

CITY COUNCIL STUDY SESSION ITEM

SUBJECT

April – June 2016, Quarterly Update on Economic Development Activities.

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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 Office of Economic Development's (OED) activities during the second quarter of 2016. The update will include an overview, activity status and metrics for the three program areas of Business Attraction, Business Retention & Expansion, and Startups/Entrepreneurship—to implement and sustain the Economic Development Plan. In addition, the update will include a briefing on the economic development branding and marketing initiative, the recently complete SelectUSA business development mission and the Seattle Chamber of Commerce's International Leadership Mission to China.

DIRECTION NEEDED FROM COUNCIL

☐ Action
☐ Discussion
☒ Information

This quarterly 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.

The following is the fifth quarterly update on the key economic development activities that took place during October through December 2015 that will further the overall plan. In addition to the update, a 2015 Economic Development Action Plan is included along with performance metrics. It is the intent of the Office of Economic Development to provide you with an Action Plan update along with updated performance metrics at regular intervals.

Direct and Foundational Economic Development Strategies

Under the new Plan, “Direct Strategies” target specific economic development opportunities where the City’s efforts can be most effective. These strategies are primarily the responsibility of the City’s economic development staff, and provide a strong focus for their efforts in the near to mid-term (within the next 5 years).

A second set of actions called out in the new ED Plan are the “foundational strategies” that cut across multiple areas of City responsibility, and are carried out by departments across the City organization. These actions are critical to creating a climate that attracts talent and investment.

The four economic development program areas incorporated the Direct as well as Foundation strategies for action outlined below.

Office Development: Provide economic development leadership and support to the City of Bellevue and the region to promote broad-based economic growth based on city-wide and regional collaboration, data supported strategies and a focus on Bellevue’s target industries and sectors. For 2016, OED will undertake a number of key activities to support its three programmatic areas:

- **Destination Marketing Plan:** OED will partner with VisitBellevue to develop a Destination Marketing Plan to attract more visitors to Bellevue as well as conventions and meetings to support Economic Development.
 - **Status:** Resonance Consulting is under contract to develop the plan.
- **Economic Development Branding and Marketing Strategy:** Undertake a branding and marketing strategy to promote Bellevue’s economic development initiatives.
 - **Status:** Strategy is complete and Council will be briefed on October 10, 2016.
- **Economic Development Videos:** Develop business attraction, retention and expansion videos focused on Bellevue’s business climate, video gaming industry and entrepreneurs. The videos will help consolidate Bellevue’s image as an innovation and technology center.
 - **Status:** Videos are under development.

Business Attraction: Attract national and international companies to Bellevue that align with our economic development strategy, growth industries, and complements and supports local businesses. For Q2 of 2016, the Office of Economic Development undertook the following notable initiative and achieved the following metrics:

- **SelectUSA 2016:** A collaboration with the Economic Development Council of Seattle and King County, OneRedmond and City of Kirkland to market the three Eastside cities as the “Innovation Triangle”; a center for technology to international businesses and investors. Twenty-seven meetings were held with international companies interested in investing in the region..

- Metrics:
 - Leads/Prospects: Developed 20 prospects and 7 leads in Bellevue's targeted industries.
 - Relocations/Job Creation: Facilitated the relocation of two companies to Bellevue that created an estimated 26 jobs. Relocations included International and Commercial Bank of China (Downtown Bellevue) and Scampers Doggie Daycare (Bel-Red Road)

Business Retention & Expansion (BRE): Develop and promote a healthy and vibrant business climate in Bellevue that facilitates the growth, retention and expansion of local companies. For 2015, the Office of Economic Development undertook the following notable initiatives and achieved the following metrics:

- Initiatives:
 - Economic Development Action Team: Continue to work with Economic Development Action Team consisting of team members from City of Bellevue Departments as well as representatives from the Bellevue Downtown Association, Bellevue Chamber of Commerce and Puget Sound Energy to provide assistance to local businesses.
 - BRE Visits: Conduct business retention and expansion visits with Bellevue's local employers. Purpose of the visits are to learn about local company business needs and how we can support their continued growth.
- Metrics:
 - BRE Visits: Conducted three BRE visits, including one with major Bellevue companies, and provided 10 types of technical assistance.
 - Retention/Expansion: Facilitated the retention and expansion of three companies in Q2 leading to the retention/expansion of 400 jobs. Companies include TimeXtender, Valve and Park Place Motors.

Next Generation Bellevue: Foster the development of a strong start-up culture in Bellevue by helping aspiring entrepreneurs gain access to the information they need to plan, launch, and scale their businesses. For Q1 2016, the Office of Economic Development undertook the following notable initiatives and achieved the following metrics:

- Initiatives:
 - Supported the growth at Impact Hub Bellevue; a co-working space at Lincoln Center on 116th Avenue. Continued work to find a permanent location in Bellevue. Began work to co-locate the new Startup 425 Entrepreneur Center with them.
 - Partnered with GeekWire to host Startup Day at the Meydenbauer Center. The event attracted over 700 attendees and exposed many regional residents to Bellevue's startup community for the first time. Write-ups on the GeekWire website created over 1 million impressions of Bellevue with nearly 1,000 reading in-depth on the city's programs.
- Metrics:
 - Impact Hub: Impact Hub added an additional 10 companies, 18 new members and

6 new startup jobs were created.

- Startup Event Support: In 2015, the City hosted over a dozen tech startup and investor groups at City Hall to develop a support network and provide coaching and mentorship to entrepreneurs.

Regionalism: Regional collaboration with our economic development partners in the Eastside (Redmond and Kirkland) and in Seattle (Economic Development Council of King County, Greater Seattle Trade and Development Alliance and others) was a top priority in 2015 and will continue to be a priority in 2016. Some examples of regional collaboration for 2016 include:

- Startup 425: Working with the City of Kirkland and OneRedmond to create a cohesive support structure for entrepreneurs and startups in the three cities. The partners share similar demographics, economies, and business opportunities. The Startup425 website is now live (www.startup425.org) and the partners are working toward the creation of a physical presence that will offer technical assistance.
- SelectUSA Summit 2016: The third annual SelectUSA Summit brings together investors from all over the world, as well as economic development organizations from every corner of the United States, high-level government officials, and others working to facilitate investment in the United States. OED collaborated with the Economic Development Council of Seattle and King County, City of Kirkland and OneRedmond to promote the three cities as the “Innovation Triangle”; a prime location for foreign business investment in the technology industry. Twenty-seven meetings were held with international companies and twenty prospects and seven leads were identified.
- Seattle Chamber of Commerce International Leadership Mission: OED took part in the Seattle Chamber of Commerce’s International Leadership Mission to Hong Kong and Shenzhen to undertake business development and better understand the business opportunities between Bellevue and China. OED participated in “Seattle Day” in Shenzhen and met with two prospects. A full update on the Mission will be provided on October 10.

2015-2016 Operating Budget

City Council approved an Operating Budget for 2015-2016 on December 1, 2014. Included are a base program and enhancements; both strongly focus on carrying out the new Economic Development Plan. Some of the proposed enhancements include:

- Work advancing technology entrepreneurship/startups/possible incubator facility
- Further development of Bellevue as international gateway for business recruitment and investment
- Marketing and promotion
- Full funding for Visit Bellevue (tourism) proposal at \$55,000/year
- Addition of a second professional economic development position to advance the new Economic Development Plan.

In addition, City Council adopted an Economic Competitiveness and Collaboration CIP Project (\$500,000 over two years) to implement key economic development initiatives and activities.

Staff is currently using the fund for identified economic development projects that support on-going operations as well as support implementation of the Economic Development Plan.

Metrics

Staff has developed performance metrics for the three program areas of Business Attraction, Business Retention & Expansion and Next Generation Bellevue. The performance metrics for 2015 and 2016 will establish a base line of activity from which to determine performance metrics for future years. Included in this briefing are the performance metrics for 2016.

Conclusion

Tonight's Study Session is informational, and serves as a quarterly update on activities of the Office of Economic Development and implementation of the new Economic Development Plan. No action is requested. Further information on all the above items will be provided at the Council Study Session, and staff welcomes any Council comments and questions.

ATTACHMENT

1. 2016 Action Plan Update, July 11, 2016