

CITY COUNCIL STUDY SESSION

Economic Development Fourth Quarter Update, October – December 2019, and 2019 year-end update

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DIRECTION NEEDED FROM COUNCIL**INFORMATION
ONLY**

Tonight's Study Session will provide Council with an update of the City's economic development activities for Q4 of 2019 and a year-end recap.

RECOMMENDATION

N/A

BACKGROUND & ANALYSIS

This Council item is a routine update on the progress of implementing the Economic Development Plan (the Plan) adopted by the Council in July 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.

Under the Plan, "Direct Strategies" are highly targeted activities that have the most immediate effect on businesses' satisfaction and job count. 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).

The Plan also recommends "Foundational Strategies" that span multiple functional areas of the City and have positive benefits for the City's general vitality and quality of place. They are carried out by multiple departments as part of their individual work plans. These actions are critical to creating a physical and regulatory environment that attracts talent and investment.

Each year, the Economic Development staff develops an Action Plan that summarizes the specific tasks, roles, resource requirements and partnerships needed that year to continue delivering on the Plan's recommendations. The 2019 Economic Development Action Plan is attached with up to date performance metrics. The Economic Development staff provide Council with an update on the Action Plan and performance metrics at regular intervals.

The following update primarily highlights work on the Direct Strategies undertaken by economic development staff. Updates are laid out by functional program.

In 2020 an update to the Economic Development Plan will be completed and an updated action plan with applicable metrics will be proposed through that process.

2019 continued to see success in business recruitment through the Greater Seattle Partners and Innovation Triangle partnerships; continued business retention and expansion efforts; small business and entrepreneurship support through Startup 425 and the Small Business Advisor; and partnerships specifically with the Port of Seattle and a 5G Innovation Zone designated by the State of Washington. The City also conducted significant outreach and engagement for the update to the Economic Development Plan.

Business Recruitment: Attract new companies to Bellevue that align with our economic development strategy, competitive industries, and complement local businesses.

- Leads and Prospects: In Q4 the City of Bellevue hosted a Greater Seattle Partners sponsored delegation from Nagoya, Japan and, through the Innovation Triangle Partnership and with the lead of OneRedmond, welcomed a delegation from India of 22 CEOs looking to expand to U.S. operation.

2019 Invest in Bellevue Performance Metrics	2019					
	Yr Goal	Actual	Q1	Q2	Q3	Q4
Number of new company leads	15	51	1	24	4	22
Number of new company prospects	10	11	0	10	1	0
Number of companies that open their first office in Bellevue (target & non-target industries)	4	2	1	1	0	0
Number of jobs created in Bellevue (target & non-target industries)	200	155	150	5	0	0
Foreign Direct Investment (FDI) prospects	10	8	0	7	1	0
FDI locations (expansions and mergers/acquisitions: target & non-target sectors)	2	1	0	1	0	0
FDI job creation (target & non-target sectors)	50	5	0	5	0	0
Number of trade & investment missions	2	3	0	1	0	2

Business Retention & Expansion (BRE): Build supportive relationships with existing businesses and provide technical assistance that facilitates their continued presence and growth in Bellevue.

- Large Employer Support: Staff continued to work with internal and external partners to support the previously announced growth of T-Mobile, Facebook, Amazon, REI, and other large employers.
- Job Growth: The majority of growth from existing employers came from Auth0, T-Mobile and Facebook.
- Through the work to update the Economic Development Plan, over 150 business community stakeholders were contacted and invited to participate through interviews and focus groups around the topics of small business, retail, creative economy and capacity building.

2019 Grow in Bellevue Performance Metrics	2019					
	Yr Goal	Actual	Q1	Q2	Q3	Q4
Number of company visits	5	28	2	14	2	10
Number of major employer visits	5	7	0	2	3	2
Number of focus groups	4	5	1	0	0	4
Number of visits with SWMBE-owned firms	5	10	3	2	0	5
Number of visits with creative businesses	5	5	1	1	1	2
Number of technical assistance cases resolved	15	12	4	8	0	0
Number of companies retained/expanded	2	4	2	0	1	1
Number of jobs created and retained	50	3,500	1,000	0	1,000	1,500

Small Business and Entrepreneurship: Enhance the small business and startup ecosystem in Bellevue to facilitate the growth of small business through educational programs.

- Startup 425 Foundations Series: This series provides introductory information to members of the community who are interested in starting a business for the first time. A full complement of workshops ran this spring, including six in Bellevue with an abbreviated series held in the fall. For 2019 there were over 1,200 registrants in total with 369 in Bellevue.
- Startup 425 Strategic Plan: As the Managing Partner, Kirkland convened the first-ever advisory committee for Startup 425. The group has met periodically this year to advise the partner communities as they worked to develop a strategic plan for the partnership. The group includes small business owners, entrepreneurs, investors, business mentors, and nonprofit partners from across the Eastside, including representatives of Bellevue-based companies, like Ripl, a small local tech startup. The strategic plan lays out enhancements to the program over the next five years including enriching and expanding the curriculum, expansion and enrichment of the mentor pool, ecosystem building and expanded resource linking, as well as events that connect the community such as job fairs and hackathons.
- NewTech Eastside Sponsorship: To assist in fostering the Eastside startup community, the City of Bellevue sponsors NewTech Northwest's Eastside chapter. These events bring the tech and startup community together to network, share, collaborate and welcome new members to the community. The sponsorship allows us to connect with the community and promote various resources like the Startup 425 program offerings.
- Small Business Development Center: Bellevue partners with OneRedmond to fund an advisor through the Washington Small Business Development Center (SBDC). The advisor provides free mentoring and advising services for existing businesses that are growing or seeking to improve their existing operations. Since being hired in the spring our advisor Parteek Singh assisted over 39 businesses.

2019 Made in Bellevue Performance Metrics	2019					
	Goal	Actual	Q1	Q2	Q3	Q4
Number of new business receiving assistance from SBDC	16	39	0	5	21	13
Number of businesses in Global Passport programs	On Hold	-	-	-	-	-
Number of registrants in Foundations series (Bellevue-only)	180	369	75	223	N/A	71
Number of registrants in Foundations series (all locations)	800	1,284	261	695	N/A	328
Percentage of Foundations registrants that identify as persons of color	50%	50%	48%	51%	N/A	51%
Percentage of Foundations registrants that identify as female	50%	66%	68%	54%	N/A	68%

Partnerships: Build supportive, mutually beneficial relationships with regional partners, local private firms, and non-profit organizations that support delivery of world class service to Bellevue's businesses, residents, and entrepreneurs.

- Port of Seattle grant: For 2019, the City was awarded an Economic Development Partnership grant from the Port of Seattle for \$65,000. The regional economic development grant program supports cities across King County in pursuit of the Port's Century Agenda for tourism growth, sustainability, economic opportunity, and small business. The Port has announced the continuation of the Grant Program for 2020 and economic development staff has submitted a proposal for continued investment in the Grand Connection including Bellwether and the Innovation Triangle partnership.
 - Grand Connection: In support of the Destination Development Plan and the Grand Connection Framework Plan, the Port funded a pilot program along the Grand Connection in downtown Bellevue. The project was developed in partnership with the Bellevue Downtown Association (BDA) and aimed at improving staff and community understanding of the partnerships and frameworks needed to take the Grand Connection vision from concept to reality. Over the summer, the partners cataloged ownership and responsibility along the route, installed temporary lanterns and public seating, and began to develop the understanding needed for the larger project. Staff presented a report on these efforts in December and is currently working with the BDA on the 2020 activation plan.
 - Bellwether 2019: The Port funded marketing for Bellwether 2019, the Arts Program's major multidisciplinary 10-day arts festival in September. In part, the program aims to activate the Grand Connection and downtown streets, increase visitors, encourage more people to stay downtown after work, and increase sales at local restaurants, bars, and shops. Over 60 artists and curators contributed, and 18 events were held throughout the festival.
 - Innovation Triangle: The Port funded additional marketing work and funded our annual business development mission to SelectUSA to meet with international companies interested in opening in the Puget Sound region.

- Innovation Partnership Zone for 5G Technologies: The Innovation Partner Zone (IPZ) is a program and designation created by the Washington State Department of Commerce meant to bring businesses, research institutions and entrepreneurs in specific industries together to spur innovation and invention. Earlier this year, the City began discussions with a group of local businesses to apply for an IPZ designation focused on 5G telecommunications technology to establish Bellevue and the region as leaders in 5G.

The partners, including T-Mobile, the University of Washington, 5G Open Innovation Lab, and the City of Bellevue, filed an application with the State in August 2019 and received approval on October 1, 2019. The partners will now work on building a detailed business plan to encourage the growth of the 5G sector by connecting 5G startups with investors and technology labs to test their products. The partners at 5G Open Innovation Lab and T-Mobile will take the lead on identifying startups for accelerator programming.

POLICY & FISCAL IMPACTS

N/A

OPTIONS

N/A

ATTACHMENTS & AVAILABLE DOCUMENTS

A. ED Action Plan 2019 Performance Metrics

AVAILABLE IN COUNCIL LIBRARY

Economic Development Plan (adopted 2014)