

CITY COUNCIL STUDY SESSION

Cultural and Economic Vitality Office Third Quarter Update, July – September 2018.

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DIRECTION NEEDED FROM COUNCIL**INFORMATION
ONLY**

Tonight's Study Session will provide Council with an update of the Cultural and Economic Vitality Office's (CEVO) activities for Q3 of 2018.

RECOMMENDATION

N/A

BACKGROUND & ANALYSIS

The Council initiated the process of developing a new Economic Development Plan (the Plan) in June 2013 and adopted the final plan in July 2014. The process included a Situation Assessment outlining the major drivers and key economic clusters leading the Bellevue economy, stakeholder interviews focusing on insights and priorities from over 50 civic and business leaders, and ultimately a set of Direct Economic Development Strategies and Foundational Strategies.

Under the Plan, "Direct Strategies" are highly targeted activities that have the most immediate effect on businesses' satisfaction and job count. These strategies are primarily the responsibility of the City's economic development staff and provide a strong focus for their efforts in the near- to mid-term (within the next five years).

The Plan also recommends "Foundational Strategies" that span multiple functional areas of the City and have positive benefits for the City's general vitality and quality of place. They are carried out by multiple departments as part of their individual work plans. These actions are critical to creating a physical and regulatory environment that attracts talent and investment.

Each year, the Economic Development staff develops an Action Plan that summarizes the specific tasks, roles, resource requirements and partnerships needed that year to continue delivering on the Plan's recommendations. The 2018 Economic Development Action Plan is attached with up to date performance metrics. The Economic Development staff provide Council with an update on the Action Plan and performance metrics at regular intervals.

The following update primarily highlights work on the Direct Strategies undertaken by economic development staff. Updates are laid out by functional program.

Business Attraction: Attract new companies to Bellevue that align with our economic development

strategy, competitive industries, and complement local businesses. (See attached 2018 Office of Economic Development Action Plan.)

- **Leads and Prospects:** For Q3 of 2018, CEVO curated 22 leads and 3 prospects in our target industries. All the leads were developed through the Innovation Triangle at the SelectUSA 2018 Summit. Through our long-standing work to support Amazon, the company announced they will lease the Expedia building and will bring an estimated 2,000 jobs to downtown Bellevue.
- **Innovation Triangle Memorandum of Understanding (MOU):** Over the last two years, Bellevue, Kirkland, and Redmond have collaborated on the joint marketing of the three cities to new companies. On August 30, the mayors of the three cities met to discuss the program’s performance. They agreed that the cities should explore the possibility of an MOU as a mechanism to enhance the program’s operations and continue successful recruitment of new companies to the Eastside.

2018 Performance Metrics	2018					
	Goal	Actual	Q1	Q2	Q3	Q4
Number of company leads	15	27	2	3	22	-
Number of company prospects	10	7	2	2	3	-
Number of companies that relocate/expand to Bellevue (target & non-target industries)	4	1	0	0	1	-
Number of jobs created in Bellevue (target & non-target industries)	200	2,000	0	0	2,000	-
Foreign Direct Investment (FDI) prospects	10	16	0	0	16	-
FDI locations (expansions and mergers/acquisitions: target & non-target sectors)	2	0	0	0	0	-
FDI job creation (target & non-target sectors)	50	0	0	0	0	-
Number of trade & investment missions	2	4	1	2	1	-

Business Retention & Expansion (BRE): Build supportive relationships with existing businesses and provide technical assistance that facilitates their continued presence and growth in Bellevue. (See attached 2018 Office of Economic Development Action Plan.)

For Q3, the office met with three major Bellevue employers—REI, Amazon, and Overlake Hospital—to receive updates on their expansion plans and discuss potential support. Bellevue also welcomed a new company, Nerds-To-Go, and provided guidance on how to improve their internet connectivity. In Q3, we welcomed the news that T-Mobile will remain at their current headquarters in Factoria. Through cross-departmental projects focused on permitting and land-use, transportation, workforce development and placemaking, the City was able to retain this major corporate headquarters.

2018 Performance Metrics	2018					
	Goal	Actual	Q1	Q2	Q3	Q4
Number of company visits	5	5	0	2	3	-
Number of major employer visits	5	5	1	1	3	-
Number of visits with SWMBE-owned firms	5	2	0	1	1	-
Number of visits with arts and cultural organizations	5	4	1	0	3	-

Number of technical assistance cases resolved	15	15	3	3	9	-
Number of business retention/expansion prospects	2	4	0	2	2	-
Number of companies retained/expanded	2	0	0	0	1	-
Number of jobs created and retained	50	0	0	0	5,000	-

Small Business and Entrepreneurship: Enhance the small business and startup ecosystem in Bellevue to facilitate the growth of small business through educational programs.

- **Startup425 Foundations Series:** This series provides introductory information to members of the community who are interested in starting a business for the first time. A total of 6 sessions were held in Bellevue in Spring 2018, garnering 214 registrants exploring entrepreneurship. Early results show the program is reaching a diverse audience with approximately 53 percent of post-workshop survey respondents identifying as non-white and over 57 percent identifying as women. The Bellevue sessions are part of the larger partners' program which will provide 52 workshops across the five cities in 2018. The 2018 program is done in partnership with SCORE and the King County Library System.
- **TechHire-Bellevue:** The strategy was completed in June 2018 in partnership with OneRedmond. OneRedmond convened a series of roundtables and one-on-one interviews that included representatives from regional educational providers and executives and human resource representatives from regional technology companies. The community engagement process produced two key recommendations:
 - The City can promote a broader regional response from partner organizations such as the Washington Technology Industry Association (WTIA) or a new TechHire Education Alliance that can coordinate between students, schools, and employers.
 - Allocate new funds to sponsor mentorships, paid internships, and hackathons for underrepresented groups so they can develop experience that can improve resumes and hiring potential.
- **Startup425 Memorandum of Understanding (MOU):** Over the last two years, the five cities have successfully collaborated on the creation and growth of Startup425 to support entrepreneurs across the Eastside. On July 31, the five cities met to discuss the program's performance. They agreed that the cities should explore the possibility of an MOU as a mechanism to continue to enhance the program's operations and delivery of service to the community.

2018 Performance Metrics	2018					
	Goal	Actual	Q1	Q2	Q3	Q4
Number of new business receiving assistance from SBDC	16	18	16	2	0	-
Number of businesses in Global Passport programs	6	3	3	0	0	-
Number of registrants in Foundations series (Bellevue)	180	214	92	122	0	-
Percentage of Foundations registrants that identify as people of color	50%	53%	48%	57%	0	-
Percentage of Foundations registrants that identify as female	50%	57%	68%	68%	0	-

POLICY & FISCAL IMPACTS

N/A

OPTIONS

N/A

ATTACHMENTS & AVAILABLE DOCUMENTS

- A. 2018 Action Plan Results
- B. City of Bellevue TechHire Strategy

AVAILABLE IN COUNCIL LIBRARY

City of Bellevue Council Adopted Bellevue Economic Development Plan—July 2014