

February 26, 2018

## **CITY COUNCIL STUDY SESSION ITEM**

### **SUBJECT**

Update on 2017 Economic Development Activities

### **STAFF CONTACTS**

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### **POLICY ISSUES**

City Council adopted the current 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.*

### **DIRECTION NEEDED FROM COUNCIL**

#### **ACTION**



#### **DIRECTION**



#### **INFORMATION ONLY**



Tonight's Study Session will provide Council with an update of the Office of Economic Development's (OED) activities for 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 the status of a new strategy underway to better understand and support Bellevue's creative economy, and an introduction to the work plan for 2018-2020.

### **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 twelfth quarterly update on the key economic development activities that further the plan. In addition to the update, a 2017 Economic Development Action (ED) Plan is included along with performance metrics. The OED will provide an Action Plan update along with updated performance metrics at regular intervals.

### **Direct Economic Development Strategies and Foundational Strategies**

Under the 2014 ED 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 over the next five years.

A second set of actions outlined in the 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 three economic development program areas that incorporate the Direct and Foundation Strategies for action are outlined below.

**Business Attraction:** Attract national and international companies to Bellevue that align with the economic development strategy, competitive industries, and complement local businesses. (See attached 2017 Office of Economic Development Action Plan.)

- For 2017, OED curated 46 leads and 15 prospects in target industries. Six of those prospects were international companies. OED met the goal of attracting four companies to Bellevue that created 90 jobs. Companies that OED facilitated opening in Bellevue include Advaiya Solutions, Nortal, Huawei and Baidu.

**Business Retention & Expansion:** Develop and promote a healthy and vibrant business climate in Bellevue that facilitates the growth, retention and expansion of local companies. (See attached 2017 Office of Economic Development Action Plan.)

- OED outreached to 17 companies, including five visits to major employers and provided 42 forms of technical assistance. Currently seven companies are considering expanding in Bellevue.

**Small Business and Entrepreneurship:** The City of Bellevue supports entrepreneurs and small businesses through Startup 425 – a partnership between the cities of Bellevue, Issaquah, Kirkland, Redmond, and Renton. The program fosters the development of a strong startup culture on the Eastside by helping aspiring entrepreneurs gain access to the information they need to plan, launch, and scale their businesses. Startup 425's programming focuses around three themes – professional network development, customer discovery, and financial literacy.

### **Economic Development Program**

In 2017, the Economic Development program delivered:

- 425 Foundations Series: This series provides introductory information to members of the community who are interested in starting a business. A total of 14 sessions were held in 2017 that supported 177 individuals as they explored entrepreneurship. Early results show the program is reaching a diverse audience with approximately 66% of attendees identifying as non-white and over 70% identifying as women. The 2018 program will provide 52 workshops across the five cities between March and September and will be

conducted in partnership with SCORE and the King County Library System.

- 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 four companies will join the Washington State delegation at Mobile World Congress to work on sales opportunities overseas. The Trade Development Alliance will host 2 pre-event workshops in February 2018 to help participants prepare for the trip. The program is funded in partnership with the Port of Seattle as part of their Century Agenda, which aims to strengthen access to global markets for local companies as one avenue for adding 100,000 jobs across Puget Sound.
- One Million Cups (1MC): Based on the notion that entrepreneurs discover solutions and network over a million cups of coffee, the Kauffman Foundation developed 1 Million Cups - a free program designed to educate, engage, and connect entrepreneurs with their communities. The meeting takes place the first Wednesday of each month at WeWork in Lincoln Square. Startup 425 will support the effort through marketing in existing newsletters and social media campaigns once the program launches.

Regionalism: Regional collaboration with 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 significant priority in 2017. Examples of regional collaboration for 2017 include:

- Innovation Triangle: A partnership of Bellevue-Redmond-Kirkland to grow shared technology oriented economies.
  - Car Sharing: In 2017, the partners explored 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. The project delivered a survey showing substantial interest in car sharing as a transportation alternative in Bellevue—and shared the anonymized, business-relevant data with Zipcar, ReachNow, and car2go. ReachNow and car2go have expressed interest in expanding their service territory to include major corporations in downtown Bellevue. Bellevue Downtown Association is facilitating appropriate connections.
  - Business Attraction: The partners continued to work together to attract technology companies to the region. Through the support of a grant from the Port of Seattle, the partners updated employment center collateral material and website. The partners also worked together to attend SelectUSA, a business development conference in Washington, DC, where they met and followed up with over 30 international technology companies.

Workforce Improvements:

- 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.

- Code 101: In partnership with Code Fellows and eBay, OED sponsored two Code 101 all-day workshops for those interested in exploring a career in coding and information technology. The workshops took place in eBay-provided space in downtown Bellevue in October and November, and twenty-four students attended. Several participants from previous City-sponsored workshops began full-stack development at Code Fellows in the fall that will lead to careers in technology companies.
- Programmatic Design and Strategy: At the end of 2017, OED entered into a contractual partnership with OneRedmond to work together in the first half of 2018 to develop a strategy and programmatic design for TechHire implementation. The project will include a series of three roundtable discussions with technology employers, colleges, universities and coding academies to identify existing and future workforce needs and match those needs with workforce training programs to support talent development for Bellevue's technology oriented economy.

#### Inter-Departmental Cooperation:

- Create Edge: A Creative Economy Strategy for Bellevue: The project consultant, MDB Insight, has concluded the research and analysis phase of the project and has begun drafting a strategy with the Creative Edge Task Force. This group of arts, business, and civic leaders met in early February to develop a new strategic vision and goals for the creative economy. The strategy will be completed in April 2018. City Council will receive a briefing on the results of the project shortly thereafter.

#### Future Workplan

Over the past three years, OED has not only been implementing the 2014 Economic Development Plan but gaining a better understanding of Bellevue, its economy and role in the region. Through visits to small, medium and large Bellevue companies, attending trade and investment shows, and meeting one-on-one with national and international companies, OED has a better understanding of Bellevue's economy and its role in the greater regional economy, learning that:

- Bellevue's edge is a world-class technology and innovation center.
- Economically, Bellevue is a center for new and growing technology companies from the U.S., Europe, and Asia.
- Creatively, Bellevue is a center for arts, learning and innovation.
- Intellectually, Bellevue is a research and engineering center for cutting edge technology and ideas.
- Collectively, Bellevue is a forward-looking, vibrant, diverse city where creativity and innovation thrives.

To ensure Bellevue's continued economic growth and prosperity into the future, OED and the Office of Cultural Affairs have merged to take advantage of the natural synergies that exist between the two offices. With a focus on placemaking, supporting innovation and creativity that drives new technology

and the arts, the new office within Planning and Community Development will support and enhance the City's high quality of life that makes it a destination for talent and companies world-wide.

Staff believes this merger will allow Bellevue to become a nationally recognized leader focused on economic and cultural development to attract, retain and support the talent that fuels Bellevue's creative and knowledge economy by:

- Strengthening job creation and retention, sector diversification, and placemaking.
- Supporting the growth and retention of the creative class within Bellevue and strengthen existing arts and culture institutions and providers.
- Creating robust regional partnerships that support new and existing initiatives.
- Playing a leadership role within local and regional chambers of commerce, cultural and business associations, Port of Seattle and the future Regional Trade and Economic Development Alliance to advance shared economic and cultural development objectives.

The new office is currently developing a work plan for 2018 and that work will inform the 2019-2020 budget process as well as address Council's recent discussions about priorities relative to economic development. In addition, the intention is to update the 2014 Economic Development Plan to better align with Bellevue's economic growth and position in the regional economy. Staff will work with the Director of the Planning and Community Development Department and the City Manager's Office to develop and finalize the work plan and will brief Council at the first available opportunity.

#### **OPTIONS**

N/A

#### **RECOMMENDATION**

N/A

#### **ATTACHMENT**

A. 2017 Economic Development Action Plan Results

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

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