Cultural & Economic Development

Quarterly Update

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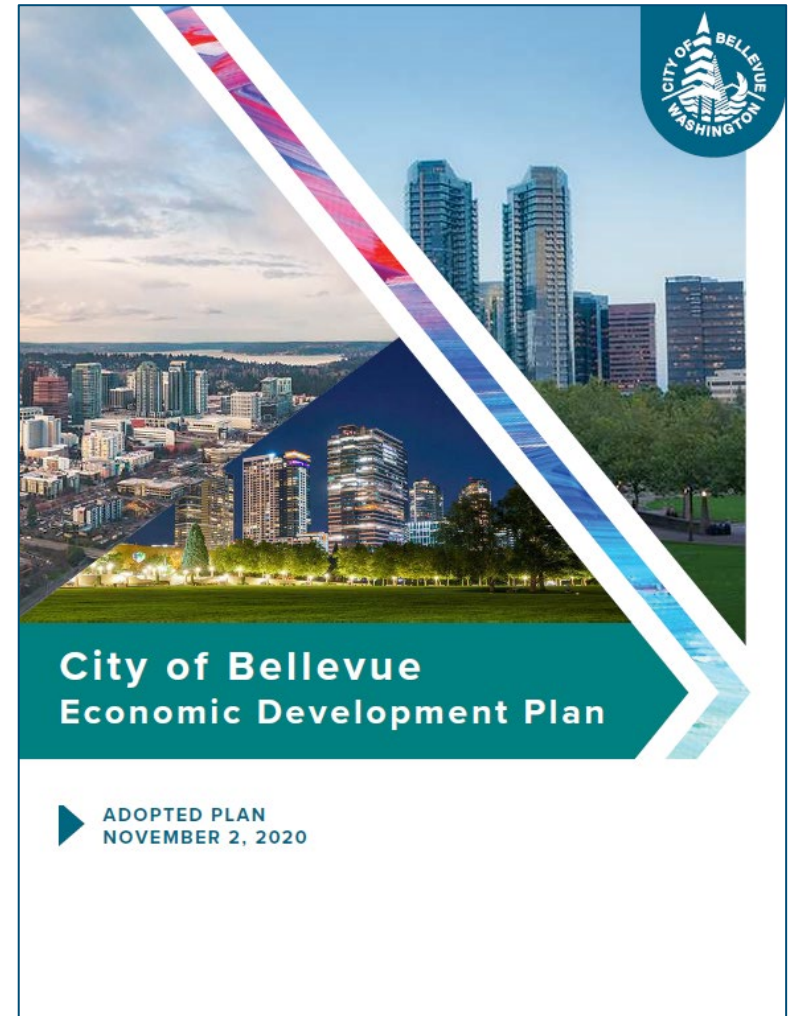**Community Development**

09/07/2021

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Information Only

- Tonight's presentation is a report on ongoing operations and programming.

- No direction is requested.

City of Bellevue
Economic Development Plan

ADOPTED PLAN
NOVEMBER 2, 2020

Agenda

1. Economic Recovery
2. Planning for Growth
3. Power of Partnerships
4. What's Next?

Recovery Trends

- Bellevue's Q2 recovery is tracking positively.

KPI	Current	Previous Period	Pre-Pandemic	Trending
Unemployment	4.3%	4.3%	2.2%	Stable
Commercial Real Estate Vacancy	9.62%	9.00%	4.96%	Stable with Q3 optimism
Hotel Occupancy	60.7%	33.4%	73.4%	Positive
Small Business Establishments	7,021	6,978	7,287	Positive

Aligned and Accelerated Recovery

Bellevue is working with partners across the region for strategic and coordinated equitable economic recovery.

- **Regional Partners for Prosperity Plan**

	Initiative	Initiative	Initiative
1 Job Creation and Business Growth	Minority Business Accelerator	Equity Loan Fund for Scale-Up Firms	Business Attraction for Emerging Industry Clusters
2 Talent Development	Shared Supportive Services for Earn and Learn Programs	Expand Pre-Apprenticeship Training	
3 Business Practices	Corporate Racial Equity Coalitions	Apprenticeship Development for Mid-Sized Firms	Evidence Based Hiring Academy
4 Access to Opportunity	Job Hubs	Childcare Expansion	

Small Business Rent Relief

- Pandemic impacts on commercial leases were concentrated in certain sectors.

- 3/4 of small business respondents found it difficult or very difficult to afford their commercial rent

- Certain sectors will benefit from relief or low interest loan programs.

- Rent Relief Grant Program opening in September.

Tech Industry Growth

- Recent startup funding and acquisition activity
- Engineering outposts continue to choose Bellevue
- Future jobs are clustering around transit

Facebook grows in Bellevue's Spring District
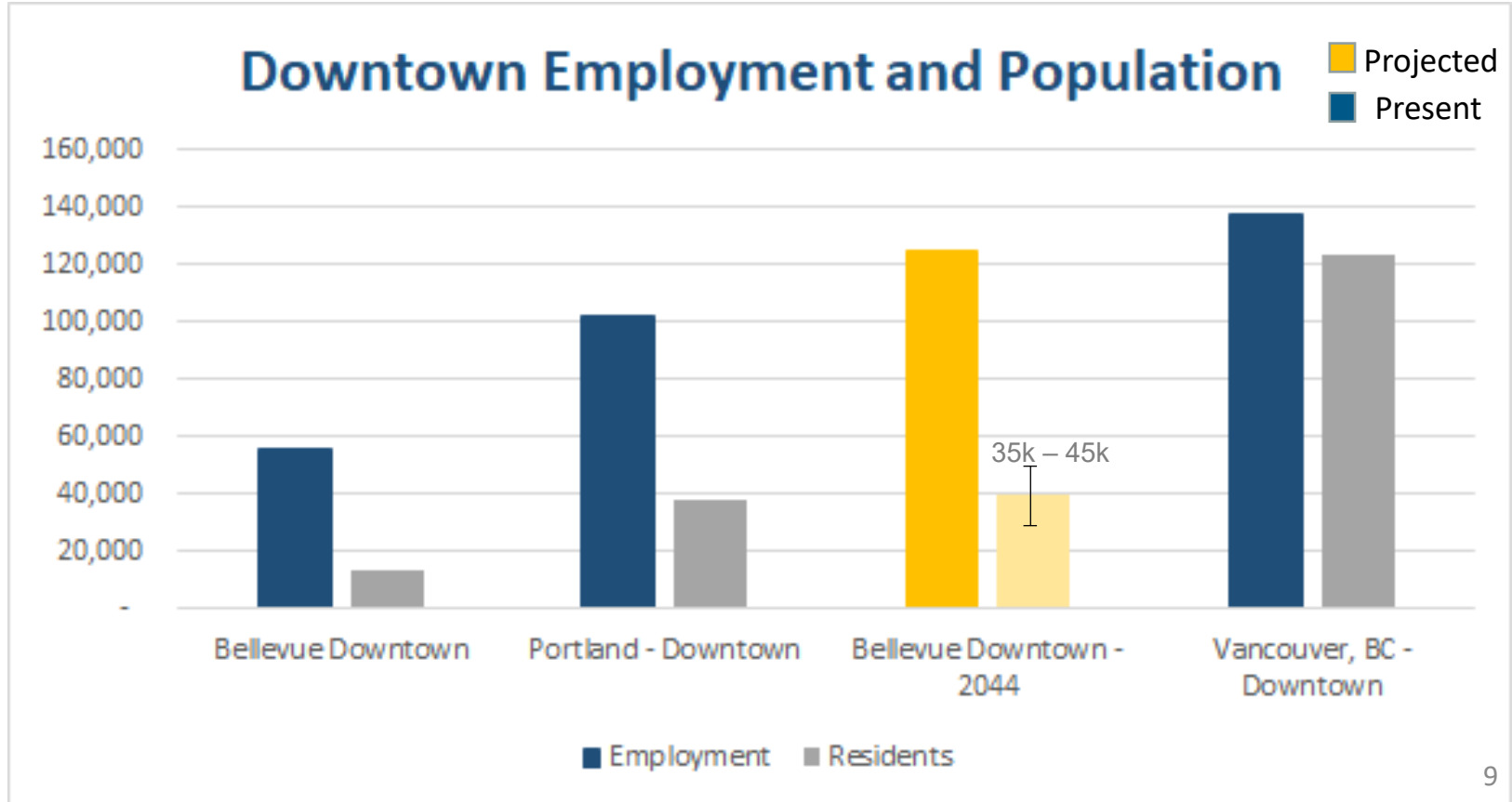
Tech Innovation Hub

- 5G Innovation Partnership Zone is a successful privately-led partnership

- Over 30 corporate partners | 47 global companies in Lab ecosystem

- Applying for State Innovation Cluster Accelerator Program

- New physical space will be in the Spring District

Job Projections

- All things constant, city-wide employment could reach approximately 230,000 by 2044
- Chart compares future Bellevue to current-day peers

Downtown Employment and Population

Legend: Projected, Present

| | Bellevue Downtown | Portland - Downtown | Bellevue Downtown - 2044 | Vancouver, BC - Downtown |

35k – 45k

Employment ■ Residents

Commercial Transactions

Property	Estimated Development Cost	Sales Price
Center 425	$216M	$313M
REI Building	$242M	$390M
Spring District - Block 16	$208M	$365M
Summit III	$232M	N/A*
GIX Building	$60M	$85M

*Summit III's high quality tenant and proximity to transit likely lead to a high market valuation and a rental rate of $60 / Sqft. +

THE EASTSIDE MARKET WILL BE A
SAFE HAVEN FOR INVESTORS

The second quarter of 2021 built off continued momentum from the first quarter. The Eastside's consistent performance throughout the pandemic and quick rise in 2021 has investors circling the market more than ever before. While there were several large transactions in Q2, we expect Q3 of 2021 to be even stronger. Projects such as Eastgate Office Park, Boeing's Eastgate Campus, Lincoln Plaza, and Bellevue Terrace are all expected to close at some point in the third quarter. As tenant activity continues to increase, we expect investors to become even more confident in their underwriting and bullish on the Eastside market. Second quarter highlights include:

- **Brookfield Properties** added to their Spring District portfolio with the acquisition of two additional buildings. The first was **Block** 24, a new construction 198,712 SF building that is 100% leased

Block 24 at the Spring District

CORPORATE CAMPUS EAST

Tourism Promotion Area

VISIT
BELLEVUE
WASHINGTON

- State program enables hotels to add a special assessment on room nights to support tourism activity

- Concept supported in Destination Development Plan to support event incubation and promotion

- Visit Bellevue leading work with consultant; early feedback from hotels indicates support

- Council action will be required for establishment.

What's Next?

1. Bellwether Art Festival
2. Al Fresco Dining concludes
3. Business Grants Launch
4. Business Survey Report
5. BDA Strategic Plan
6. Tourism Promotion Area
7. Workforce Navigation Program

bellwetherart.org

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