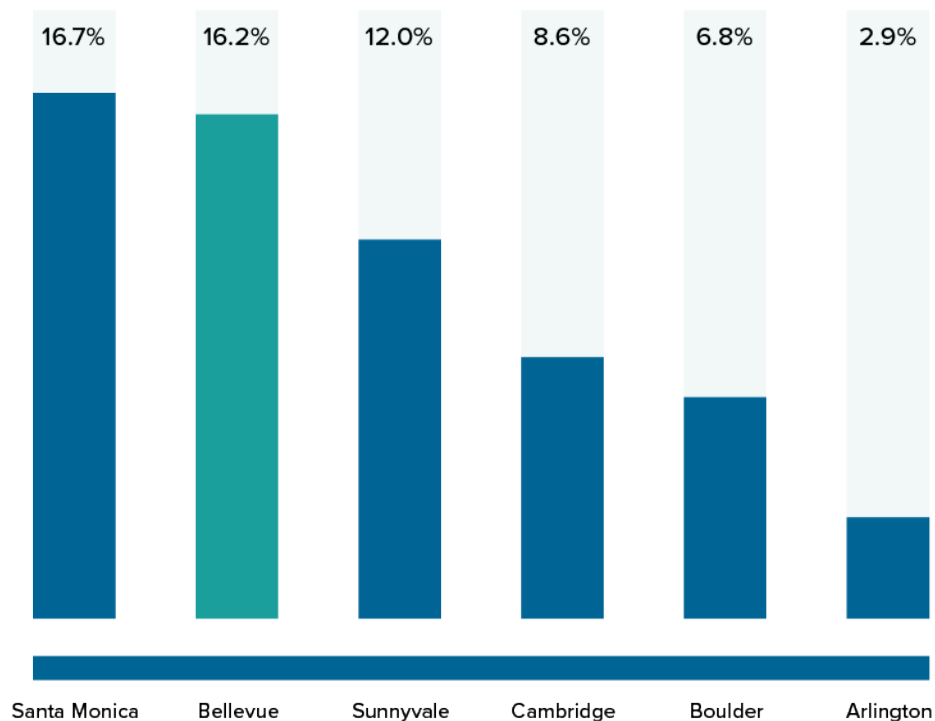
Creative Economy Employment

As defined by the City of Bellevue's 2018 Creative Edge report, the Creative Economy includes a variety of sub-clusters in industries such as manufacturing, retail, information services, design, and performing arts.

More than 16% of all employment in Bellevue falls under the Creative Economy designation. Among benchmark regions, only Santa Monica has a greater proportion of Creative Economy employment.

Figure 32. Creative Economy Employment as % of Total Employment, 2018

Source: Avalanche Consulting / EMSI



Creative Economy Employment by Sector

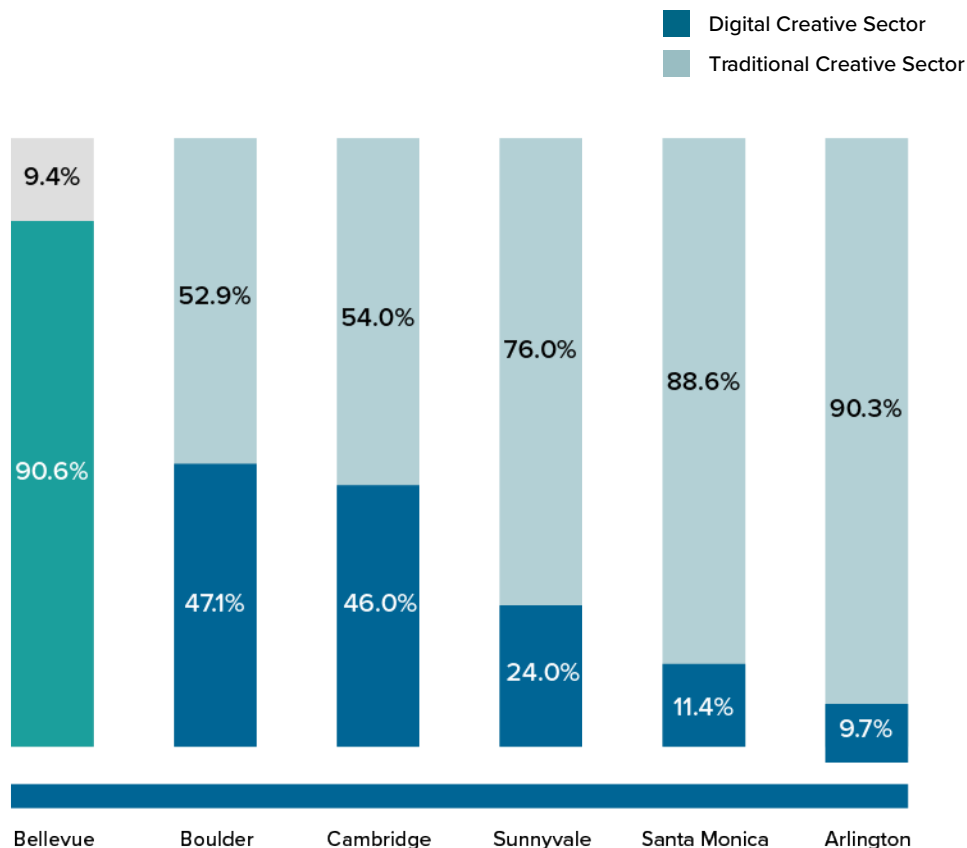
While Bellevue boasts the greatest share of Creative Economy employment among all examined benchmark regions, this statistic is bolstered by the inclusion of software publishing within the Creative Economy definition. With one of the highest concentrations of software jobs in the county, Bellevue's Creative Economy may appear disproportionately large and affluent than a more traditional creative economy.

For purposes of this scan, we will occasionally separate the Creative Economy into two sub-clusters – Digital Creative (which includes software) and Traditional Creative (which includes art museums, performance studios, and other similar operations).

Bellevue's Digital Creative sub-cluster is very large, but the Traditional Creative sub-cluster is the smallest among benchmark communities. In the other benchmark cities, Digital Creative represents an average of 28% of the Creative Economy. In contrast, Digital Creative comprises 91% of Bellevue's Creative Economy.

Figure 33. % of Creative Economy Employment by Sector, 2018

Source: Avalanche Consulting / EMSI



Change in Creative Economy Employment

Between 2013 and 2018, Creative Economy employment in Bellevue increased by approximately 22%.

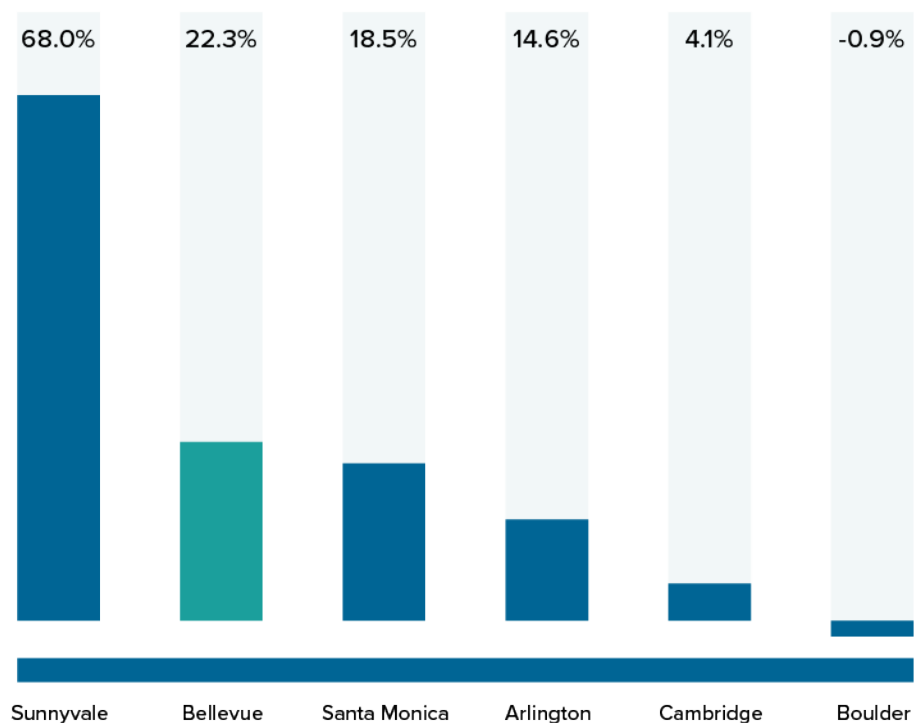
Among benchmark regions, only Sunnyvale experienced greater Creative Economy employment gains during this period. Google was responsible for the lion's share of Sunnyvale's Creative Economy employment growth – local employment in internet publishing and web search portals increased by nearly 85% during the past five years.

In Bellevue, the Traditional Creative sub-cluster grew slightly faster than Digital Creative but created fewer total jobs.

Between 2013 and 2018, Traditional Creative employment in Bellevue grew more than 32% – creating slightly more than 500 new jobs. In contrast, Digital Creative grew 21%, but created more than 3,600 new jobs.

Figure 34. Creative Economy Employment Change, 2013 – 2018

Source: Avalanche Consulting / EMSI



TOURISM

Tourism Employment by Sub-Cluster

Bellevue's tourism cluster consists of five sub-clusters – Travel Support Services, Food Services, Lodging, Bars / Breweries, and Arts, Culture & Recreation. All tourism sub-clusters are less concentrated in Bellevue than the US average.

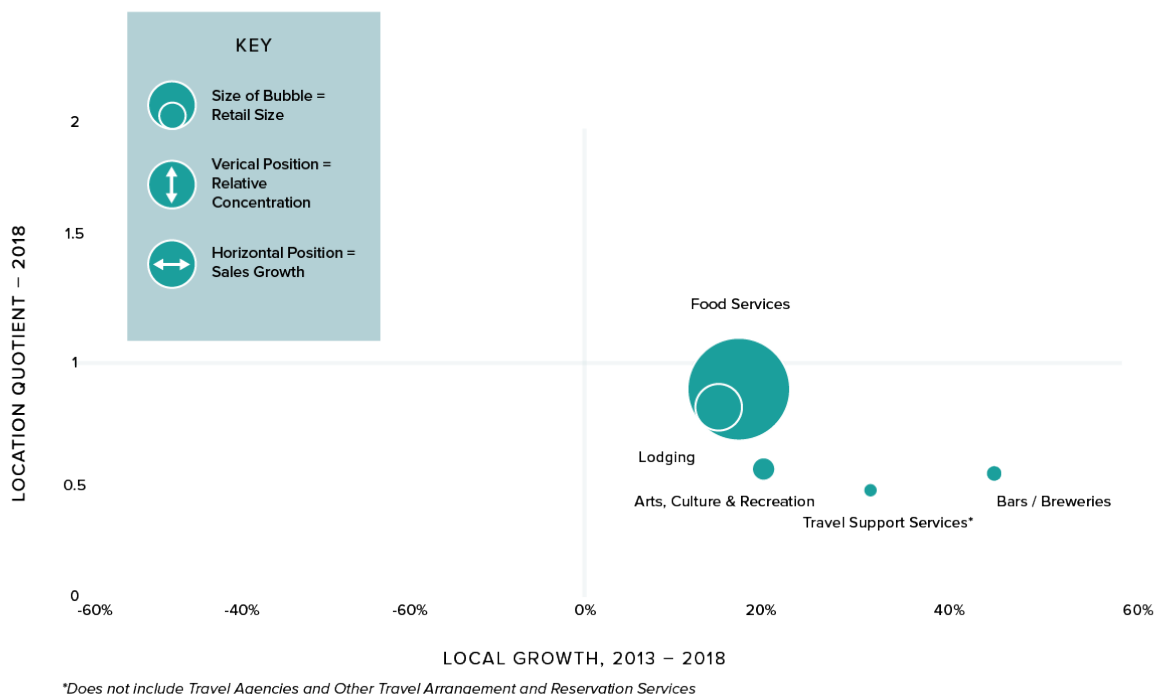
Food Services is by far the largest and most concentrated tourism sub-cluster in Bellevue, with nearly 9,000 jobs and only 10% less concentrated than the US average. Followed by Lodging, with nearly 1,500 jobs and 20% less concentrated.

All sub-clusters are growing though – indicating that they will become more concentrated over time. The fastest growing (but still small) sub-cluster is Bars / Breweries.

Note: travel agency employment has been excluded from this analysis, because it disproportionately skewed the data due to Expedia's presence in Bellevue. Since Expedia is not truly a Tourism corporation, but rather information technology, and is now relocating their operations – this employment category is not included in the analysis.

Figure 35. Bellevue Tourism Industry Sub-Cluster by Size, Employment Change & Concentration

Source: Avalanche Consulting / Puget Sound Regional Council / EMSI



Tourism Sales Collections

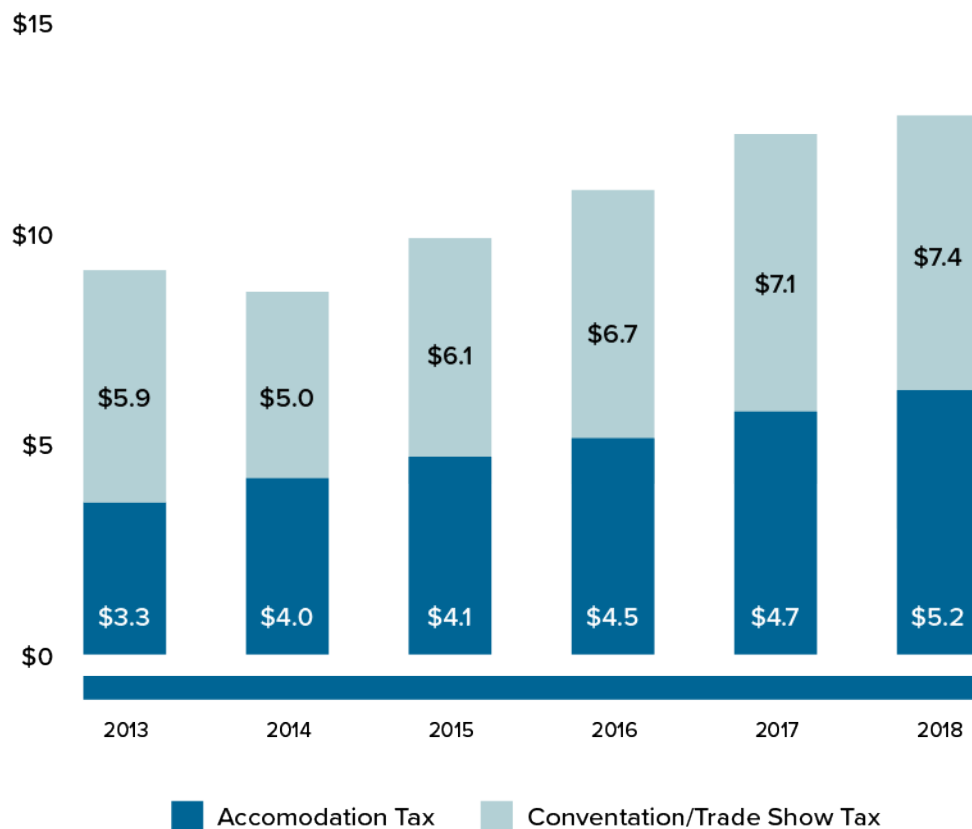
In recent years, both accommodation and convention/trade show tax revenues in Bellevue have posted healthy rates of growth.

Fueled by an increase in available hotel rooms and increasing traveler volumes, accommodation tax collections by the City of Bellevue reached \$5.2 million in 2018 – an increase of nearly 60% from 2013.

Convention and trade show tax revenue also continues to grow – reaching \$7.4 million in 2018, an increase of more than 25% from 2013.

Figure 36. Tourism Tax Collections (in millions)

Source: Avalanche Consulting / City of Bellevue



Hotel Inventory

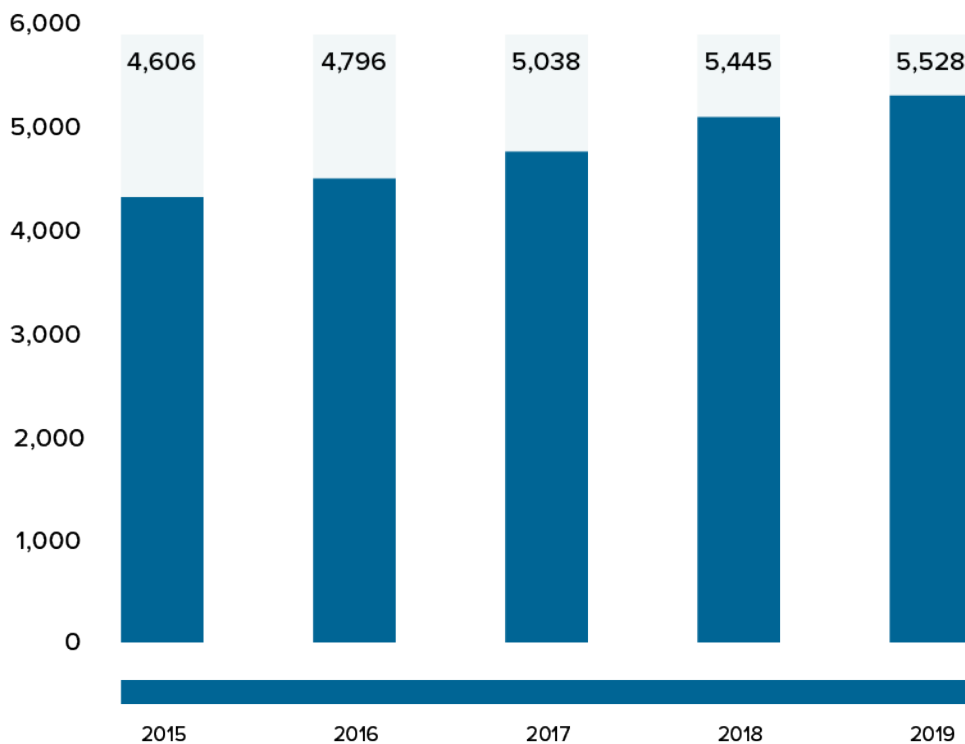
In recent years, hotel room inventory grew steadily in Bellevue. Since 2015, the number of available hotel rooms in Bellevue increased by 20%.

Occupancy rates also steadily increased over the past few years, but Bellevue hotels remain heavily dependent on business travels – weekday occupancy and average daily rates remain higher than weekends.

In 2019, the hotel occupancy rates for Bellevue hotels Sunday through Thursday approached 76%. On the weekends, however, average occupancy rates fall to approximately 65%.

Figure 37. Bellevue Hotel Room Inventory (Does Not Include Short-Term Rentals)

Source: Avalanche Consulting / Visit Bellevue



Per Capita Tourism Sales

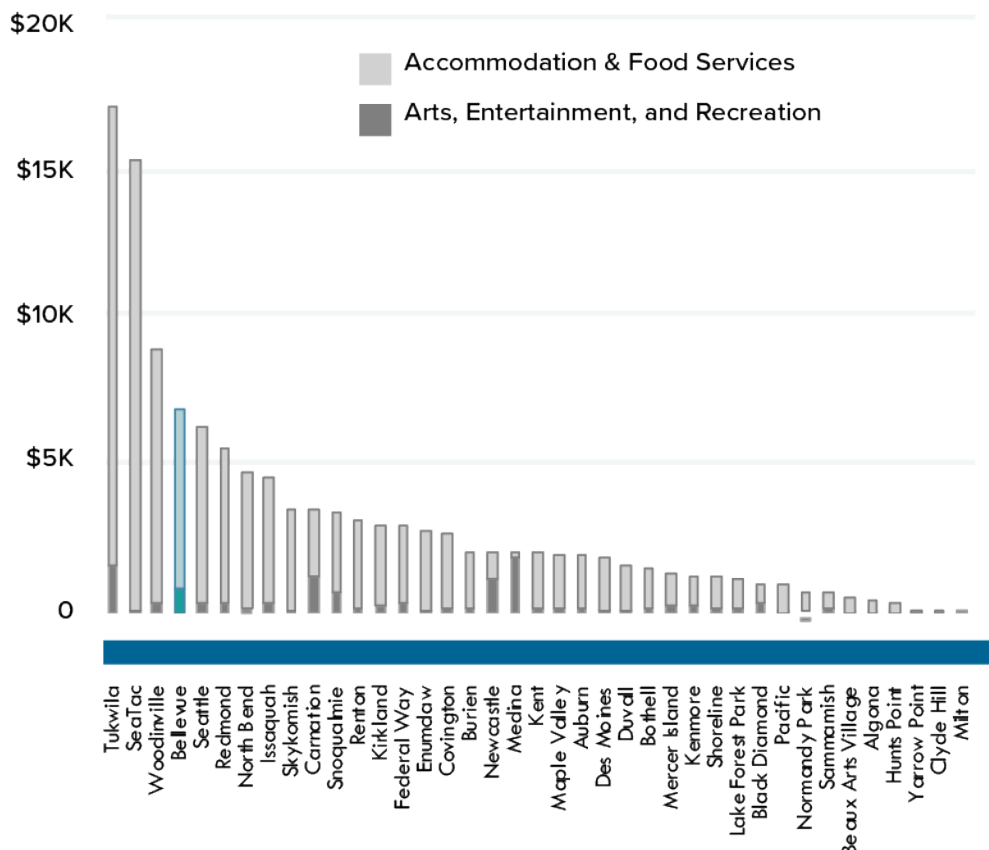
In 2018, per capita spending on Accommodation & Food Services and Arts, Entertainment, and Recreation in Bellevue exceeded \$7,000. A high concentration of per capita sales is positive for a community, because it means that a higher share of outside dollars are being spent locally – generating tax revenues that benefit residents.

The only two cities in King County with a higher per capita Tourism sales share were Tukwila and Woodinville, which have much smaller populations – amplifying the relative concentration of visitor spending. The relative high concentration of per capita Tourism sales in Bellevue indicates that it is one of the top regional destinations for visitor spending.

At approximately \$6,200 per person, Accommodation & Food Services represents the lion share of Bellevue's tourism related spending. Per capita Arts, Entertainment, and Recreation expenditures in Bellevue total less than \$900.

Figure 38. Per Capita Accommodation & Food Services and Arts, Entertainment, and Recreation Sales (King County Cities), 2018

Source: Avalanche Consulting / Washington State Department of Revenue



Growth in Tourism Sales

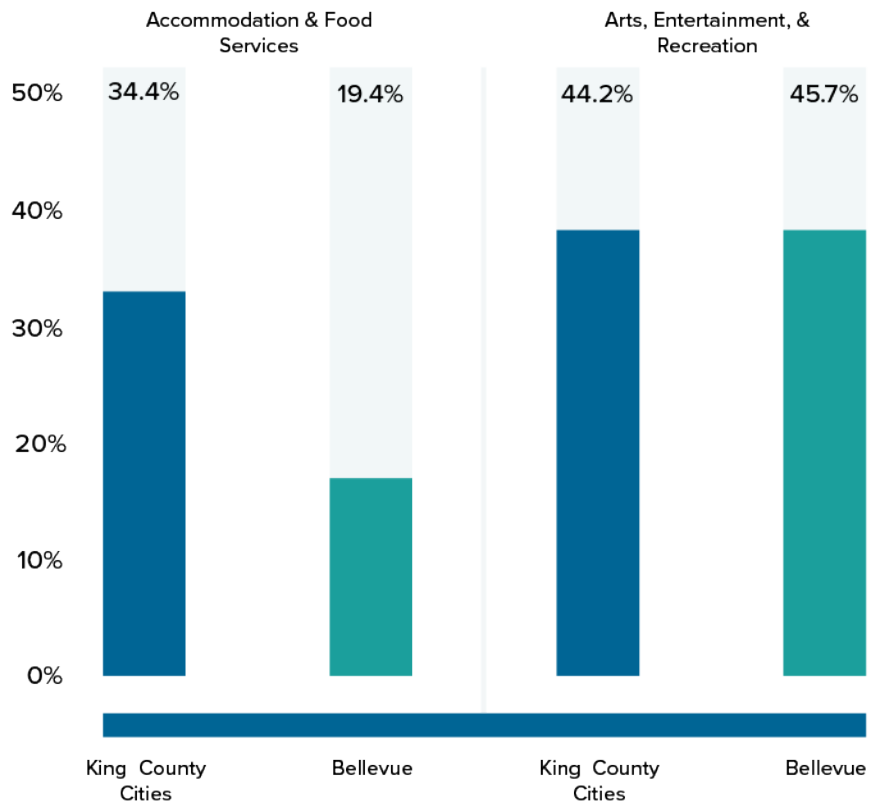
Both Accommodation & Food Services and Arts, Entertainment, and Recreation sales activity within Bellevue rose in recent years.

Between 2013 and 2018, Arts, Entertainment, and Recreation sales in Bellevue rose nearly 46%, slightly outpacing the combined growth rate of all King County cities during this period.

Since 2013, Accommodation & Food Services sales in Bellevue rose slightly more than 19%. This increase was significantly less than the 35% growth rate posted by King County cities.

Figure 39. Change in Accommodation & Food Services and Arts, Entertainment, and Recreation Sales, 2013 - 2018

Source: Avalanche Consulting / Washington State Department of Revenue



APPENDIX II

Bellevue's Economic Development Plan 2020 Update

DECEMBER FOCUS GROUP SUMMARIES

Creative Economy

During this focus groups, the Avalanche consultants and participants discussed the characteristics of Bellevue's Creative Economy, challenges and opportunities for Creative Economy organizations operating in Bellevue, and possibilities to build greater alignment and support for these organizations and businesses.

When discussing challenges, participants identified affordability of space as the greatest issue for creative operations in the city and region. Other issues raised were a lack of non-commercial galleries and limited performance space in the city.

Capacity Building

The Capacity Building focus group featured participants from the non-profit and business community. During this conversation, participants identified priority issues in the community, discussed existing partnerships and initiatives, and explored opportunities to enrich these partnerships and bring together the public sector, private businesses, and non-profits to advance goals across the city.

Priority issues discussed included homelessness, the arts, youth, education, public safety, traffic, and mobility. Participants noted that Bellevue's image in the region often does not reflect the modern reality – noting that the city may be perceived as wealthy, white, and culturally sterile by regional residents, despite its high racial diversity, cultural and arts resources, and existing populations in need.

Retail

Participants of the Retail focus group included retail establishment owners and retail property developers and managers. The conversation centered on the history of retail in Bellevue and challenges for developing, opening, owning, and operating retail stores and restaurants. The discussion also explored opportunities to better support retail and encourage more unique, locally-owned establishments.

Participants noted that although Bellevue is the primary retail center on the Eastside, it can be very challenging for all retailers, but especially locally-based ones, to be successful in the city.

The discussion additionally explored the changing nature of the retail industry globally – which is focused less on the sale of goods and more on services, experiences, and unique retail and restaurants. In addition, participants noted a range of code changes, marketing initiatives, and small business tools that could help support the sector. This included broader discussion of ways that the retail community could build greater alignment to provide tools and support to each other and advocate for their needs – potentially through a retail alliance.

Small Business

The Small Business focus group included small business owners and operators and individuals that provide support services to small business – ranging from technology startups to retailers and service providers. The focus group discussion focused on challenges for small business operating in Bellevue and opportunities to support and help them grow.

Participants noted that affordability is a common concern for many businesses – both in terms of finding space to operate but also in hiring and retaining employees, many of whom cannot afford to live in Bellevue. Increasing traffic and longer commute times were raised as concerns. Participants also noted that the business environment in Bellevue is extremely tech focused, and that some long-time manufacturers operating in the city are feeling pushed out – by limited available zoned land and overall policies.

Participants also celebrated the sense of community in Bellevue, the entrepreneurial nature of the city and its residents (including a willingness to invest in new technologies and be a regional leader), the racial diversity of residents, and an overall focus on equity and inclusion. Overall the city is perceived as business friendly, but there was a desire to provide more support for the “missing middle” of mid-size businesses.

Bellevue's Economic Development Plan 2020 Update

JANUARY FOCUS GROUP SUMMARIES

Creative Economy

During this focus group, the Avalanche consultants and participants continued a discussion focused on understanding the challenges and opportunities around Bellevue's Creative Economy. The Avalanche team summarized key findings from the December focus group and then introduced draft strategic ideas for discussion. City staff also participated in this session and provided feedback during the workshop. Participants shared their thoughts on strategic ideas, explored how these ideas might work operationally, identified existing related efforts on which to build, and brainstormed additional strategies.

The focus group discussion covered a range of topics, including:

- Conducting a detailed inventory of performing arts venues and facilities in Bellevue. Some participants identified challenges associated with the task, including ownership and maintenance of the information. Similar concerns were expressed about the creation and maintenance of a centralized website with up-to-date information on Bellevue's Creative Economy.
- Establishing a Creative Coalition to bring together the Creative community, enhance communication, facilitate advocacy, share ideas, provide support, and overall speak with one voice. There is a significant need for information about artists in the city. A database of local artist may help address this deficiency.
- Creating more accountability for action around Creative Economy needs. There is a distinct need for leadership and coordination among the arts community, particularly in setting a timeframe and agenda to "get things done." There remains some question as to whether there is an existing organization focused on community building that might take the lead on this effort or if a new organization is needed. Although the City does not currently possess sufficient staffing resources to directly manage this effort, it might be able to assist in the creation of organization. The BDA was also mentioned as having a potential role.
- Expanding public art offerings and allowing for more diverse options, including digital projections and other formats.
- Promoting opportunities to display more local artist work at local businesses and in public spaces and buildings. These could be highlighted on maps and walking paths.
- Connecting people to more space for juried shows.
- Highlighting the importance of art as a public health issue.
- Exploring options for the City to work with private partners to establish a multi-purpose facility for the creative arts. Although a feasibility study has been completed, it remains to be seen if this facility will become a reality.
- Continuing the Bel-Red Streetscape plan and the City's partnership with 4Culture to continue the Arts District Planning, with the intent to finish by the end of the year.
- Building on Bellwether to provide expanded events and include more local artists.
- Creating a High Tech Working Group or Digital Council to find ways for digital artists to engage more with the Creative community and build events and exhibits that showcase local digital creatives.
- Identifying roles for the Arts Commission in the plan. It was also noted that the City has not expanded its budget for the arts in some time.

Bellevue's Economic Development Plan 2020 Update

JANUARY FOCUS GROUP SUMMARIES

Capacity Building

During this focus group, the Avalanche consultants and participants continued a discussion focused on exploring ways to enhance partnerships between the City, private sector, and non-profits in order to advance goals and address important topics in the community.

The Avalanche team summarized key findings from the December focus group and then introduced some draft strategic ideas for discussion. City staff also attended this session to provide direct perspective in the workshop. Participants shared their thoughts on strategic ideas, explored how they might work operationally, identified existing related efforts on which to build, and brainstormed additional strategies.

The focus group discussion covered a range of topics, including:

- The importance of valuing and exploring public private partnerships.
- The need to employ appropriate language to effectively communicate about this topic, galvanize, and ensure that everybody is on the same page. For example, the use of “policy” versus “projects” may help facilitate collaborations.
- The discussion also included talk about possible pathways to engage businesses in advocacy around specific topics. Some businesses noted that top concerns include transportation and housing.
- The idea of creating a “connections” website that would include information on projects, non-profits, and employers - helping bridge gaps between them. Again, such an effort raises questions about website ownership and maintenance.
- The possibility of connecting people through more storytelling events that simultaneously promote events happening in Bellevue. As such an initiative would be more focused locally and regionally, it would likely be outside the purview of Visit Bellevue. Instead, there would likely be a role for the City, Chamber, or BDA.
- A discussion about the need for a larger, coordinated communications plan to engage the entire community - residents, businesses, and employees - about important topics and potential projects. Such an effort would include more advocacy from businesses, especially tenants of office buildings, and engagement with residents to help them understand business and employee needs, with the overall goal of building greater understanding and sense of community between groups.
- A few attendees noted that this process is not entirely new. Bellevue has done a tremendous job of convening every 10 years to assess how the city is changing, identify new players and opportunities, and chart a path for the future. It was noted that this is a good time to be having these conversations and reevaluating how people and businesses organize in the city to be most effective.
- Much of the conversation focused on policy mechanisms to fund and implement ideas, particularly a business improvement district (BID). The pros and cons of BIDs were discussed in addition to how the community might go about establishing them if desired. It was noted that any BID must have a very specific goals, with clear potential benefits outlined. Unlike some communities, Bellevue would not be establishing a BID due to a crisis, but instead to address long-term, less visible potential challenges. As a result, it would require starting and facilitating a shared vision among property owners, tenants, and stakeholders.
- In general, businesses expressed a desire to see more amenities that make Bellevue a more compelling and exciting destination for employees, including more activated open spaces, farmers markets, community gatherings, food trucks, and other events to connect employees to the community.
- The discussion also explored what organization/entity might be able to convene disparate groups and help move these conversation forward. The discussion centered on coalition building and creating space for dialogue between groups. As demonstrated by this focus group, the City may have to be the initial convener. The BDA was also discussed as a potentially strong convener, although somewhat limited by the Downtown name and geography. It was noted that more people need to be brought to the table for these discussions, including neighborhood associations and non-profits. Political leaders were identified as an important convener for residents.
- The group believes that clear action steps and ongoing communication are critical in activating this plan. A first step discussed was making a list of priorities, sharing the list, and articulating this capacity building need in a succinct way.

Bellevue's Economic Development Plan 2020 Update

JANUARY FOCUS GROUP SUMMARIES

Retail

During this focus group, the Avalanche consultants and participants continued a discussion focused on understanding challenges and opportunities for retailers, restaurants, related services, and those that support them in Bellevue.

The Avalanche team summarized key findings from the December focus group and then introduced some draft strategic ideas for discussion. City staff also attended this session to provide direct perspective in the workshop. Participants shared their thoughts on strategic ideas, explored how they might work operationally, identified existing related efforts on which to build, and brainstormed additional strategies.

The focus group discussion covered a range of topics, including:

- A need to better understand parking requirements of different types of businesses in different locations and potentially explore changes to code.
- Finding ways to connect businesses to clients - thinking about the expanding downtown population of residents and daytime workers.
- Considerations of the need for geographically targeted efforts around micro-neighborhood, including fostering connections among businesses, retailers, restaurants, and others located in immediate proximity to one another.
- Also brought up was how to create different, unique experiences across districts and neighborhoods.
- Improving connectivity between different districts of the city and marketing the highlights of each area.
- Expanding existing events and creating more community events in Bellevue. The conversation focused on expanding the Bellevue Jazz & Blues Festival, outdoor movies and concerts, the Farmers Market, other curated festivals and events. The group suggested creating an Events Coalition to bring together different venues and organizations to plan.
- Exploring different ways to connect people to physical spaces, including signage, wayfinding, and the possibility of digital connections.
- The feasibility of incentivizing development of smaller retail and restaurant spaces. For restaurants there was some discussion of spaces under 2,000 square feet and the importance of concepts.
- The need to build out more concentrated pockets of retail and restaurants in a contiguous manner. This type of less piecemeal retail development would help individual establishments thrive.
- The new Visit Bellevue shuttle service that will soon launch and whether it might be expanded in some manner if successful.
- Opportunities to proactively market Bellevue within the region to battle outdated misperceptions. The best way to change perceptions is to provide visitors with a positive experience.
- The importance of international tourists and what opportunities exist to build Bellevue's cultural currency and related skills.
- The idea of a BID to pay for programming and placemaking - especially downtown. It was noted that accomplishing this would require getting more local owners and businesses involved and excited about the idea.

Bellevue's Economic Development Plan 2020 Update

JANUARY FOCUS GROUP SUMMARIES

Small Business & Entrepreneurship

During this focus group, the Avalanche consultants and participants continued a discussion focused on understanding the challenges and opportunities for small businesses in Bellevue and how the City can help support existing business growth and new business formation.

The Avalanche team summarized key findings from the December focus group and then introduced some draft strategic ideas for discussion. City staff also attended this session to provide direct perspective in the workshop. Participants shared their thoughts on strategic ideas, explored how they might work operationally, identified existing related efforts on which to build, and brainstormed additional strategies.

The focus group discussion covered a range of topics, including:

- Startup 425 operations, offerings, and things they are exploring. The discussion included identifying efforts that are working well as well as exploring where there are gaps in available small business services and what new options might become.
- Some discussion centered on whether it is possible or desirable to create a "One-Stop-Shop" for information about small business resources. It was noted that no one organization can be the ultimate library of information and that whenever possible, it is preferred to connect with individuals in person to guide them to appropriate resources. Nonetheless, Startup 425 has produced an ecosystem map that might serve this purpose, but they determine the best manner in which to make it publicly available.
- There was exploration of whether the BDA or Chamber could have more of a small business focus, and it was noted that it has not traditionally been a role of the Chamber and the BDA's focus is downtown, which limits their reach. One Redmond also does some of this work already and could potentially play an expanded role.
- The group learned about the Enterprise Welcome Center pilot that is about to be launched through the King County Library System.
- When discussing accessibility of programs, the group noted that there is a need to offer programs and materials in more languages, but that the increased cost is challenging. Having more economic development information on public websites in different languages would be more welcoming and help connect people to the right person. Often the City's website is the first stop for information gatherers, and if materials are not immediately available in their native language, they may be dissuaded from exploring further.
- This conversation highlighted the overall importance of the approach to support services and how access is provided. A group participant noticed that the environment, the context, and the complexion of communication makes a huge difference in effectiveness.
- Startup 425 and other organization programs are generally designed to be accessible - offered near transit options, after normal work hours, and in public buildings, but there was some discussion of whether there could be more diverse startup focused events, such as social events for small businesses, multi-generational family events, and other pop-ups. The need for more virtual offerings of courses and programs also came up.
- The potential for more technical training for people starting businesses - thinking about e-commerce training, setting up a food truck, and other training that can help entrepreneurs think about the next step or utilizing new technology in the modern economy.
- The Innovation Triangle was discussed as an important marketing effort but not a specific resource for local businesses.
- The potential for a Buy Local Campaign came up, and the group reviewed past programs in Kirkland and Auburn. The noted challenge was maintaining a program after launch and who has ownership.
- There was also some discussion of how to help make it easier for businesses to receive certifications - especially minority certification status.

Bellevue's Economic Development Plan 2020 Update

2020 ECONOMIC DEVELOPMENT PLAN STAKEHOLDER OUTREACH

Retail

4Culture	Group	Rotary
Ascend Hospitality	Gunnar Nordstrom Gallery	Ryan James Fine Arts
Amazon	Half Note Music School	SAP Concur
Anchorhead Coffee	Hall Spassov Studio	Schwartz Brothers Restaurants
Art Space	Hanson Baker	Score Bellevue Clients
Ashmita Gulati	Heavy Restaurant Group	Seastar Restaurant and Raw Bar
Auth0	Hedge & Vine	Seattle Business Education Hub
Bake's Bar & Bistro	Hopelink	Sharon Linton
Bambu Bellevue	Inslee Best	Shunpike
Basta Boatlifts	International Ballet Theatre	Small Business Advisor
Bellden Café	Jacobs Engineering	Smartsheet
Bellevue American Music	John Howie Steak	SOFRITO, LLC
Bellevue Arts Museum	Kemper Development Company	Sophia Way
Bellevue Brewing	KidsQuest	Stacy Graven
Bellevue College	Kimco Realty	Startup425
Bellevue Chamber of Commerce	Kirkland Arts Center	Suite Restaurant/Lounge
Bellevue Downtown Association	Lora Martini	SweeneyConrad
Bellevue Piano Studio	Lunchbox Laboratory Bellevue	Symetra
Bellevue School of Rock	Lydia Aldredge	Taylor Shellfish Farms
BizDiversity	Maggiano's Little Italy	The Factory Recording Studios
Bling Bling	Main Street Association	The Lakehouse
Boeing	Maison de France	The Riveter
Boys and Girls Club	Maria Lau Hui	T-Mobile
Brazen Group	McCormick & Schmick's	Unique Art Glass
Cantinetta	Metro Seattle Chamber	Uwajimaya
Central Bar and Grill	mFilms	VALA
Coding Dojo	Microsoft	Visit Bellevue
Congregation for the Homeless	Mighty Media Studio	VMG Studios
CORT Event and Party Rental	Mike Lull Custom Guitars	Vue Art Gallery
CoworkBox	Musicworks NW	Vulcan
Creative Solutions	NerdstoGo	Wallace Properties
Crossroads	NewTech Northwest	Washington Federal
Diamonds, Inc.	Nokia - US/Bellevue	WebTitans
DigiPen	Northwest Guitars	Wee Tots
Do Me A Favor	NYB Gallery	WeWork
Dolce Bleu	OfferUp	Whisk
Donn Bennett Drum Shop	Ollie E's Southern Desserts	Wig Properties
Eastside Actors Lab	Overlake Hospital	Wild Ginger
Eastside Arts Collaborative	Paccar	WTIA Cascadia Blockchain Council
Eastside Pathways	Pacific Northwest Ballet	Wright Runstad
El Gaucho Bellevue	Paddy Coyne's Irish Pub	YMCA
Emerald Ballet Theatre	Palomino Rustico	Youth Eastside Services
ERIC	Paul Manfredi	
Eric Snyder Guitar Instruction	Peter Caruso Guitar Studio	
ESHC	Pogacha Restaurant	
Evergreen Association of Fine Artists	Port of Seattle	
Evolution Rehearsal Studios	Premiere Resources	
Extraslice	PromoShop	
Facebook	Puget Sound Energy	
First Western Properties	Puget Sound Properties	
Genevieve Trembley	Reality Breaks Escapes	
Glassy Baby	REI	
Greater Seattle Partners	Resonate Brewing	
Green Lake Jewelry Works	RMI	
Greggs Cycle	Rock-It Music Academy	