

CITY COUNCIL STUDY SESSION**Retail Study Update**

Michael Kattermann, Director, 452-6191

Jesse R. Canedo, Assistant Director, 452-5236

Edward Butterfield, Public Private Partnership Manager, 452-4884

Community Development Department

DIRECTION NEEDED FROM COUNCIL**INFORMATION
ONLY**

Tonight's Study Session will provide Council with an update on a retail study that will define the current and future retail needs of Bellevue to ensure a diverse retail mix throughout the City.

RECOMMENDATION

N/A

BACKGROUND & ANALYSIS

In November 2020, the Council adopted the 2020 Economic Development Plan (ED Plan), which identified the retail sector as one of six focus areas for the City. In order to take a data-informed approach with implementing those major strategies, the City will hire a consultant to perform a City-wide review of Bellevue's retail ecosystem. The study will provide key economic and market data and strategies for working with partners to support more robust and sustainable retail activity in Bellevue. Additional background information is provided in the memo with details on the study scope, stakeholder engagement and timeline.

Background

Retail serves multiple roles in Bellevue that include generating tax revenue, ensuring residents have access to necessary services, and bolstering the ability to attract tourists. Sales tax from retail sales constitutes 30 percent of Bellevue's tax revenue and improves the City's ability to provide services. In addition, retail supports the recruitment of high-quality employers by providing amenities to employees and increases the percentage of wages earned in Bellevue that are spent in Bellevue.

The study is timely as the nature of retail is rapidly changing with the advent of the COVID pandemic and continued move to online shopping. As highlighted in the ED Plan, many consumers are also increasingly requesting more experiential services such as restaurants, yoga studios, and entertainment venues. In addition, small businesses in Bellevue continue to face challenges with affordability, availability of space, and workforce recruitment.

Retail Study Scope

The retail scope of work is informed by many of the findings and policy objectives from the ED Plan and extensive stakeholder outreach. The goal of the study is to define current and future retail needs

through a retail market analysis to ensure a healthy and diverse retail mix and identify City actions to support retail in Bellevue.

The Diversity, Equity, Inclusion (DEI) goal for the study is to ensure diverse voices and community-based organizations are represented in engagement activities, findings, and final reports. In addition, the DEI goal will include identifying challenges and opportunities for recruiting and starting more diverse retail businesses in Bellevue.

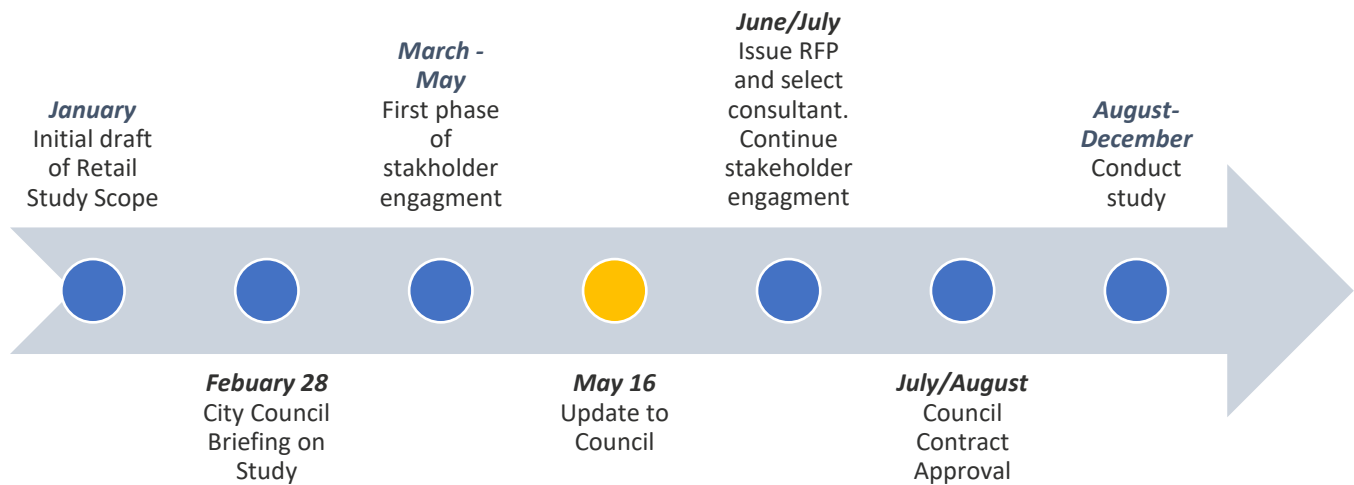
The scope is organized by key topic areas that include market analysis; district capacity building; land use code review; and auto services retention plan.

- Retail Market Analysis: The retail market analysis will include an existing conditions assessment of the current trends in the City-wide market including space demands and regional competitiveness. Other areas are a needs assessment to identify desires of certain types of uses from the community and retail leakage gap analysis to determine any retail needs not met locally.
- District Capacity Building: The study will identify management frameworks and fundings mechanisms for creating sustainable business organizations setup for long-term success in districts outside of Downtown such as BelRed, Crossroads, and Factoria.
- Input for Planning Initiatives and Programs: This component will study ways the City might promote preservation of existing spaces and creation of new spaces that are suitable for small businesses by identifying strategies and land use recommendations with an emphasis on independent retail, neighborhood services, restaurant, and beverage establishments. Findings will be used to inform the Periodic Comprehensive Plan update in addition to the Wilburton and BelRed planning processes. Deliverables will also include best practices around retail space square feet amounts that support small retail shops, essential services with lower margins (dry cleaning, seamstress) and other business associated with the creative economy and arts.
- Auto Sales and Services – The study will provide recommendations on preserving and growing auto related business, reflecting their sizeable contribution to tax generation and economic activity and redevelopment pressures many are experiencing. Study deliverables will outline how the auto related business can maintain and grow their operations through creative layouts and compact building models that support the transition of the surrounding neighborhood to a walkable, dense, urban environment.

Stakeholder Engagement

Staff has conducted extensive engagement with internal and external stakeholders including community-based organizations, real estate brokerage community, small business owners across Bellevue's business districts, developers, residents, and property owners. Equitable engagement activities will continue during the retail study work with selected consultant and continue with reporting out of study findings.

Timeline



POLICY & FISCAL IMPACTS

Policy Impact

The study will support policy development and advance implementation related to the Council 2021-2023 Vision, Comprehensive Plan, and Bellevue Economic Development Plan. This study will partially inform BelRed and Wilburton planning updates.

Fiscal Impact

This work is funded by the approved 2021-2022 budget. In the long-term, the study and resulting work will help improve Bellevue's retail and entertainment environment in ways that should support additional sales and sales tax revenues.

OPTIONS

N/A

ATTACHMENTS

N/A

AVAILABLE IN COUNCIL LIBRARY

Economic Development Plan (adopted 2020)
Diversity Advantage Plan
Bellevue City Council 2021-2023 Vision & Priorities