



Bellevue Business Survey

February 16, 2016



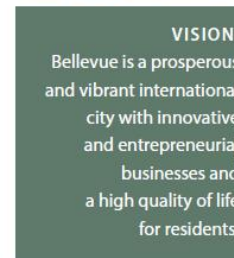
Presenters:

- James Henderson, Economic Development Director
- Nathan Wiggin, Northwest Research Group

Overview

- **Joint initiative of the Finance Department and the Office of Economic Development**
- **Purpose:**
 - 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 issues to address to improve Bellevue's business climate to support key industry sectors and employment centers.
 - Develop recommendations and implement initiatives to support Bellevue's businesses.

COUNCIL ADOPTED PLAN: JULY 7, 2014



Methodology

Background:

- ❑ Northwest Research Group was contracted to conduct the survey.
- ❑ A list of 11,443 businesses located within the City limits was developed for outreach.
- ❑ Survey Method: E-mail, mail and phone. 13 minutes (phone); 20 minutes (web).

Analysis:

- ❑ Sectors: Business Services, Information Technology, Retail, Tourism, and Other.
- ❑ *Major Employment Center*: SR 520/Bel-Red, Crossroads, Downtown, Eastgate/Factoria, 116th/Bellefield, and Outside the MEC.
- ❑ *Age of Business*: Founded prior to 1980, Founded in the 1980's, Founded in the 1990's, Founded in the 2000's, Founded in 2010 or later.
- ❑ *Size of Business*: 1 to 5 employees, 6 to 49 employees, 50+ employees.

Sample Size & Margin of Error

Sample Size:

- A total of 917 interviews were completed:
 - 770 online and 147 via telephone
 - Aggregate margin of error no greater than plus or minus 3.1% 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	26	221	247	27%	3,047	27%	8%	6.0%
Information Technology	26	58	84	9%	857	7%	10%	10.2%
Retail	47	80	127	14%	1,311	11%	10%	8.3%
Tourism	29	36	65	7%	689	6%	9%	11.6%
Other	19	375	394	43%	5,539	48%	7%	4.8%
Total	147	764	917	100%	11,443	100%	8%	3.1%

Top-Line Results

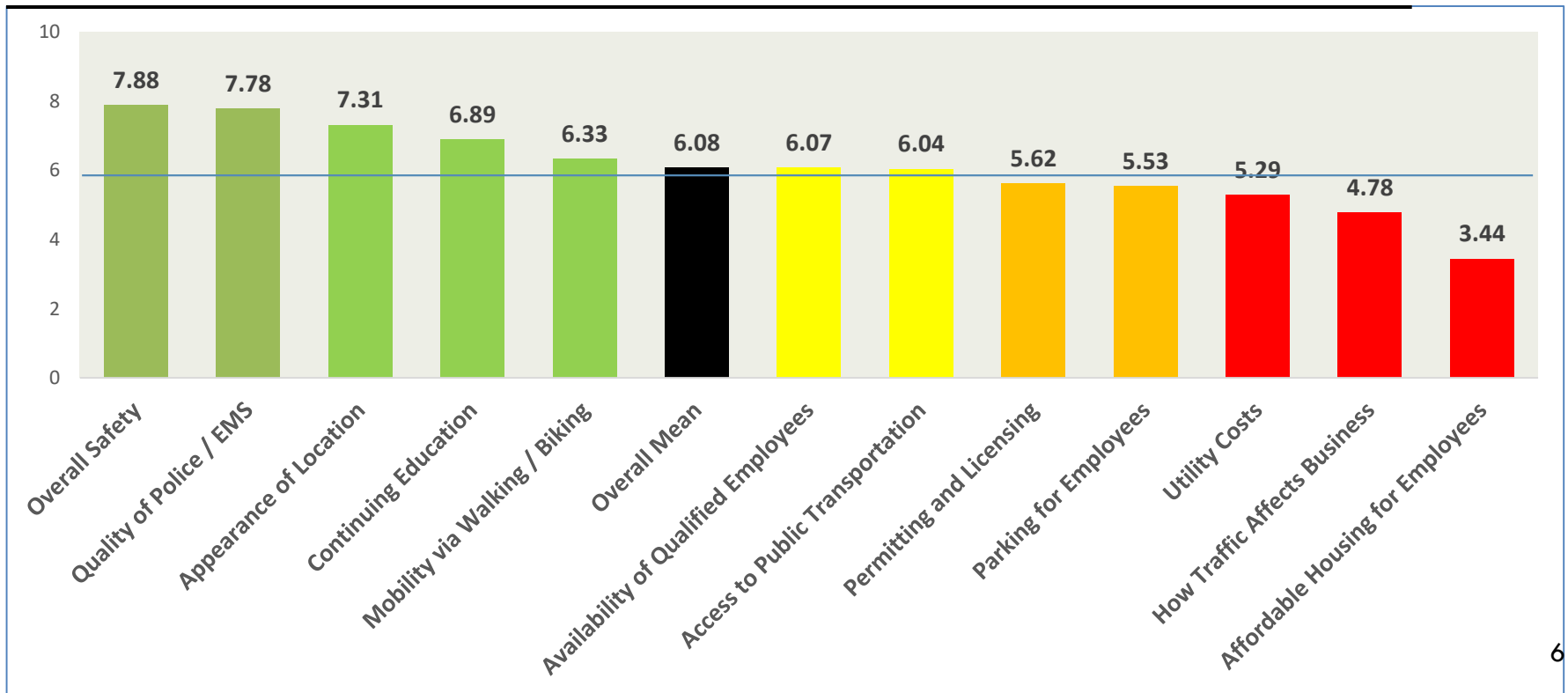
Bellevue receives high ratings for all of its key metrics:

- ❑ 7 out of 10 businesses feel that Bellevue is a “somewhat” or “significantly” better place to operate a business when compared to other cities.
- ❑ 2/3 of businesses in Bellevue feel that the quality of services provided to businesses by the City “exceeds” or “greatly exceeds” their expectations.
- ❑ 69% feel that the city is moving in the right direction
- ❑ 60% feel that they are getting their money’s worth for the tax dollar paid
- ❑ Issues: traffic, parking, and lack of affordable housing
- ❑ 57% are likely to recommend starting a business in Bellevue
- ❑ 92% feel Bellevue’s economy is better than other cities in the Puget Sound Region

City-Wide Results

Summary:

- ❑ Businesses used an 11 point scale. “0” (significantly worse) and “10” (significantly better) than other cities and towns.
- ❑ Findings align with BRE visit feedback.



City-Wide Results

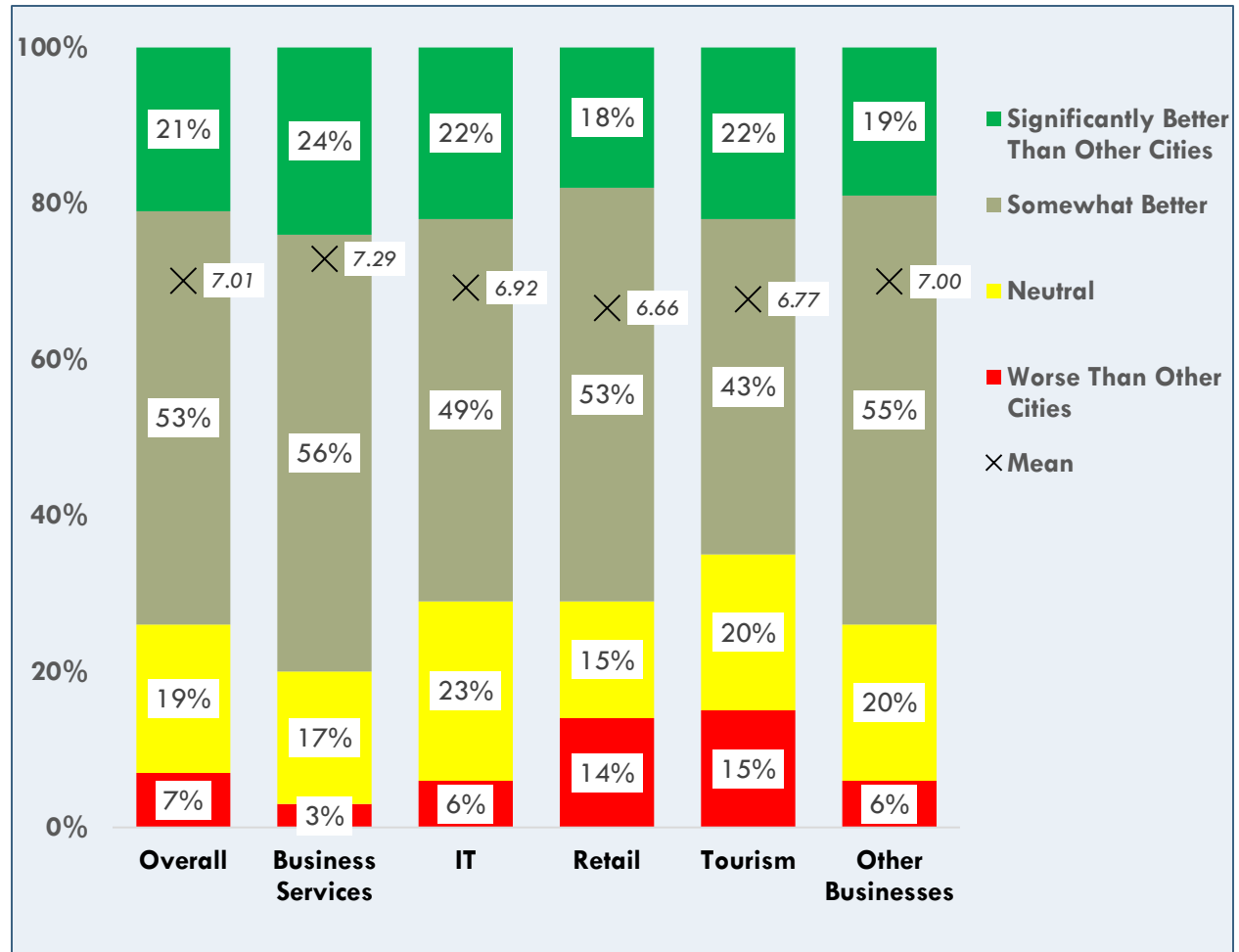
Business Health:

- ❑ 80% of businesses are “somewhat” or “very” strong.
- ❑ 62% expect business to improve over the next three to five years.
- ❑ Majority do not anticipate increasing capital expenditures in 1-3 years.
- ❑ Majority of competitors are located regionally—Bellevue or Puget Sound.
- ❑ 21% suppliers located in Bellevue; 27% in Puget Sound; 33% nationally.
- ❑ 1/3 of companies anticipate hiring new employees in 2016.
- ❑ 41% had difficulty finding trained and/or qualified staff.
- ❑ 2/3 satisfied with the services they receive from their Bellevue business taxes.
 - Nearly all would like to file their Bellevue business taxes electronically.
- ❑ 17% offer an incentive to employees for alternative transportation.
- ❑ 19% used an advisor to help with small business development.
- ❑ 90% have broadband internet access; 58% believe it is adequate.

Responses by Sector

Bellevue as a place to operate a business:

- 7 out of 10 businesses feel Bellevue is a “somewhat” or “significantly” better place to operate a business compared to other cities.
- 10% of mid-sized businesses (6 to 49 employees) state that Bellevue is worse than other cities as a place to operate a business.
 - 5% for small businesses (1 to 5 employees).
- 12% of businesses who opened in the 1980's state that Bellevue is worse than other cities.
 - 5% for businesses who opened in the 1990's
 - 7% who opened in the 2000's and 2010 or later.



Top Issues by Sector

Overall	Business Services	Information Technology	Retail	Tourism	Other
Traffic	Traffic	Traffic	Traffic	Traffic	Traffic
Taxes	Parking	Taxes	Taxes	Taxes	Taxes
Parking/ Affordability	Transportation	Affordability	Parking	Small business support/ Labor	Affordability

Business Quote Excerpts:

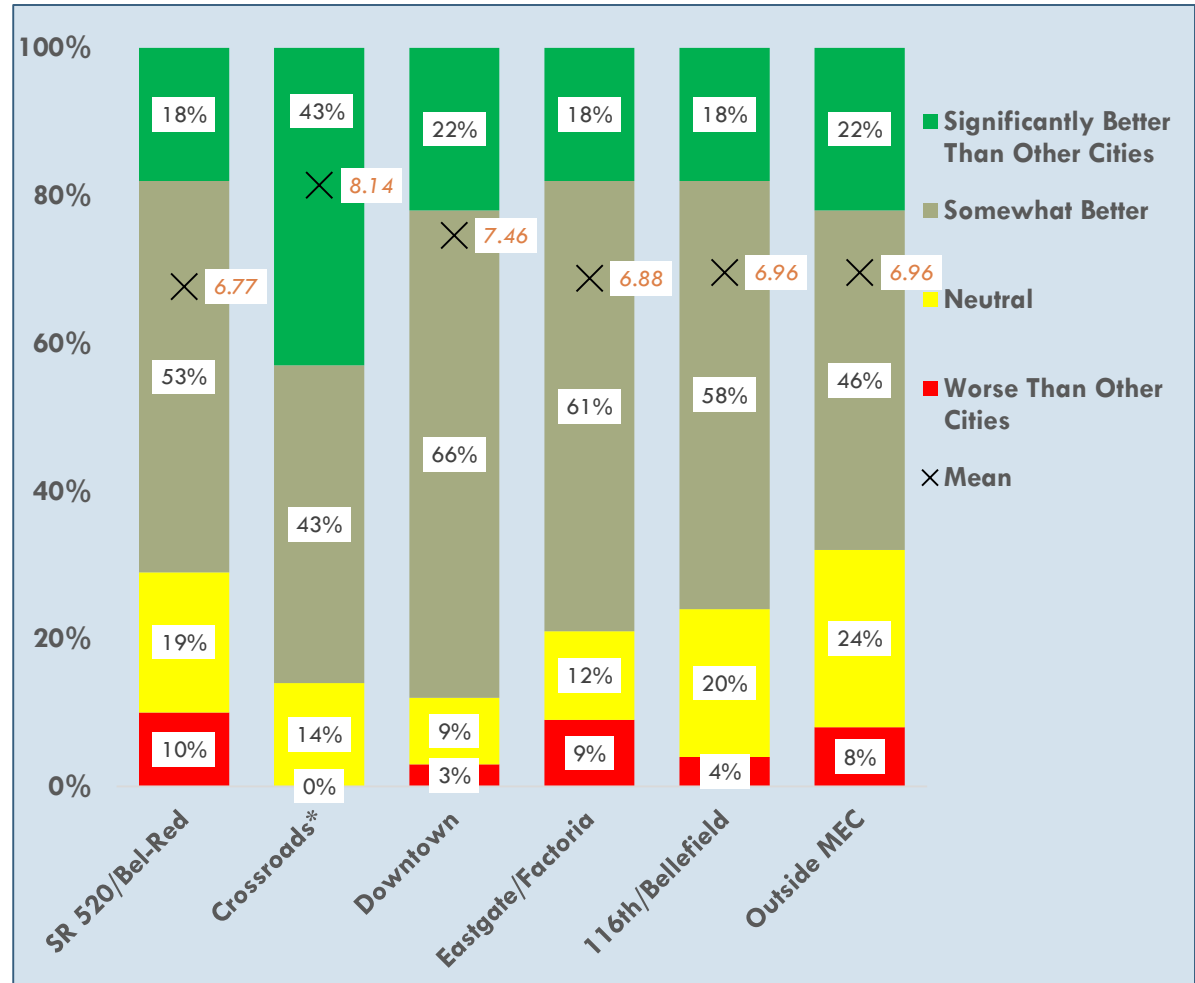
- *Traffic congestion. This keeps employees & customers from getting to their destination.*
- *...I am trying to find a new employee, but at their pay scale, they can't afford to live in Bellevue, so they commute in from more affordable areas...*
- *When we were located in the city of X, the tax reporting was much easier and less expensive.*

Responses by Employment Center

Bellevue as a place to operate a business:

Businesses located in Crossroads and Downtown Bellevue provide significantly higher ratings than businesses located elsewhere.

- Of the 2,246 businesses located downtown, 166 responded.
- 14 of 222 responding businesses are in the Crossroads Employment Center.



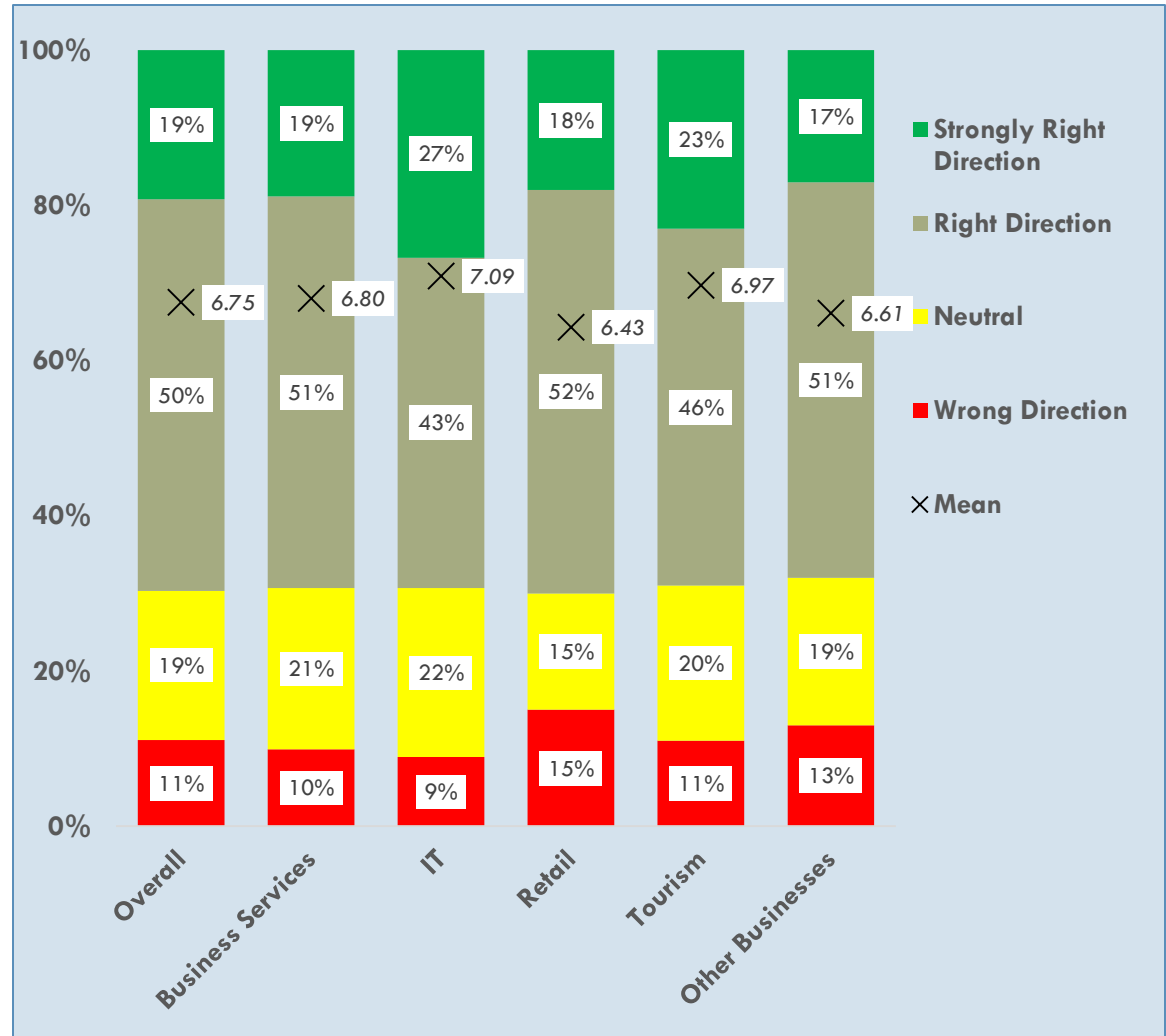
Direction Bellevue is Headed

☐ Bellevue is moving in the right direction due to:

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

☐ Bellevue is *not* moving in the right direction due to:

- Traffic
- Unmanaged growth
- Taxes
- Cost/expense



Current Initiatives

- ✓ Strategies being developed for business outreach to address Eastlink Construction impacts.
- ✓ Development Services process review.
- ✓ Affordable Housing study and analysis.
- ✓ Destination Marketing Plan.
- ✓ OED partnership with the BDA and Bellevue Chamber to increase outreach to local business about employee transportation options.
- ✓ Electronic business tax filing (FileLocal) pilot program complete. Full implementation will begin this year.
- ✓ Business Retention & Expansion program and outreach to local businesses underway.
- ✓ Marketing and promotion of the Small Business Development Center.



Proposed Strategies

- ✓ Develop and undertake a holistic, cross/departmental strategy to address workforce mobility.
- ✓ Continue the development of the Startup 425 Entrepreneur Center to promote business startups and entrepreneurship.
- ✓ Develop and annual business license renewal program to collect key data about Bellevue's business climate.

