



Budget and Business Survey Highlights

Council Discussion:

Staff will provide the 2018 budget survey topline results from January and February, and will remind Council of the topline results from the 2017 Business Survey. Staff seeks feedback or discussion regarding this information.

Budget and Performance Surveys - Background

The Budget Survey and the Performance Measures Survey are designed to provide statistically valid tools to enhance the City's knowledge of Bellevue residents' perceptions of the City and to better understand community priorities for and expectations regarding city services. They are part of the greater framework for informing city decisions and direction.

The City of Bellevue's Budget Survey has been performed on a biennial basis since 1998. The 2018 survey was conducted between January 15 and February 11, using a mixed-mode address-based methodology. This approach yielded a total of 481 interviews—75 completed over landline, 76 via cell phone and 330 via the web. The margin of error is +/- 4.4 percent at a 95 percent confidence level.

The Performance Measures Survey is conducted annually to collect statistically reliable data that represents all Bellevue residents. Findings help the City to understand how residents perceive City services and to make service delivery improvement accordingly. This is the 21st Performance Measures Survey conducted by the City. Staff will return with the results of the Performance Measures Survey when the data is available.

Summary 2018 Budget Survey – Key Results

- Improved Mobility continues to be the top budget priority for residents, followed by Safe Community as the second highest-rated priority.
- Residents' top-five biggest problems facing Bellevue are: Traffic (44 percent of responses), Affordable Housing/Property Values (15 percent), Too Much Growth/Congestion (11 percent), Human/Social Services including homelessness (9 percent), and Public Transportation (7 percent).
- Most residents (63 percent) are willing to pay more in taxes: 29 percent of residents are willing to pay more to increase service levels, while 34 percent of residents are willing to pay more to support the increased cost of current service levels.



Budget and Business Survey Highlights

Business Survey – Background

The Business Survey was presented to Council on October 9, 2017. This section is a repeat of that information to provide Council with a summary of all three surveys. The biennial Business Survey is an important part of the City's Business Retention and Expansion Program (BRE). The goal of the BRE 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 pros and cons 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 second biennial Business Survey was conducted between May 4 and June 16, 2017, and resulted in a total of 994 interviews, an increase over 2015. The margin of error for the 2017 survey was no greater than plus or minus 3.0 percentage points at a 95 percent confidence level.

Summary 2017 Business Survey – Key Results

- 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.



Budget and Business Survey Highlights

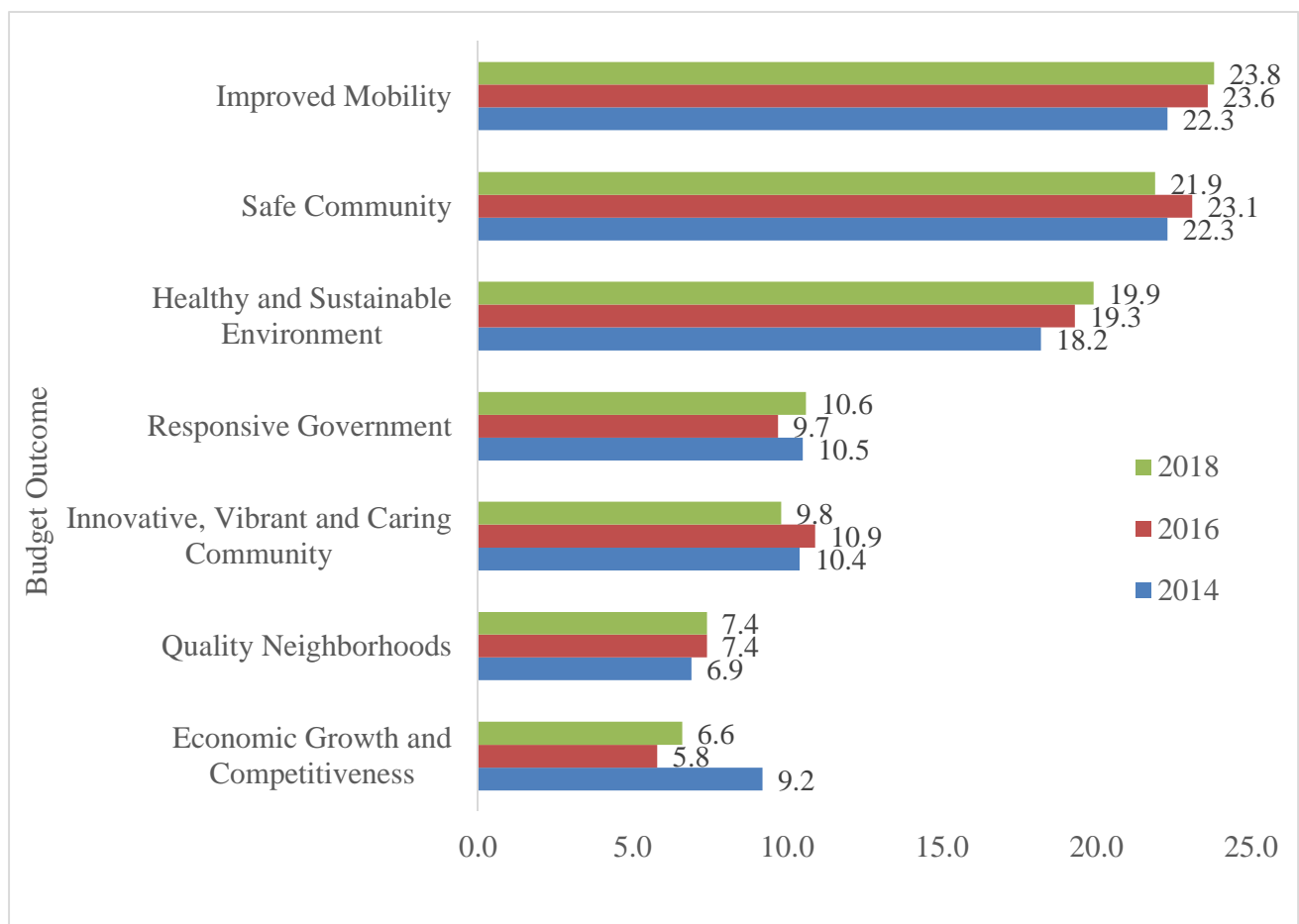
Budget Survey Highlights

Following are highlights from the 2018 Budget Survey. The full report will be available on the City website by April 30.

2018 Budget Priorities

Respondents were asked to identify the most important and least important City service area priorities. The following graph provides results and comparison to previous surveys.

2018 Budget Priorities



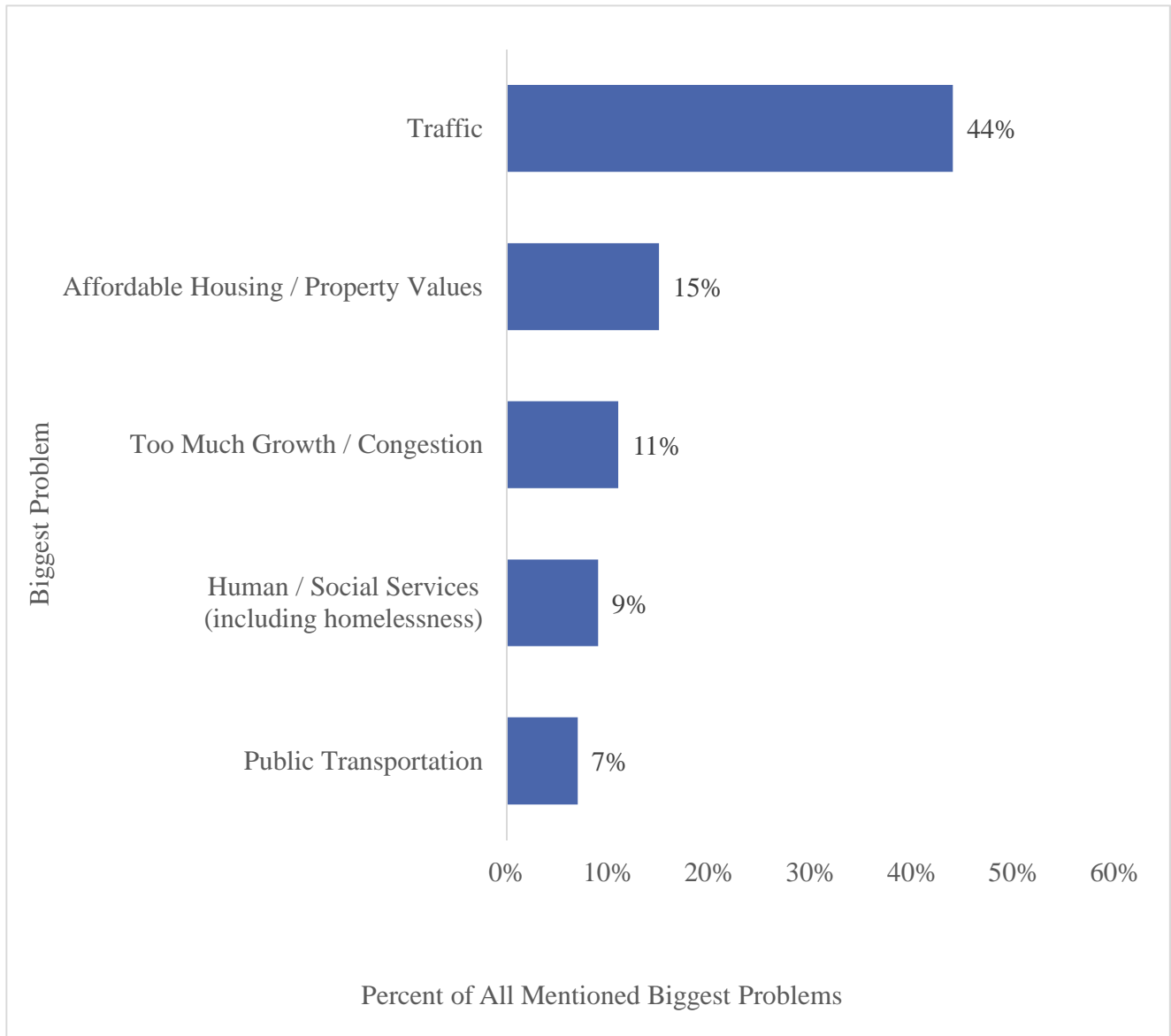
- Improved Mobility has increased since 2010 and continues to be the top priority.
- Safe Community remains high.
- Healthy and Sustainable Environment has increased in importance over the past several survey cycles and remains the third highest rated attribute.
- Economic Growth and Competitiveness increased in 2018.



Budget and Business Survey Highlights

Biggest Problem Facing Bellevue

Top-Five Mentioned Biggest Problems Facing Bellevue





Budget and Business Survey Highlights

Taxes and Funding of City Services

Beginning in 2016, respondents were asked: *“Considering all City services on the one hand and taxes on the other, which of the following statements comes closest to your view?”*

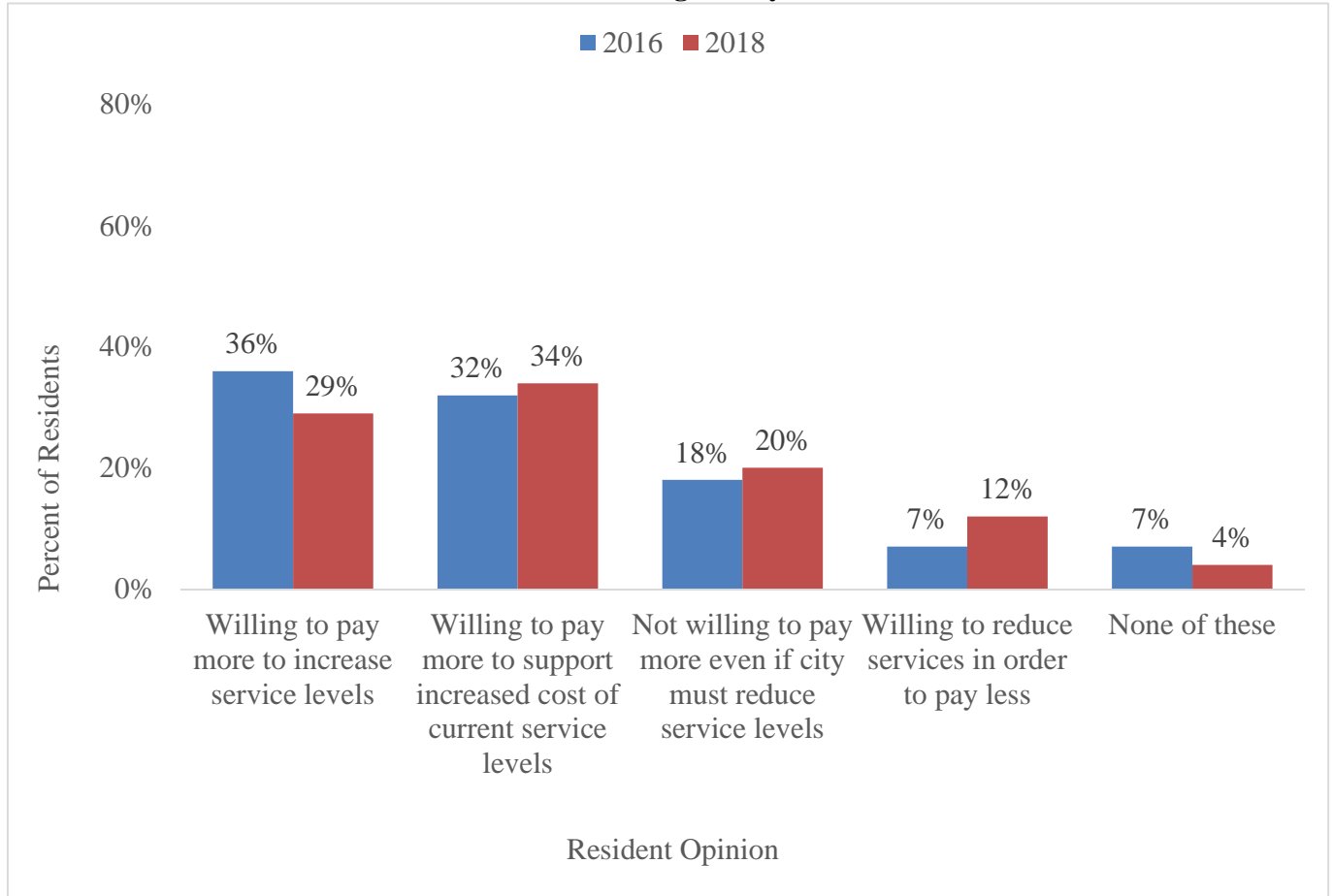
1. I am willing to pay more in taxes only if it will result in an increase in the level of services.
2. I am willing to pay more in taxes if it is necessary to support the increased costs of providing the current levels of service.
3. I am willing to have the City reduce the level of services currently provided if it means my property taxes would be lower.
4. I am not willing to pay more taxes than I currently do even if it means the City must reduce services due to increased cost of providing the current levels of services.

The chart on the following page displays the 2016 and 2018 results for the above question.

- Most residents (63 percent) are willing to pay more in taxes: 29 percent of residents are willing to pay more to increase service levels, while 34 percent of residents are willing to pay more to support the increased cost of current service levels.

Budget and Business Survey Highlights

Taxes and Funding of City Services

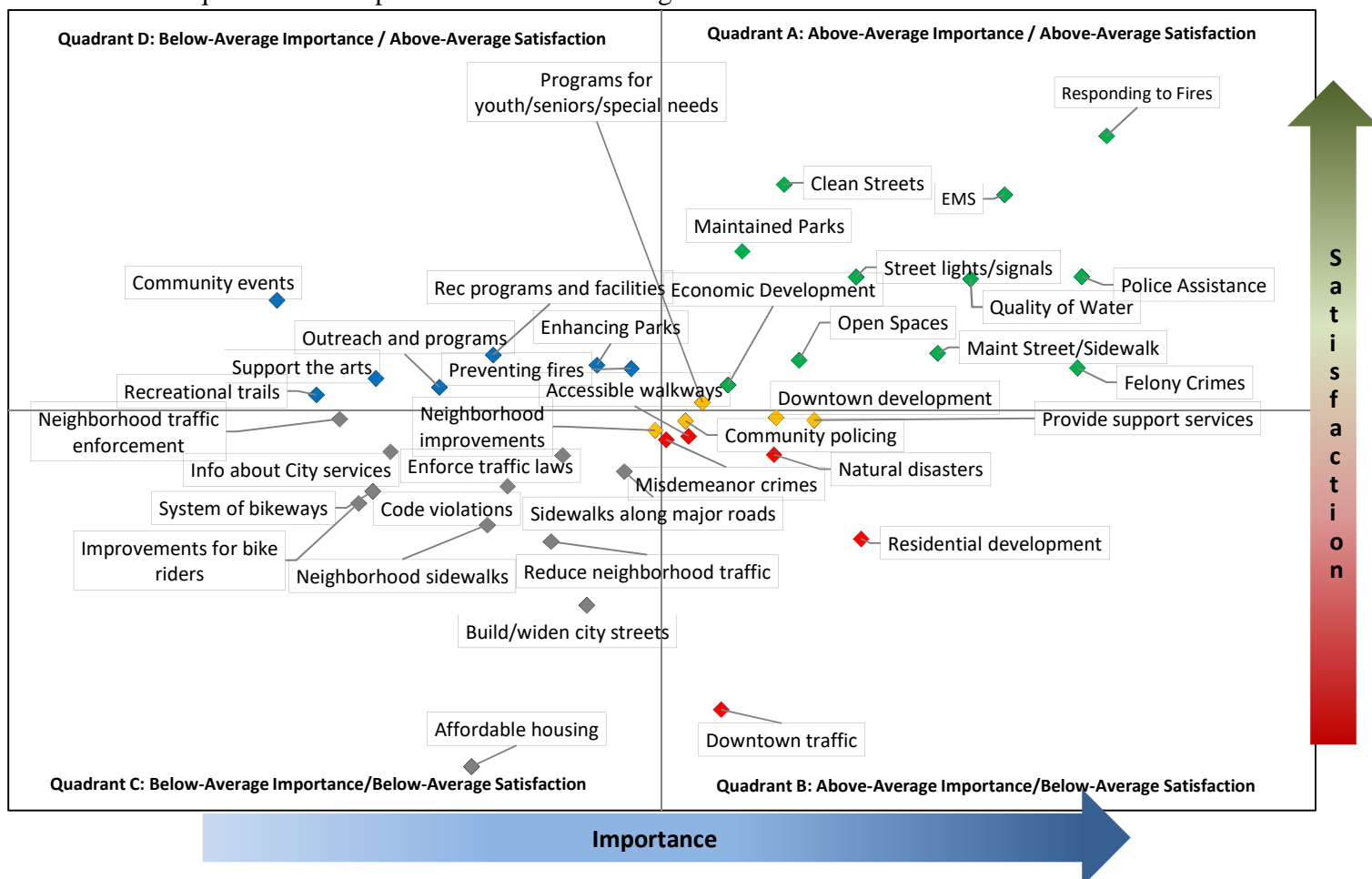


Budget and Business Survey Highlights

Quadrant Analysis

A Quadrant Analysis was done to identify how best to allocate resources across City service areas, based on what is most important to residents and their relative satisfaction with City services. Overall, most services have similar ratings to previous surveys.

- Services in Quadrant A are above average in both importance and satisfaction. They are Bellevue's greatest strengths.
- Quadrant B contains services that residents perceive are above-average in importance and below average in satisfaction.
- Quadrant C contains services for which current perceptions of service importance and satisfaction are below average.
- Quadrant D contains those elements of service for which current perceptions of service are above average but less important to community members. Like Quadrant A, this quadrant also represents Bellevue's strengths.

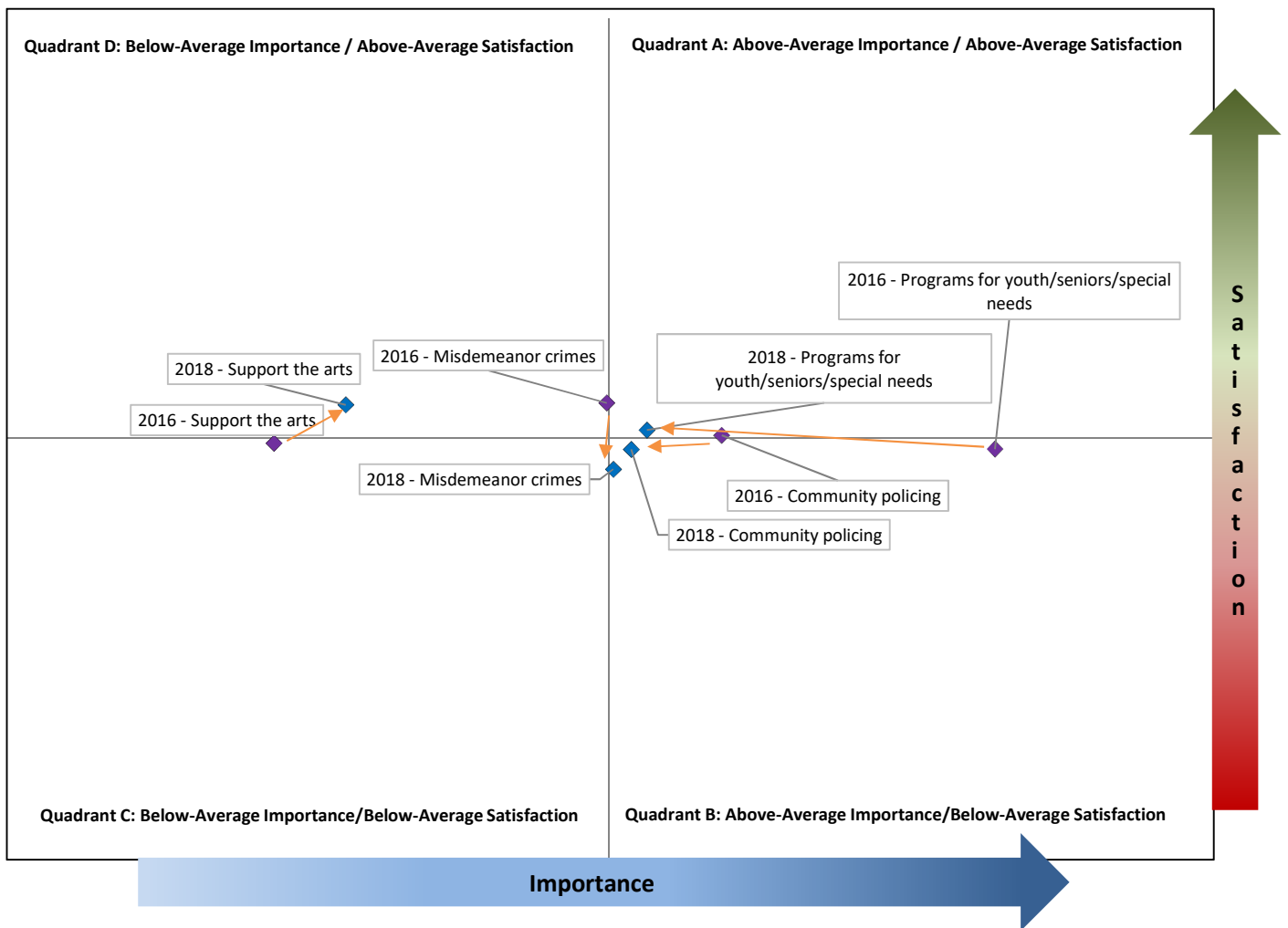


Key: ◆ = Strengths—maintain resources; ◆ = Potential weaknesses—allocate resources; ◆ = Areas to monitor; ◆ = Secondary weaknesses—allocate resources if available; ◆ = Strengths—monitor key findings

Budget and Business Survey Highlights

Quadrant Analysis: Key Changes from 2016 to 2018

The analysis below shows the movement from 2016 to 2018 relating to shifts in importance/satisfaction. The data points below show movement from one quadrant to another.





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2017 Business Survey Highlights

The Business Survey was presented to Council on October 9, 2017. The following highlights are a repeat from that date.

Sample Size and Margin of Error (*Repeat of October 2017 Council Update*)

A total of 994 interviews were completed for this survey, as shown below. The margin of error for the 2017 survey was no greater than plus or minus 3.0 percentage points at a 95 percent confidence level.

	Completed Surveys				In Sample Universe		% of Businesses Interviewed	Margin of Error at 95% confidence
	Phone	Web	Total		Total			
Business Services	61	233	294	30%	3,559	26%	8%	5.5%
Information Technology	7	78	85	9%	1,071	8%	8%	10.2%
Retail	30	85	115	12%	1,553	12%	7%	8.8%
Tourism	7	41	48	5%	872	6%	6%	13.8%
Other	93	359	452	45%	6,436	48%	7%	4.4%
Total	198	796	994	100%	11,443	100%	7%	3.0%



Budget and Business Survey Highlights

2017 Business Survey Topline Results (Repeat of October 2017 Council Update)

- 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.
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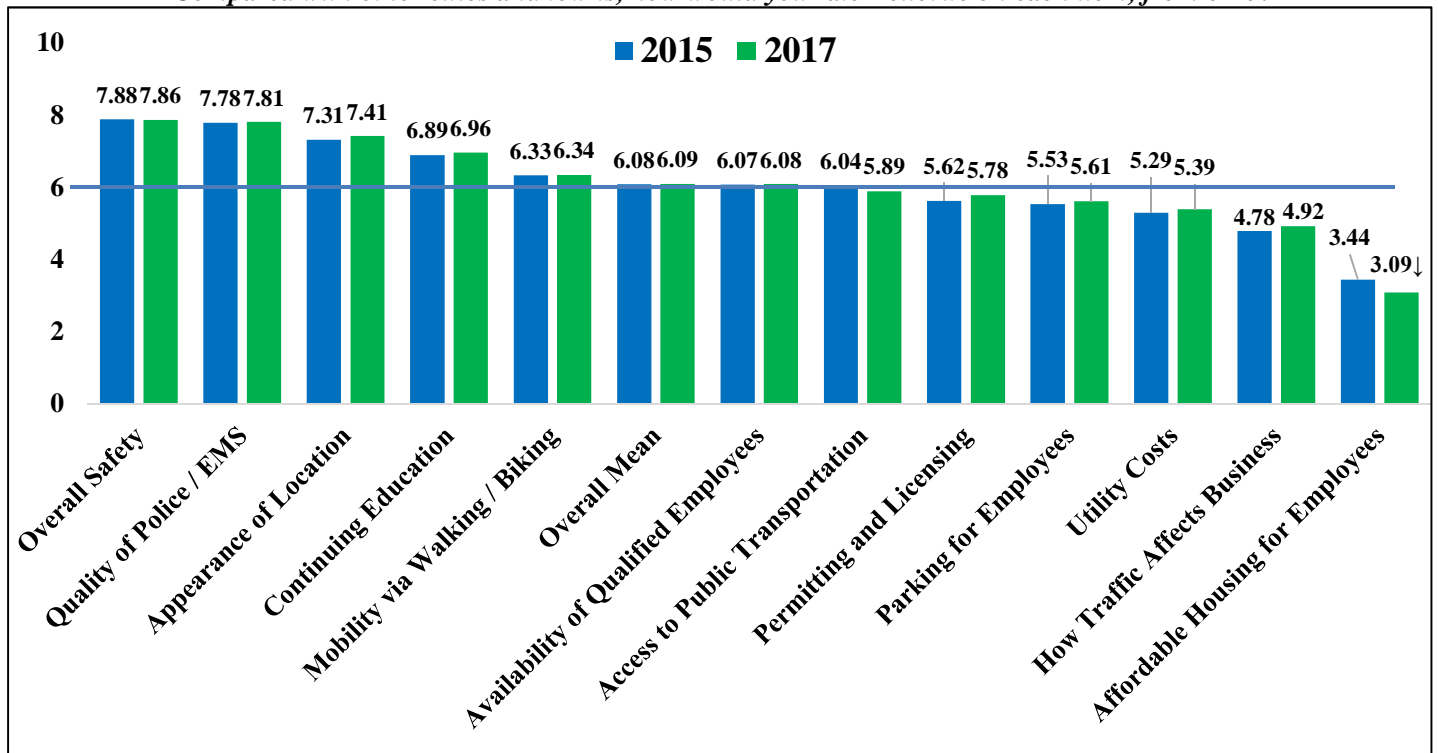
Budget and Business Survey Highlights

Key Attributes for Running a Business (Repeat of October 2017 Council Update)

Businesses were asked to compare Bellevue to other cities and towns, based on 12 key attributes. Businesses answered on an 11-point scale, from “0” (significantly worse than other cities and towns) to “10” (significantly better than other cities and towns.)

All areas except affordable housing are the same as in 2015.

“Compared with other cities and towns, how would you rate Bellevue on each item, from 0-10?”



The blue line represents the “overall mean”. In essence, those above the blue line are performing above average and those below the blue line are performing below average.

While Bellevue performs quite well in most regards, key areas of concern are these:

- Affordable housing for employees
- How traffic affects businesses
- Utility costs

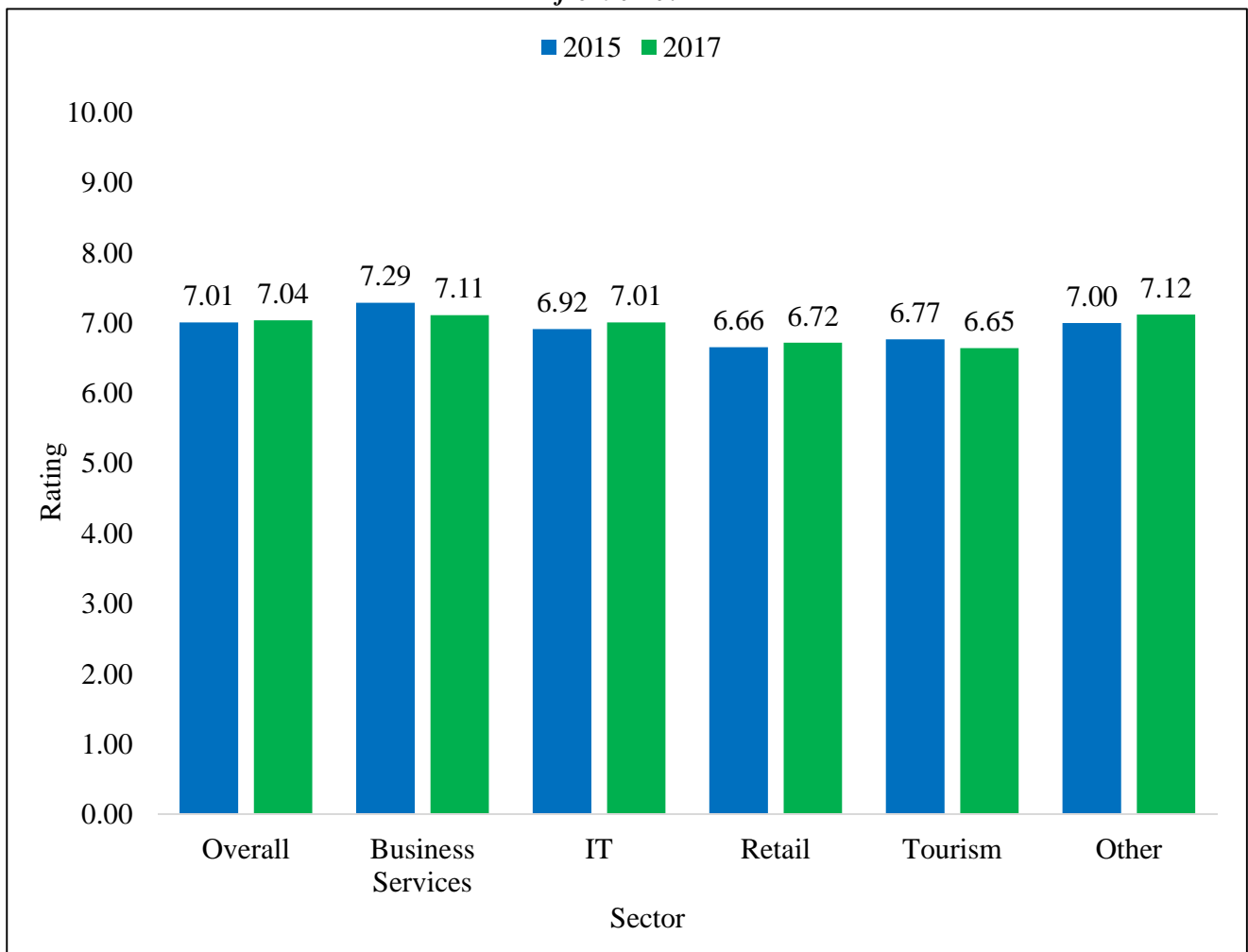
Housing for employees is the only area with a significant change and that has decreased from 2015.

Budget and Business Survey Highlights

Bellevue as a Place to Operate a Business (Repeat of October 2017 Council Update)

Businesses were asked their perception of Bellevue as a place to operate compared to other cities, on an 11-point scale from “0” (significantly worse than other cities and towns) to “10” (significantly better than other cities and towns.) The graph below shows results by sector.

“Compared with other cities and towns, how would you rate Bellevue as a place to operate a business, from 0-10?”



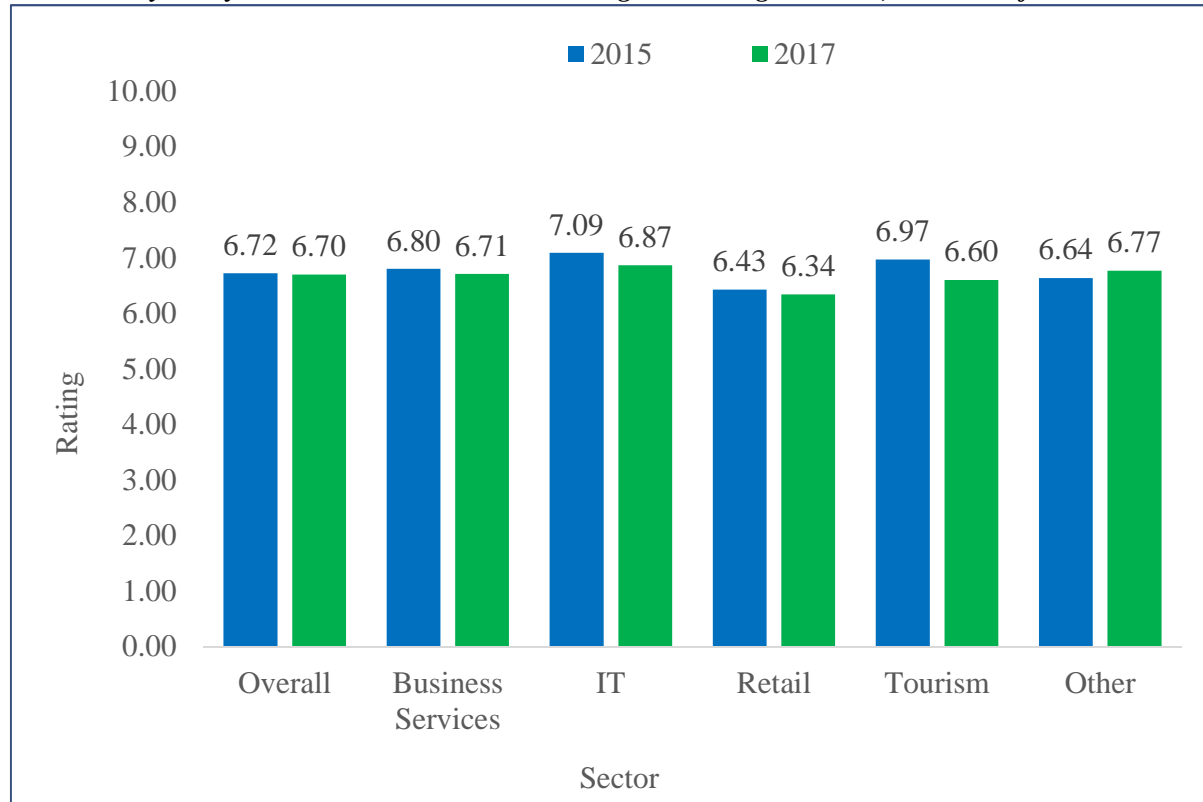
- Three-quarters of businesses feel Bellevue is a “somewhat” or “significantly” better place to operate a business compared to other cities—same as 2015.
- Results are consistent across sectors.
- Small businesses (5 or fewer employees) are less likely than larger businesses to feel this way (72 percent vs. 79 percent respectively).

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Direction Bellevue is Headed (Repeat of October 2017 Council Update)

Business were asked if they believe Bellevue is headed in the right or wrong direction. They responded on an 11-point scale, where “0” means “Strongly headed in the wrong direction” and “10” means “Strongly headed in the right direction.” The graph below shows results by sector.

“Would you say that Bellevue is headed in the right or wrong direction, on a scale from 0-10?”



Businesses were also asked reasons for their opinion.

596 businesses thought Bellevue is moving in the right direction due to:

- Continued economic growth
- Business friendly climate
- Forward thinking leadership
- City management

112 business thought Bellevue is *not* moving in the right direction due to:

- Unmanaged growth
- Traffic
- Cost/expense
- Regulations