

February 16, 2016

## CITY COUNCIL STUDY SESSION ITEM

### **SUBJECT**

2015 Bellevue Business Survey Update and Results

### **STAFF CONTACTS**

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### **POLICY ISSUES**

City Council adopted a new Economic Development Plan on July 7, 2014. The Plan outlines a set of strategies to focus the City's economic development efforts, under the overarching vision:

***Bellevue is a prosperous and vibrant international city with innovative and entrepreneurial businesses and a high quality of life for residents.***

Tonight's Study Session will provide Council with an update of the results of the first bi-annual Bellevue Business Survey conducted in the Fall of 2015. The update will include an overview of the purpose of the study, major findings, on-going initiatives to support business and proposed additional strategies.

### **DIRECTION NEEDED FROM COUNCIL**

<input type="checkbox"/>	Action
<input type="checkbox"/>	Discussion
<input checked="" type="checkbox"/>	Information

This update is for information purposes; no Council action is requested at this time.

### **BACKGROUND/ANALYSIS**

In June 2013, the Council launched the process of developing a new Economic Development Plan. Council adopted the final plan on July 7, 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**. The implementation framework for the plan summarizes the specific tasks, roles, resource requirements and partnerships needed to move forward.

In 2015, the Office of Economic Development (OED) launched three main program initiatives—Business Attraction, Business Retention & Expansion (BRE) and Next Generation Bellevue.

The business survey directly supports the BRE program whose goal is to develop and promote a healthy and vibrant business climate in Bellevue that facilitates the growth, retention and expansion of local companies.

The purpose of the business survey is to establish a baseline of the business climate now, and support future efforts including:

- To inform the budget and determine how businesses rank Bellevue in comparison to residents on key metrics.
- Obtain a better understanding of Bellevue's business climate.
- Determine the pros and cons of doing business in Bellevue.
- Identify and address issues to improve Bellevue's business climate to support key industry sectors and employment centers.
- Develop recommendations and implement initiatives to support Bellevue's businesses.

## **METHODOLOGY**

The survey was conducted between September 28 and November 8, 2015, and approximately 11,000 Bellevue businesses were contacted by email, phone or mail.

Businesses were grouped in the following categories:

- Sectors: Business Services, Information Technology, Retail, Tourism, and Other.
- Major Employment Center: SR 520/Bel-Red, Crossroads, Downtown, Eastgate/Factoria, 116th/Bellefield, and Outside the MEC.
- Age of Business: Founded prior to 1980, founded in the 1980's, founded in the 1990's, founded in the 2000's, founded in 2010 or later.
- Size of Business: 1 to 5 employees, 6 to 49 employees, 50+ employees.

A total of 917 businesses were interviewed; 770 online and 147 via telephone. The aggregate margin of error was no greater than plus or minus 3.1% at a 95 percent confidence level.

## **FINDINGS**

Bellevue receives high ratings for all of its key metrics:

- Seven out of ten businesses feel that Bellevue is a "somewhat" or "significantly" better place to operate a business when compared to other cities.
- Two-thirds of businesses in Bellevue feel that the quality of services provided to businesses by the City "exceeds" or "greatly exceeds" their expectations.
- 92% feel Bellevue's economy is better than other cities in the Puget Sound Region.
- 69% feel that the city is moving in the right direction.
- 60% feel that they are getting their money's worth for the tax dollar paid.
- Issues raised include traffic congestion, the need for more parking, and lack of affordable housing.
- 57% of the business would recommend starting a business in Bellevue.

## **INITIATIVES and STRATEGIES**

There are currently a number of initiatives underway to address the issues identified in the business survey. Some of these initiatives include:

- A review of the Development Services' processes to support continued business growth.
- The development of an affordable housing strategy so workers can live closer to their places of employment to reduce traffic congestion and improve quality of life.
- A Destination Marketing Plan to promote tourism and business location.
- OED's partnership with the Bellevue Downtown Association and Bellevue Chamber to increase outreach to local business about employee transportation options.
- The completion of an Electronic business tax filing (FileLocal) pilot program with full implementation to begin this year.
- Outreach to companies through the Business Retention & Expansion program to include outreach to address Eastlink Construction impacts.
- Marketing and promotion of the Small Business Development Center.
- Developing a story and narrative to promote Bellevue, its economy and position in the Seattle region to national and international companies.

Some additional suggested strategies to support Bellevue's business climate include:

- Developing and undertaking a holistic, cross/departmental strategy to address workforce mobility.
- Continuing the development of the Startup 425 Entrepreneur Center to promote business startups and entrepreneurship in Bellevue and the region.
- Establishing an annual business license renewal program to collect data about Bellevue's business climate.

## **CONCLUSION**

Overall, Bellevue has a supportive business climate that allows companies to compete effectively locally, nationally and internationally. However, there are key issues, such as traffic and affordable housing that need addressing so Bellevue and the region can remain economically competitive in the long-term.

There is no Council action requested at this time. Further information on all the above items will be provided at the Study Session, and staff welcomes Council comments and questions.

## **AVAILABLE IN COUNCIL DOCUMENT LIBRARY**

Council Adopted Bellevue Economic Development Plan