

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Study Session

February 16, 2016  
6:00 p.m.

Council Conference Room  
Bellevue, Washington

PRESENT: Mayor Stokes, Deputy Mayor Chelminiak, and Councilmembers Lee, Robertson, and Slatter

ABSENT: Councilmembers Robinson and Wallace

1. Executive Session

Deputy Mayor Chelminiak called the meeting to order at 6:00 p.m., and declared recess to Executive Session for approximately one hour and 15 minutes to discuss two items of pending litigation.

At approximately 7:15 p.m., Deputy Mayor Chelminiak announced an extension of the Executive Session until 7:35 p.m.

The meeting resumed at 7:38 p.m., with Mayor Stokes presiding.

2. Study Session

- (a) Supporting Bellevue's Startups and Entrepreneurs

*[Item moved to Regular Session, Agenda Item 6, Report of the City Manager.]*

- (b) 2015 Bellevue Business Survey Update and Results

City Manager Brad Miyake recalled that, last year, the City initiated its first survey of Bellevue businesses.

James Henderson, Economic Development Director, recognized Finance Director Jan Hawn and Performance and Outreach Coordinator Rich Siegel for their involvement in the survey. Mr. Henderson introduced Nathan Wiggin of the Northwest Research Group, which conducted the survey.

Mr. Henderson said the survey was conducted as part of the City's business retention program to better understand Bellevue's business climate and to develop strategies to ensure its ongoing viability. He said the survey will be conducted every two years going forward.

Mr. Wiggin described the survey methodology. A list of 11,443 businesses located in Bellevue was developed to guide the outreach. The businesses were contacted via email first, followed by mail and/or phone if they did not respond to the email. The businesses were analyzed by sector: Business Services, Information Technology, Retail, Tourism, and Other. Major employment centers were identified as the BelRed/SR 520 corridor, Crossroads, Downtown, Eastgate/Factoria, and 116<sup>th</sup>/Bellefield. The area outside of these major employment centers was analyzed as well. Businesses were categorized by the length of time they have been in Bellevue and by the number of employees.

Mr. Wiggin said 917 interviews were completed for the survey (770 online and 147 via telephone). The aggregate margin of error was no greater than plus or minus 3.1 percent at a 95-percent confidence level. This means that if the study was repeated, the consultants are 95 percent confident that the results would be within plus or minus 3.1 percent of the current results.

Mr. Henderson said Bellevue received high ratings for its key metrics. Seven of 10 businesses reported that Bellevue is a somewhat or significantly better place to operate a business when compared to other cities. Two-thirds replied that the quality of services provided by the City exceeds or greatly exceeds their expectations. Similarly, 69 percent felt the City is moving in the right direction, and 60 percent felt they are getting their money's worth for their tax dollars.

Issues of concern identified in the survey were traffic, parking, and the lack of affordable housing. Mr. Henderson noted that these tend to be challenges across the region. He said that 92 percent of businesses feel Bellevue's economy is better than other cities in the Puget Sound region.

Mr. Wiggin presented ratings by survey respondents for a number of factors. Bellevue scored highest in the areas of public safety, appearance of the community, education, mobility via walking or biking, availability of qualified employees, and access to public transportation.

Mr. Henderson summarized the survey responses addressing the overall health of the business community. The results indicate that 80 percent of businesses are somewhat or very strong, and 62 percent expect their business to improve over the next 3-5 years. One-third of businesses anticipate hiring new employees in 2016, while 41 percent reported having difficulty finding trained and/or qualified staff. In addition, 17 percent of businesses offer an incentive to employees for alternative transportation, 19 percent used an advisor to help with small business development, and 90 percent have broadband Internet access (with 58 percent rating it as adequate).

Councilmember Slatter questioned the difficulty in finding qualified staff. Mr. Henderson said it is likely due to a number of factors including traffic/commuting challenges and the national trend in the need for more technology workers.

Mr. Wiggin highlighted additional details regarding operating a business in Bellevue based on business sector. He noted that the Retail and Tourism sectors are not performing as well as the other sectors. For all small businesses, five percent report that Bellevue is a worse place to operate a business than other cities. For mid-sized businesses, 10 percent report that Bellevue is worse than other cities for operating a business. Older business (i.e., opened during the 1980s) are having a more difficult time than those that opened in the 1990s and later.

Mr. Henderson described the top issues of concern by business sector. Traffic was identified as the highest priority for all five sectors. Parking was the second highest issue for the Business Services sector, while taxes came in second place for the remaining sectors (I.T., Retail, Tourism, and Other). Affordability (e.g., housing, office space) was the next issue of concern for the I.T. sector and the Other category. Parking was a top issue for the Retail sector. Transportation is a key concern for Business Services, and small business support/labor is an issue for the Tourism sector.

Mr. Wiggin highlighted survey responses based on the major employment centers. Businesses in Crossroads and Downtown provided significantly higher ratings than businesses located elsewhere. Of the 2,246 Downtown business, 166 participated in the survey. Of the 222 Crossroads businesses, 14 responded to the survey.

Mr. Wiggin described the responses, by business sector, to questions about whether Bellevue is headed in the right direction. Businesses reported that Bellevue is headed in the right direction with regard to economic growth, a business-friendly climate, forward-thinking leadership, and City management. However, areas of concern are traffic, unmanaged growth, taxes, and the cost of living/operating a business.

Mr. Henderson said the survey is part of the City's business retention/expansion program. Since mid-2015, staff has conducted outreach to approximately 40 businesses and provided 50 types of technical assistance to those companies.

Mr. Henderson highlighted initiatives currently underway including business outreach to prepare for East Link project construction impacts, affordable housing study and analysis, review of the Development Services process, implementing electronic business tax filing, and marketing of the Small Business Development Center. Proposed strategies are to: 1) develop and undertake a holistic, cross-departmental strategy to address workforce transportation mobility, 2) continue development of the Startup 425 Entrepreneur Center, and 3) develop an annual business license renewal program to collect key data about Bellevue's business climate. Mr. Henderson said accurate information on local businesses would also help the Police and Fire Departments in providing services.

Mayor Stokes suggested individual briefings for Councilmembers to follow up on this presentation. He would like additional Council review and discussion of the survey results as well.

At 7:59 p.m., Mayor Stokes declared recess to the Regular Session.

Kyle Stannert  
Acting City Clerk

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