



DATE: May 13, 2025

TO: Mayor Robinson and City Councilmembers

FROM: Emil A. King AICP, Director, 452-7223
Jesse R. Canedo, Chief Economic Development Officer, 452-5236
Corbin Hart, Business Development Manager, 452-5241
Community Development Department

SUBJECT: Quarterly Update on the City's Recent Economic Development Activities.

Background:

The City supports efforts to grow access to creative and economic opportunities on the Eastside. The division's work focuses on activities that support near-term economic activity such as business attraction, public space management and activation, and business district development, while also providing subject matter expertise to workgroups that indirectly support the economy through items such as transportation planning and comprehensive planning. The 2020 Economic Development Plan provides a framework and set of medium-term objectives to help advance Bellevue's economy with a focus on six core areas:

1. Capacity Building & Partnerships
2. Small Business & Entrepreneurship
3. Workforce
4. Retail
5. Creative Economy
6. Tourism

These topic areas help provide focus for ongoing work on marketing, business attraction, business retention & expansion, cultural programming, and public space management. This quarterly report also highlights progress updating the Economic Development Plan.

EXECUTIVE SUMMARY

Bellevue's economy continues its steady forward movement through the currently challenging trade environment. The investments in economic diversification, district management, and building new partnerships have strengthened and created additional foundational support for Bellevue to help navigate through economic changes like those the City are currently facing.

This update highlights four primary areas: 1.) Business Development, 2.) Tourism, 3.) Public Art, 4.) Public Private Partnerships. This includes continuing work to support existing employers, encourage new business formation, attract leisure tourism, and build new partnership pathways are delivering positive results.

Rapidly shifting macroeconomic policy on the federal and state levels are likely to contribute to uncertainty that could lead to delays in major business decisions such as expansions or new offices. Broadly increased tariffs and specific duties directed on China, Washington's largest trading partner, pose a risk to regional economic activity.

At the same time, a new City-funded small business advisor, a forthcoming analysis of Eastgate's economic competitiveness, new landmark art pieces, FIFA preparations, Grand Connection development, and a community programming fund are all contributing to continuing competitiveness.

2025 Economic Development Plan

In December 2024, Council directed staff to initiate an update to the City's Economic Development Plan which was last updated in 2020. Council approved the following Guiding Principles to set the direction of the update:

1. Strengthen economic diversity and resilience by retaining existing businesses, promoting innovation and expanding new industries.
2. Support the success of Bellevue's small businesses and future entrepreneurs, with a focus on those of diverse backgrounds and minimizing displacement.
3. Scale and sustain enhanced services by leveraging partnerships and new implementation tools.
4. Position the Creative Economy, inclusive of arts, cultural and new creative industries, as a key driver of Bellevue's economy.
5. Strengthen Bellevue's workforce to meet future industry demands and provide access to opportunity for all.
6. Elevate Bellevue's districts and public spaces to foster unique identities, ensuring that they are welcoming to residents, workers, and visitors.
7. Highlight Bellevue's culture, world-class amenities, and natural environment to advance its status as a premier tourist destination.

Following a competitive process, Ernst & Young (EY) was selected to help prepare this year's Economic Development Plan. EY worked on the 2020 Plan and has experience with many public and private sector organizations in the region and across the nation. Work is progressing on initial phases of data analysis and community engagement. Staff are targeting late Q2 for an update to Council on the findings of the community engagement and data analysis.

Business Retention, Expansion and Attraction

There are a significant number of changes with respect to Bellevue employers both in terms of expansions and downsizing that staff are actively engaged in. Highlights include:

- Cloud computing firm **Snowflake** is targeting a June opening of their new Spring District location. Based on the square footage of their office, they may become one of Bellevue's larger employers in the future.
- Google completed their transition out of their Bellevue office to their Kirkland facility, with Canadian eCommerce firm **Shopify** moving into their former Bellevue office.
- **eBay** and **Salesforce** both renewed their presences in Downtown Bellevue.

Staff work closely with lead generation groups and brokers to support office re-leasing, including current support for leases totaling 155,000 square feet of space in Downtown Bellevue. Outside of Downtown, Eastgate may have plateaued at an elevated office vacancy rate of 42 percent. Recently, tenants have displayed some interest in the corridor with Elevate Outdoor Collective and Flexport signing leases in Eastgate. Bellevue's contract with EY includes a market analysis of Eastgate and draft business development strategy that will be considered as part of Neighborhood Area Planning to begin this fall for Eastgate and Factoria. Finally, Bellevue will again host the Puget Sound region's annual SelectUSA spinoff event with 35 international businesses touring the region in May. They will spend a day on the Eastside, including a reception at Amazon's Everest building in Downtown Bellevue, tours of Kirkland and Microsoft's campus, and hear from a panel of businesses at T-Mobile in Bellevue.

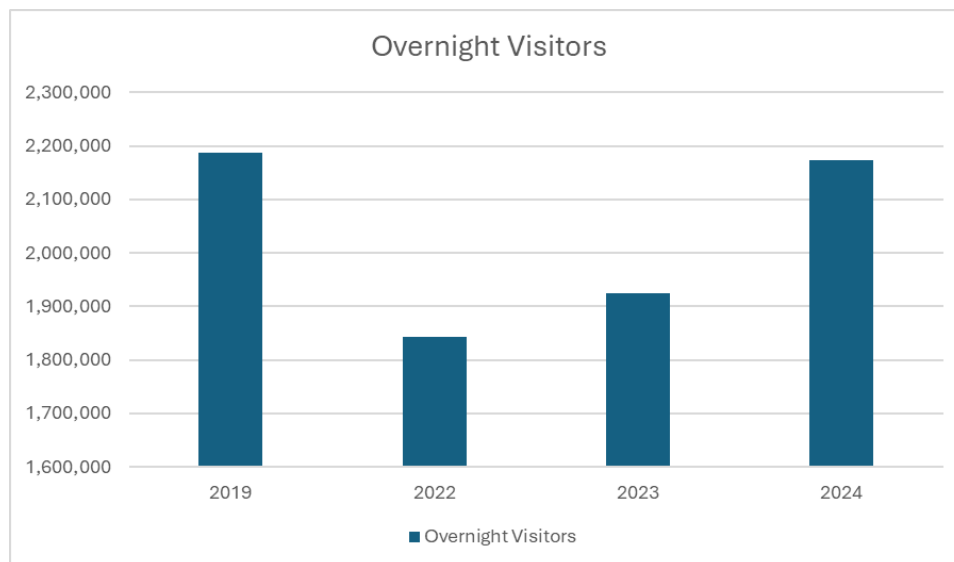
Small Business Support & Startup425

The inaugural cohort for the Startup425 Accelerator program, a partnership between Bellevue, Renton, Redmond, Issaquah, Kirkland and Bothell, concluded in January with a Demo Day and graduation event held at Bellevue City Hall. A total of **19** participants successfully completed the program and graduated, surpassing the program's target graduation number. The second Accelerator cohort started in February with **38** participants and will conclude in June. A graduation event for the current cohort is planned to take place at the Redmond Senior & Community Center on June 2.

Bellevue continues to support small businesses through establishment of a physical Small Business Development Center with an office at Lake Bellevue and hiring of a new advisor. This partnership aims to support **90** unique businesses this year, driving at least **\$850,000** of increased revenue and **\$200,000** of new capital formation via advising on topics ranging from business planning, marketing, obtaining financing and other technical assistance programming. Additionally, Cultural and Economic Development continues to work with Development Services in establishing the Small Business & Public Space Permit Assistance Program funded by Council in the 2025-26 budget process. This program will directly support small businesses and event planners in navigating the permitting process and implementing process improvements to support these customers.

Tourism

Tourism in Bellevue has continued to grow, surpassing pre-pandemic benchmarks. In January 2025, domestic visitors to Bellevue spent \$111 million, with the largest increase happening in the restaurant and dining sector (+22 percent) highlighting the importance of dining for Bellevue tourism. Overall, the City received over 2.1 million visitors in 2024, generating \$127 million in state and local taxes and a \$1.9 billion economic impact. In 2024, the hospitality industry supported over 14,000 jobs in Bellevue.



The Bellevue-Redmond Tourism Promotion Area (BRTPA) continues to play a key role in the development of tourism in Bellevue. The funds collected from Bellevue and Redmond hotels (\$2.50 per night) help directly fund tourism development in the two cities, fueling its continued growth. Some recent highlights include the launch of two exciting programs:

- Bites of Bellevue, a food tour highlighting Bellevue's exciting food scene, and;
- Bellevue Boost, a quarterly meetup for industry professionals.

This year has also seen the expansion of the BellHop free shuttle service, which now has expanded hours and two larger, ADA compliant vehicles. The BellHop program also received the Seattle & Bellevue 2030 District Transportation Vision Award in recognition of the program's innovation in sustainability.

FIFA Preparations

The City is actively collaborating with various stakeholder organizations within the region to create a unified and comprehensive approach to the FIFA Men's World Cup, six games of which will be hosted in Seattle in 2026. This partnership aims to highlight the very best of what Bellevue has to offer—a vibrant, dynamic community that is both well-organized and ready to welcome visitors from around the world. Together, the City and its partners are working to ensure that Bellevue not only meets the expectations of this international event but exceeds them, leaving a lasting positive impression on visitors and residents alike.

Public Art

Artist Mathew Mazzotta has been selected for the Grand Connection Crossing Artwork Plan. Mazzotta, known for major public art projects across the country (Figure 1), was chosen from a rigorous national call with 20 qualified applicants with both large-scale work experience and public art planning



Figure 1 - "Gentle Breeze" by Mathew Mazzotta located in Boise, ID.

experience. Mazzotta will create an art plan, provide design consultation, and develop a major public artwork for a section of the Grand Connection. Art has long been seen as a key unifying feature of the Grand Connection, and as the demand for urban cultural tourism increases, this is another step in making the Grand Connection a prominent cultural destination as well as a connector.

Another public artwork specifically created for Bellevue is nearing completion and installation. Po Shu Wang's interactive public artwork, *Yonder Sky* (Figure 2), will be installed between NE Spring Boulevard and NE 20th Street in the BelRed Arts District. This installation is part of the 130th Avenue NE Streetscape Public Art project and has been in the works since Wang's selection in 2018 for the project. The artwork is both interactive and technical, featuring a "sound bath" where users can trigger a quiet musical collage developed from recordings of musicians. The artist finished fabrication in 2022 and delivered the artwork to Bellevue where it has awaited installation in coordination with the 130th Avenue NE project. Once installed, this work will help welcome guests to the Arts District, serving as a distinctive wayfinding marker, easily visible from the light rail, helping to cement the identity of this creative hub.



Figure 2 - "Yonder Sky" rendering by Po Shu Wang

Public-Private Partnerships

Bellevue continues to make strides in redeveloping three City-owned sites to deliver a range of public benefits—including affordable housing, arts and culture spaces, and improved access to transit—through strong public-private partnerships. These partnerships play a vital role in accelerating project timelines, unlocking private investment, and fostering innovative, community-centered development that reflects Bellevue's values of inclusion and opportunity.

In Q1, the City released Requests for Development Proposals (RFPs) for three City-owned sites in BelRed and Wilburton. In collaboration with the Office of Housing, the City issued RFPs in January for the following sites:

- **130th Transit-Oriented Development (TOD) Site:** Planned as a mixed-use development featuring 300 parking stalls for transit users and market-rate housing and associated affordable housing.
- **Kelly TOD Site:** Envisioned as an opportunity to provide affordable artist housing and art centered ground floor space, supporting Bellevue's growing creative community.
- **Wilburton TOD Site:** Proposed to deliver additional affordable housing near major transit and employment centers.

All three parcels are in prime, transit-oriented locations and together could add more than 800 new housing units to Bellevue. The proposal window closes on June 2.

Corporate Partnership Catalog

The City has developed a Corporate Partnership Catalog to support sponsorship and investment opportunities across City-managed programs, events, and capital facilities. The catalog provides an overview of available opportunities, including suggested investment amounts, program or project descriptions, and details on partner recognition.

The catalog features a broad range of partnership areas that align with key City priorities, including civic engagement, community programming and events, environmental stewardship and sustainability, Diversity Advantage initiatives, arts and culture, and support for entrepreneurs. This resource is intended to guide outreach and coordination with potential corporate partners and ensure consistency in how partnership opportunities are presented across departments and projects.

Grand Connection and Public Space Management

In addition to its work on the Grand Connection Crossing, the Grand Connection team continued its work to improve Bellevue's public space management (PSM) system.

- **Community Programming Fund (CPF):** In March, the City launched the CPF, which will provide up to \$150,000 in funding for small programs, events, and activations across the City, with a focus on downtown. As of April 17, the program has received **46** applications and the team has answered inquiries from over **25** prospective applicants.
- **Public space management process improvement:** Ahead of next year's FIFA Men's World Cup, a broad team of City staff are reviewing opportunities to improve the process of applying for permits to organize programs and events in privately-owned and publicly-owned outdoor spaces. In the next year, staff anticipate reviewing standards and requirements for neighborhood block parties and exploring options for pre-built event plans for suitable locations. A consultant will assist this work.
- **Pre-World Cup "clean-up":** City staff are currently scoping possible investments to complete along the Grand Connection corridor before summer 2026, in partnership with downtown property owners. This corridor has been prioritized because it serves the highest amount of pedestrian traffic downtown and connects light rail to important tourism and visitor destinations. Staff anticipate these improvements could include re-painting and re-lamping existing light poles, pressure-washing, and bench and electrical repairs to help downtown look its best.

LOOKING AHEAD

Tonight's update provides an update on a smaller subset of cultural and economic development activity. Staff continue collaborative partnerships and programming on several other fronts. Notable items in the coming months include but are not limited to:

- Economic Development Plan Update – Data & Community Engagement Findings
- Small Business Development Center ramp up
- Grand Connection Crossing funding development
- Startup425 Accelerator Cohort 2
- Development Services' Small Business and Events permit manager onboarding
- 2025 Business Survey

AVAILABLE IN COUNCIL LIBRARY

2020 Economic Development Plan