

October 17, 2016

## CITY COUNCIL STUDY SESSION ITEM

### **SUBJECT**

July – September 2016, Quarterly Update on Economic Development Activities.

### **STAFF CONTACTS**

Dan Stroh, Planning Director, 452-5255

James Henderson, Economic Development Director, 452-7910

Jesse Canedo, Economic Development Manager, 452-5236

*Department of Planning and Community Development*

### **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 third 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 Innovation Triangle regional initiative, and the Seattle Chamber of Commerce's International Leadership Mission to China.

### **DIRECTION NEEDED FROM COUNCIL**

**ACTION**



**DIRECTION**



**INFORMATION ONLY**



### **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 eighth quarterly update on the key economic development activities that took place during July through September 2016 that will further the overall plan. In addition to the update, a 2016 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 three programmatic areas:

- **Destination Marketing Plan:** OED has established a partnership with VisitBellevue to develop a Destination Marketing Plan to attract more visitors to Bellevue as well as conventions and meetings to support Economic Development. Resonance Consulting is developing a Situational Analysis that provides a snapshot of “where we are today” with insights collected from stakeholders and consumers with respect to motivating characteristics and differentiators in the city that could shape the destination development strategy for the city. In addition, they are developing a Conceptual Framework that provides emergent findings and potential directions with respect to a destination development strategy for the city.
  - **Status:** Visit Bellevue and OED staff will brief the findings for the Situational Analysis and Conceptual Framework and strategy development next steps to City Council in December 2016 or January 2017.
- **Economic Development Branding and Marketing Strategy:** Undertake a branding and marketing strategy to promote Bellevue’s economic development initiatives.
  - **Status:** Strategy is complete and a more detailed briefing to City Council by OED is scheduled for October 17, 2016 in study session.
- **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:** Two videos are complete and a third video, focused on interactive media, is under development. One completed video provides an overview of Bellevue and the business environment. The second video, includes testimonials from businesses about why they located to and expanded in Bellevue.

**Business Attraction:** Attract national and international companies to Bellevue that align with our economic development strategy, competitive industries, and complement local businesses. For Q3 2016, the Office of Economic Development undertook the following notable initiative and achieved the following metrics:

- **SelectUSA 2016 Immersion Event:** OED continued to work in 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. The Innovation Triangle Immersion event, a one-day tour for companies from SelectUSA as well as from other business development activities took place on October 10, 2016. Twenty-one participants from six countries participated that included 16 technology companies. Results from the event include three companies interested in opening an office in the region and a potential partnership with Tech North to promote exports and international investment.
- **Metrics:**
  - **Leads/Prospects:** Developed 14 prospects and 4 leads in Bellevue’s targeted industries.
  - **Relocations/Job Creation:** OED did not facilitate the attraction or expansion of companies in Bellevue.

**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 Q3 2016, 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:** OED conducted two visits with major employers during the quarter to include a visit with Paccar. OED provided five forms of technical assistance to local companies.
  - **Retention/Expansion:** OED did not facilitate the retention or expansion of a company during the quarter.

**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 Q3 2016, the Office of Economic Development undertook the following notable initiatives and achieved the following metrics:

- **Initiatives:**
  - Mediated discussions between Impact Hub and Congregation for the Homeless for shared use of the Lincoln Center facility. Began work to co-locate the new Startup 425 Entrepreneur Center with them.
  - Completed a soft-launch of the Startup 425 website to provide an online resource for Eastside business owners. Continuing work on development of a physical space at Lincoln Center and to begin startup programming late Q1 or early Q2 of 2017.
- **Metrics:**
  - **Impact Hub:** Impact Hub grew to over 160 individuals and added ten new company members.
  - **Small Business Event Support:** The OED helped sponsor a roundtable discussion on digital equity for small businesses in cooperation with IgniteWA and State Senator Pramila Jayapal. The office also supported 3 WTIA events on the Eastside to encourage network development for Eastside tech workers and employers.

**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) continues to be a priority in 2016 and a foundational basis of our economic development work. Significant examples of regional collaboration for 2016 include:

- **Innovation Triangle:** The Innovation Triangle is as an initiative by Bellevue-Redmond- Kirkland to promote the three cities as an innovation and technology center and a prime location for national and international business investment in the technology industry. The partners began their collaboration for the SelectUSA Summit. The 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.
- **Innovation Triangle Immersion Event:** To continue the momentum from SelectUSA, the Triangle partners will be hosting international technology companies to the three cities to provide them with an immersive experience in our technology and innovation oriented ecosystem. The event will took place on October 10, 2016. Sixteen international technology companies participated representing six countries. During the day, the companies talked with business representatives from Microsoft, Inrix, and iSoftstone. They also visited DigiPen and Puget Sound Energy, received a briefing from GIX and have the opportunity to meet with virtual reality firms at the Immerse Summit.

- 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 partnership has launched a website to provide basic information, an event calendar, and contact opportunities. The partners are working toward a physical presence that will offer technical assistance and startup training in late Q1 or early Q2 of 2017.
- Seattle Chamber of Commerce International Leadership Mission: OED staff and Councilmember Vandana Slatter 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.
- Port of Seattle Economic Development Partnership Grant: OED applied and has been awarded an economic development grant from the Port of Seattle. The Port of Seattle launched this new grant initiative to provide support and resources to communities and their economic development programs throughout King County. The grant award is for \$65,000 with a 50% match requirement to be paid out of the 2017 OED budget. OED will use the grant funds for two programs in partnership with Redmond and Kirkland. The funds will be used for marketing and business development missions to support the Innovation Triangle initiative and the funds will also be used to provide export training to startups to support a business development mission to Mobile World Congress and to market the Startup425 program.

### **ALTERNATIVES**

This item is for information only.

### **RECOMMENDATION**

This item is for information only.

### **ATTACHMENT(S)**

1. 2016 Action Plan Update, October 17, 2016
2. OED Branding/Marketing Strategy

### **AVAILABLE IN COUNCIL DOCUMENT LIBRARY**

City of Bellevue Council Adopted Bellevue Economic Development Plan—July 2014