

DATE: November 4, 2019

TO: Mayor Chelminiak and City Councilmembers

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SUBJECT: 2019 Business Survey Results

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The 2019 Business Survey findings reflect Bellevue's strong economic position and the region's growth challenges:

- 91 percent of business feel Bellevue's economy is better than other Puget Sound cities.
- 80 percent of businesses continue to state their business is "somewhat" or "very" strong.
- Businesses feel Bellevue is headed in the right direction due to a business-friendly economy and growth/development.
- As in prior years, key issues continue to be regional growth issues: traffic/transportation, affordability, and access to talent/qualified employees.
- The 2019 Business Survey will help to inform the work on the 2020 Economic Development Plan Update.

The 2019 Bellevue Business Survey represents the third comprehensive biennial survey of Citywide businesses conducted by the City of Bellevue. The survey has been conducted every two years since 2015 and is designed to support Bellevue's Business Retention & Expansion (BRE) work, help staff better understand the needs of local businesses, and enable the City to deliver high-quality services to the business community. Survey results will be used in part to guide the Economic Development Plan, and guide policy discussions around economic development, infrastructure, and services to support long-term economic growth.

The survey addresses Bellevue's key economic success metrics, attitudes about operating and owning a business in Bellevue, starting a business in Bellevue, questions relating to taxation, and general questions about safety, transportation and other areas affecting businesses.

The purpose of the Business Survey is to:

- Understand the benefits and challenges of doing business in Bellevue,

- Identify and develop recommendations to improve Bellevue's business climate to support key industry sectors and employment centers, and
- Measure the business climate over time.

### Methodology

The 2019 Business Survey was conducted between June 5 and July 15 and resulted in a total of 1,025 interviews—388 completed over the telephone and 637 completed via the Web. The number of surveys completed has increased each year as the City has improved its outreach to local businesses.

The consultant reached out to the 15,894 companies in Bellevue based on business license registration data and information from the Economic Development Program. The consultant categorized firms into one of six sectors based on the firms' self-identified North American Industry Classification System code (NAICS). Those categories are: Business Services, Information Technology, Retail, Tourism, Creative Industries (new in 2019), and Other.

The report provides analysis and comparisons of the results for the following groups:

- **Business Sector:** Business Services, Information Technology, Retail, Tourism, Creative Industries (new in 2019), and Other Businesses
- **Major Employment Center (MEC):** SR 520/Bel-Red, Crossroads, Downtown, Eastgate/Factoria, 116<sup>th</sup>/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:** One person, two to five employees, six to 49 employees, 50 employees or more

### 2019 Key Findings

Bellevue receives high ratings for all its key metrics, as outlined below. These high ratings have been consistent from the first survey in 2015 through this year. These key metrics provide an overall picture of the health of the City from the perspective of businesses located in Bellevue.

QUESTION	RESULTS		
	2015	2017	2019
<b>Bellevue as a place to operate a business -</b> better/significantly better than other cities and towns	74%	74%	77%
<b>Quality of Services Provided to Businesses-</b> somewhat/greatly exceeds expectations	66%	68%	72%

<b>Value of Services for Tax Dollar Paid</b> – good value/excellent value for city tax dollar	Question Text Not the Same	59%	61%
<b>Likelihood of Recommending Doing Business in Bellevue</b> - likely/extremely likely	57%	60%	58%
<b>Perceptions of Bellevue's Economy</b> – better/significantly better than other Puget Sound cities and towns	92%	90%	91%
<b>Direction City is Headed</b> - right direction	69%	69%	69%

## Conclusion

Bellevue has a supportive, business-friendly climate that allows companies to compete effectively locally, nationally and internationally. Employers are highly satisfied with City services and very positive about doing business here.

<b>MOST COMMON REASONS GIVEN FOR DIRECTION CITY IS HEADED</b>	
<b><i>Why Right Direction</i></b>	<b><i>Why Wrong Direction</i></b>
Business Friendly/Economy	Traffic
Growth/Development	Unfriendly to small/local business
Clean/Environment/Quality of Life	Cost /Expensive

Key issues, such as traffic, affordability, and attracting talent and qualified employees are similar to those confronting many growing, economically strong communities across the U.S. Staff will continue to work on approved projects and continue to evaluate new solutions that help ensure Bellevue and the region remain economically competitive for the long-term. Additionally, the findings of the 2019 Business Survey will help to inform the 2020 Economic Development Plan.

The full 2019 Business Survey report will be available on the City's website on November 8 at <https://bellevuewa.gov/city-government/departments/finance/budget-and-performance/performance-reports/business-survey>.