

October 9, 2017

CITY COUNCIL STUDY SESSION ITEM

SUBJECT

April - September 2017, Update on Economic Development Activities.

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POLICY ISSUES

On July 7, 2014, City Council adopted a new Economic Development Plan. 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.

DIRECTION NEEDED FROM COUNCIL

ACTION



DIRECTION



INFORMATION ONLY



Tonight's Study Session will provide Council with an update on the Office of Economic Development's (OED) activities from April to September 2017. The update will include 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 new strategy underway to better understand and support Bellevue's creative economy; and
- A briefing on the results of the 2017 Bellevue Business Survey.

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 eleventh quarterly update on the key economic development activities that took place during April thru September 2017 that will further the overall plan. In addition to the update, a 2017 Economic Development Action Plan is included along with performance metrics. It is the intent of the OED 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 five years).

A second set of actions called out in the Economic Development 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 three economic development program areas incorporated the Direct as well as Foundation strategies for action outlined below.

Business Attraction: Attract national and international companies to Bellevue that align with our economic development strategy, competitive industries, and complement local businesses. (See attached 2017 OED Action Plan)

- Nortal, a Finnish company establish their North American office located in WeWork, a co-working space located in Lincoln Square in downtown Bellevue. They currently have five employees with plans to expand to over 200 in two years.

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. (See attached 2017 OED Action Plan)

- OED outreached to 13 companies and provided 31 forms of technical assistance. We are currently working with 3 companies who are considering expanding.

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 and Q3 2017, the OED undertook the following initiatives:

- Startup425: Startup 425 is as an initiative of Bellevue, Issaquah, Kirkland, Redmond, and Renton to support entrepreneurship in the five communities and support the success of small businesses.
 - Foundation Series: The series was test piloted in spring 2017 in partnership with SCORE. Due to strong results, the partners elected to expand the program to all five communities this fall. The King County Library System offered to host and help fund the program for

the fall. A total of 14 sessions will be held in September and October. Early results show the program is reaching a diverse audience with approximately 66 percent of attendees identifying as non-white and over 70 percent identifying as women.

- Global Passport: Development and marketing of the second annual program is underway. The program will again provide export and business development support to mobile technology companies on the Eastside. A total of eight companies will participate in the 2018 pavilion at Mobile World Congress. The application period closes at the end of October 2017 and pre-event workshops will begin in January 2018 to help participants prepare for the trip.
- One Million Cups (1MC): An independent community member has stepped up to organize and manage a 1MC program on the Eastside. Startup 425 will support the effort through marketing in existing newsletters and social media campaigns. The first event is scheduled for October 25 at WeWork Lincoln Square.

Regionalism: Regional collaboration with our economic development partners on the Eastside (Redmond and Kirkland) and in Seattle (Economic Development Council of King County, Greater Seattle Trade and Development Alliance and others) was a significant priority in 2016 and will continue to be in 2017. Examples of regional collaboration for 2017 include:

- Carsharing: The Innovation Triangle partners identified improved mobility as an area of common interest. In December 2016, the partners agreed to stand up a one year project to explore the viability of expanding car sharing services to the three cities. Zipcar is the only current service provider in the area and provides cars only in downtown Bellevue. Over the last ten months the project has completed a survey showing substantial interest in carsharing as a transportation alternative in Bellevue—particularly among office commuters. The Innovation Triangle shared the anonymized, business-relevant data with Zipcar, ReachNow, and car2go and held follow-up meetings with each. Currently ReachNow and car2go have expressed interest in expanding their service territory to include downtown Bellevue and have requested introductions to potential clients. OED will work with the Bellevue Downtown Association (BDA) to facilitate appropriate connections.

Workforce:

- TechHire-Bellevue: Coordinate accelerated technology training programs to support Bellevue's information Technology companies with a special focus on training underrepresented populations in the technology industry.
 - Coding Camp 101: In partnership with CodeFellows, OED hosted a Coding Camp 101 for those interested in exploring a career in coding and information technology. Twenty-five students attended the camp. OED is working with EBay to host Coding 101 Camps in October and November.
 - Programmatic Design and Strategy: OED has released a RFP for a consultant to undertake and quantitative and qualitative analysis to develop a strategy and programmatic design for TechHire implementation.

INTER-DEPARTMENTAL COLLABORATION

- **Create Edge: A Creative Economy Strategy for Bellevue:** A joint initiative of OED and Arts, the Creative Edge will identify how the arts, culture and creative sectors contribute to Bellevue's community and economy – known as the creative economy – and develop a strategy to strengthen and grow these sectors. The creative economy is defined as the segment of the larger economy whose principle orientation is to apply creative ideas and processes to generate goods, services and innovations that provide both economic and aesthetic value. MDB Insight, a consulting firm based in Ontario, Canada, has been hired to conduct research, community outreach and produce the plan. A Creative Edge Task Force of arts, business and civic leaders will advise staff and consultants on the development of the plan. The strategy will be completed in March 2018. A briefing with results of the project to date will be provided on October 9.
- **Bellevue Business Survey:** 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:
 - Inform the budget and determine how businesses rank Bellevue in comparison to residents on key metrics.
 - Better understand Bellevue's business climate.
 - Determine the pro's and con's 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.

The 2017 business survey was conducted between May 4 and June 16 and resulted in a total of 994 interviews, an increase over 2015. Topline results from the survey include:

- 70 percent of businesses feel that Bellevue is a "somewhat" or "significantly" better place to operate a business when compared to other cities. This is unchanged compared to 2015.
- Just as in 2015, two-thirds of businesses in Bellevue feel that the quality of services provided to businesses by the City "exceeds" or "greatly exceeds" their expectations.
- 69 percent of businesses feel that the city is moving in the right direction—the same as in 2015.
- Six in ten (59 percent) feel that they are receiving "good" or "excellent value for their tax dollars paid. While the wording of this question changed from 2015, the results are the same.
- Older businesses feel they are getting better value for their tax dollars than younger/newer businesses.
- Issues relating to traffic, taxes, housing and commercial space affordability, and parking are the most commonly mentioned business-related issues facing Bellevue over the next several years.
- Traffic is mentioned more often among businesses located in Downtown than in other areas.
- Six in ten (60 percent) businesses state they are likely to recommend starting a business in Bellevue.
- Nearly all (90 percent) of businesses feel that the strength of Bellevue's economy is better than that of other cities in the Puget Sound Region—also similar to 2015.

A more in-depth brief of the survey results will be provided to Council on October 9.

OPTIONS

N/A

RECOMMENDATION

N/A

ATTACHMENT

A. 2017 Action Plan—Q2 and Q3

AVAILABLE IN COUNCIL DOCUMENT LIBRARY

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