

CITY COUNCIL STUDY SESSION

Bellevue Economic Development Plan – Discussion of the draft Economic Development Plan

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DIRECTION NEEDED FROM COUNCIL**DIRECTION**

Tonight's Study Session will provide Council with a final report on the updates to the Economic Development Plan.

Staff requests direction to return on November 2, 2020 with a Resolution adopting the Economic Development Plan.

RECOMMENDATION

Move to direct staff to return on November 2, 2020 with a Resolution adopting the Economic Development Plan.

BACKGROUND & ANALYSIS

This is the eighth discussion with Council regarding the updates to the City's Economic Development Plan. In July, Council was presented draft strategies and tactics for recovery that were recommended by the Consultant and staff. Tonight's discussion is on the complete draft plan. The draft plan includes potential tactics for growth strategies that will be re-evaluated when the lasting impacts of COVID-19 are realized.

The Bellevue City Council adopted the current Economic Development Plan (the Plan) in July 2014. That plan focused on four direct strategies:

1. Cultivate Bellevue's Next Generation of Technology Entrepreneurs
2. Position Bellevue as a Pacific Rim Gateway
3. Strengthen Bellevue's Tourism and Visitor Cluster
4. Develop a Multi-pronged Economic Development Marketing Campaign

Under the Plan, the direct strategies provided direction for the highly targeted activities of Economic Development Staff. 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 current Plan's recommendations.

Since 2014, the Economic Development program has evolved to include the arts program, and Visit Bellevue Washington (the City's destination marketing organization) has added organizational capacity to implement their 2017 Destination Development Plan.

Additionally, due to Bellevue's economic growth, the changing needs of Puget Sound businesses, evolving nature of major sectors like technology and retail, as well as impacts from COVID-19 a

strategic update to the Economic Development Plan is essential for keeping the community prepared for the future.

Objectives

In July 2019, Council approved eight objectives for the Economic Development Plan Update:

1. Identify ways to support the **creative economy**
2. Explore new opportunities to support **small business**
3. Support more robust **retail** activity
4. Identify best practices for integrating **new businesses** into the community
5. Support **capacity building** for community groups
6. Integrate key recommendations from **Tourism Plan**
7. Make the Plan easier to update
8. Support local **workforce development** options and programs

Based on the Council-approved objectives, staff has worked with the consultant to review previous studies and documents, perform a data analysis of Bellevue's economic position, and conduct extensive stakeholder outreach with more than 75 participants. These combined inputs help to inform the content of the updated plan.

Based on these inputs, the consultant developed comprehensive themes, affirmed the current plan's foundational strategies (with one addition), and recommended strategies and implementation tactics for six direct focus areas to address identified gaps in Bellevue's economic development approach and achieve the City's vision for the future. In July, staff and the consultant re-affirmed the strategies and refined the implementation tactics included in this plan to be reflective and responsive to the impacts of COVID-19. These recommendations were presented and affirmed by Council at the July 6 Council Meeting. The attached draft plan reflects community need and is informed by best practices nationwide to ensure Bellevue stays competitive among peer cities across the country.

Desired Outcomes

The 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.

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 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.

Strategic Themes for the Economic Development Plan Update

The following themes run throughout the 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 cultural 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 connectivity should be celebrated and leveraged to attract 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.

Economic Development Strategic Approach

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.

Each strategic focus area has a chapter with outlined strategies and tactics. In response to the impacts of COVID-19, staff will implement strategies most imperative for COVID-19 recovery first. As lasting impacts of COVID-19 are realized staff will then shift to the implementation of growth strategies.

Foundational Strategies

Foundational Strategies are the City's longer-term, ongoing activities that lay the foundation for overall livability and success of the City. These strategies are the responsibility of multiple departments and are essential to a well-functioning community. The Economic Development Plan Foundational Strategies are:

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| • Provide a business climate and related infrastructure that facilitate and encourage desirable business investment. |
| • Cultivate attractive and diverse business districts across the City. |
| • Support the development, and attraction of world-class talent. |
| • Continue to make Bellevue a great place to live, work, and visit. |
| • Take both a local and regional approach to solving transportation challenges through innovative solutions. |
| • Encourage a variety of housing choices within the City. |
| • View all activities through a lens of diversity, equity and inclusion. |

Direct Strategies

Direct Strategies provided direction for the highly targeted activities of Economic Development Staff. 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 ecosystem as an attractive place for businesses of all types and sizes. The strategies and tactics included in the plan respond to the council objectives for the plan's update and respond to the need of recovery from COVID-19 as well as position Bellevue for long-term growth. Each chapter of the plan includes a situational analysis based on the discovery and data findings and the specific strategies and tactics. Staff will prioritize implementation of the strategies needed for COVID-19 recovery and then layer in the eight "Growth" tactics as recovery is on course and the lasting impacts of COVID become clearer.

Direct Strategies include:

Capacity Building & Partnerships
<ul style="list-style-type: none"> • Work with partner organizations to be a more active convener on topics of importance. • Apply a partnership approach to strategies throughout economic development efforts to expand and improve service delivery. • Increase business and employee engagement in the community. (Growth)
Small Business and Entrepreneurship
<ul style="list-style-type: none"> • Work with partner organizations to expand access to technical training for entrepreneurs and small business owners with a focus on those of diverse backgrounds. • Focus Bellevue's existing business retention and expansion program to build relationships with entrepreneurs and small businesses across sectors so they receive proactive services. • Encourage the preservation of existing spaces and the creation of new spaces that are suitable for small businesses. (Growth)
Workforce
<ul style="list-style-type: none"> • Expand access to education and professional experience opportunities within the City that directly lead to industry certifications, degrees, and job placement. • Create stronger links between local employers, education and service providers, and residents. • Continue to expand transportation options. (Growth)
Retail
<ul style="list-style-type: none"> • Retain and recruit a healthy retail mix based on local needs. • 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) • Create contiguous, high-quality retail experiences in major employment centers by designating streets as active or non-active in future land use updates. (Growth) • 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
<ul style="list-style-type: none"> • Enhance Bellevue's leading position in the digital creative sector and encourage linkages with the traditional creative sector where possible. • Develop the built and institutional infrastructure needed to position the BelRed Arts District as a major destination. • Promote and expand festivals, events and activities to grow the creative economy sector and promote a strong creative brand for Bellevue. (Growth)
Tourism
<ul style="list-style-type: none"> • Develop more activities and product offerings that take advantage of the City's assets and proximity to regional activities.

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

Tactics for each of the strategies are outlined in the attached Draft Plan.

Implementation Timeline

This Economic Development Plan is intended to be a five-year strategy document. As a continuation of current practices, an annual action plan will be developed based on available resources to provide more specificity about what will be done, by whom. This annual planning process will ensure we advance aggressively towards the end points established in this plan while maintaining flexibility to respond to opportunities and changes in the market and existing resources. The annual planning will also inform when to shift to the growth tactics in the plan. Based on the annual action plan, quarterly updates will be given to Council that highlight progress in achieving the goals.

Next Steps and Timeline

Based on tonight's feedback staff will incorporate and make edits to the draft plan and return on November 2 with a final designed version to request Council adoption of the Economic Development Plan.

POLICY & FISCAL IMPACTS

Policy Impact

The recommended strategies most closely align with and support the following adopted policies:

Comprehensive Plan

ED-1. Maintain a business climate that supports the retention and expansion of the City's economic base.

ED-2. Promote local businesses and locally produced goods and services.

ED-5. Develop and maintain regulations that allow for continued economic growth while respecting the environment and quality of life of City neighborhoods.

ED-11. Provide City leadership and direction to maximize the business retention and recruitment efforts of Bellevue's economic development partners.

ED-13. Promote on-going communication between city and private sector to help guide the City's marketing and development efforts.

ED-14. Recognize the economic development benefits of City and private sector investments in urban amenities like arts and culture, open space and recreational facilities, and high-quality urban design. Strengthen the City's assets in these areas as an explicit component of the City's economic development strategy.

ED-17. Develop an environment that fosters respect for all individuals and groups and promotes equal opportunity. ED-18. Promote opportunities for self-sufficiency for all Bellevue residents by encouraging employers to hire people with special needs and disabilities.

ED-20. Recognize retail strength as an engine of economic activity and a magnet for visitors.

ED-21. Support economic development in the City's commercial areas.

ED-22. Support efforts that promote tourism, hotel, retail and arts businesses.

ED-29. Encourage provision of life-long learning opportunities.

ED-30. Facilitate efforts of businesses and institutions to train workers for today's and tomorrow's jobs, and support continuing education in the community.

ED-35. Promote and nurture entrepreneurial development in Bellevue by exploring ways to retain or create areas where small or emerging businesses can develop and flourish.

ED-36. Maintain and regularly update the Economic Development Plan to ensure the City's focus areas and goals are forward-looking and targeted while being flexible enough to be able to respond to market changes.

ED-37. As part of on-going Economic Development strategic planning, consider the use of organizational and financial tools or investments, including public-private partnerships where appropriate, to catalyze or leverage private sector and other resources to accomplish the City's economic development and land use vision.

The new strategies also build on the strong foundations put in place through implementation of the 2014 Plan. Adoption of the recommended strategies may inform future updates to Bellevue's Comprehensive Plan in 2023.

Fiscal Impact

Development of the Economic Development Plan comes from the general fund in the adopted 2019-2020 City budget. Initial implementation of the plan will be based on the existing 2019-2020 resource levels.

OPTIONS

1. Direct staff to return on November 2, 2020 with a Resolution adopting the Economic Development Plan.
2. Provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

- A. Draft Economic Development Plan
- B. Economic Development Plan Appendix

AVAILABLE IN COUNCIL LIBRARY

Economic Development Plan (adopted 2014)