

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

January 4, 2016
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Stokes, Deputy Mayor Chelminiak, and Councilmembers Lee, Robertson, Robinson, Slatter, and Wallace

ABSENT: None.

1. Executive Session

The meeting was called to order at 6:05 p.m., with Temporary Chair Stokes presiding. There was no Executive Session.

2. Study Session

(a) Election of the Mayor and Deputy Mayor

Chair Stokes recalled that he was selected in December to serve as Temporary Chair during this meeting to conduct the election of the Mayor who will serve for the next two years. The Mayor is selected by Councilmembers and serves as the Council's presiding officer, represents the City in a number of forums, and performs a number of ceremonial roles. After the Mayor is elected, he or she will take the gavel and preside over the election of the Deputy Mayor.

Mr. Stokes said the election method is characterized by voting on all nominees simultaneously using written ballots rather than a voice vote. The results of the written ballots will be recorded by the City Clerk, who will provide a Teller's Report to the Chair. The individual votes will be read aloud, and the ballot process will be repeated until a nominee achieves a majority vote.

Chair Stokes opened the floor to nominations, noting that Councilmembers are allowed to nominate themselves and to vote for themselves if nominated.

Councilmember Slatter nominated Councilmember Stokes to serve as Mayor.
Councilmember Lee nominated Councilmember Wallace to serve as Mayor.

Councilmembers cast their ballots and forwarded them to staff.

Acting City Clerk Kyle Stannert tabulated the written ballots and passed the Teller's Report to Chair Stokes, who read the votes as follows:

Councilmember Chelminiak voted for Councilmember Stokes.
Councilmember Lee voted for Councilmember Wallace.
Councilmember Robertson voted for Councilmember Wallace.
Councilmember Robinson voted for Councilmember Stokes
Councilmember Slatter voted for Councilmember Stokes.
Councilmember Stokes voted for Councilmember Stokes.
Councilmember Wallace voted for Councilmember Wallace.

Councilmember Stokes said he was honored to be elected as Mayor, and opened the floor for nominations for Deputy Mayor.

Councilmember Robinson nominated Councilmember Chelminiak to serve as Deputy Mayor.
Councilmember Wallace nominated Councilmember Robertson to serve as Deputy Mayor.

Councilmembers cast their ballots. Acting City Clerk Kyle Stannert tabulated the written ballots and passed the Teller's Report to Chair Stokes, who read the votes as follows:

Councilmember Chelminiak voted for Councilmember Chelminiak.
Councilmember Lee voted for Councilmember Robertson.
Councilmember Robertson voted for Councilmember Robertson.
Councilmember Robinson voted for Councilmember Chelminiak.
Councilmember Slatter voted for Councilmember Chelminiak.
Councilmember Stokes voted for Councilmember Chelminiak.
Councilmember Wallace voted for Councilmember Robertson.

Mayor Stokes declared that Mr. Chelminiak was elected to serve as Deputy Mayor.

Mr. Stokes said he looked forward to serving as Mayor.

Mr. Chelminiak thanked Councilmember Wallace for his leadership as Deputy Mayor and for his expertise in a number of areas including the multifamily tax exemption (MFTE), light rail, and the budget.

Councilmember Wallace said he enjoyed serving as Deputy Mayor, especially alongside Mayor Balducci. He said Councilmembers have proven their ability to work together and reach agreement despite differences of opinion and experience. He welcomed Ms. Slatter to the Council and congratulated the new Mayor and Deputy Mayor.

Councilmember Lee congratulated Mr. Stokes and Mr. Chelminiak and said he looks forward to continuing to work together. He welcomed Ms. Slatter to the Council.

Councilmember Slatter thanked the Council for welcoming her and said she looks forward to working with the community and her fellow Councilmembers.

(b) October-December 2015 Quarterly Update on Economic Development Activities

City Manager Brad Miyake opened staff's quarterly update on economic development activities.

James Henderson, Economic Development Director, said the update would cover key activities from October through December 2015, as well as a summary of the year's accomplishments. He recalled that the Council adopted the Economic Development Plan in July 2014. The plan includes broad foundational strategies and more specific direct strategies. The Office of Economic Development was established in early 2015. The three main program areas are business attraction, business retention and expansion, and NextGeneration Bellevue.

Mr. Henderson said the Office of Economic Development met or exceeded many of the 2015 action plan performance metrics. Within the area of business attraction, the City helped to facilitate six company locations or expansions which created 686 jobs and more than \$40 million in investment in the community. Staff developed 25 active prospects and will continue to work with those and other companies interested in locating in Bellevue.

In the area of business retention and expansion, Mr. Henderson said four local businesses were retained or expanded, which created or retained 150 jobs. Staff conducted 27 company visits, including nine major employers, and provided 37 types of technical assistance.

Jesse Canedo, Economic Development Manager, reported that ImpactHub Bellevue has more than 140 members, who created 70 new companies during 2015. He said staff is considering renaming the NextGeneration Bellevue initiative. Staff continues to work with eight technology companies interested in bringing offices to Bellevue. The Small Business Development Center advisor hired in August has taken on six full-time, Bellevue-based clients and has met with a number of other local and regional businesses as well. Mr. Canedo recalled that the SBDC advisor is primarily shared with the City of Redmond. Staff's work plan includes enhanced marketing of SBDC services in 2016.

Mr. Henderson said major accomplishments of the fourth quarter included launching the new economic development web site, producing an economic development video in English and Mandarin, and participating in the Global Innovation Exchange (GIX) Summit in Shanghai.

Mr. Henderson said staff plans to produce three additional videos in 2016 to focus on Bellevue's overall business environment, startup community, and interactive media industry. He said Bellevue partnered with Davis Wright Tremaine during the GIX Summit to provide a series of briefings to Chinese businesses and entrepreneurs about the local and regional economic climate and site location factors. Mr. Henderson said he met former Governor Christine Gregoire, who then visited City Hall to discuss economic development and opportunities in Bellevue. He noted that she is now President and CEO of Challenge Seattle.

Mr. Canedo said ongoing initiatives from 2015 include developing a tourism master plan, conducting a business survey, and economic development branding/marketing material development. The request for proposals (RFPs) for developing the tourism master plan was issued in November and the City continues to receive responses. A steering committee and review panel will help evaluate the proposals. The goal is to complete the project by the third quarter.

Mr. Canedo said the business survey involving eight percent of Bellevue businesses is nearly complete. Businesses indicated Bellevue's strengths including a safe community, City services, and the City's forward-thinking leadership and ability to be flexible. Businesses expressed concerns about traffic, transportation needs, and the need for affordable housing for employees. Mr. Canedo said that information technology and Downtown businesses indicated the highest satisfaction levels with Bellevue.

Mr. Canedo said the marketing and branding work involves developing economic development-specific material to serve immediate needs and, later in the year, undertaking a broader community branding effort involving City staff, Bellevue Downtown Association, Bellevue Chamber of Commerce, and local business representatives.

Mr. Henderson highlighted accomplishments in the three program areas: business attraction, business retention and expansion, and NextGeneration Bellevue. Six companies, including four international companies, relocated to Bellevue creating 686 jobs. He said Salesforce will locate to the 929 Building and will add 498 jobs by the end of 2016. The company's total workforce could grow to more than 1,000 employees in Bellevue in the future. He said the City helped to retain or expand four companies in Bellevue in 2015, compared to the targeted five companies. However, 150 jobs were created compared to the goal of 50.

Technical assistance was provided to 37 companies, including Sunset Glass, iSpot.tv, and ENVELOP^{VR}, compared to the targeted 10. Mr. Henderson credited the role of the economic development action team, involving City departments and business partners, in the success of the business expansion program. Large employers retained or expanded included The Boeing Company, Foushée, and tactuum. Businesses reported satisfaction with Downtown amenities, a strong and stable workforce, a safe community, and the high-quality schools and education system. Businesses indicated the need for more parking, additional commuting options, and affordable housing.

Mr. Canedo highlighted performance metrics for NextGeneration Bellevue. Final figures are not yet available from ImpactHub. However, the program grew to 11,000 square feet in Lincoln Center and held a grand opening of its event space on November 10. Lincoln Center is slated to be demolished for the East Link light rail project, and ImpactHub anticipates moving to another location by the end of 2016. ImpactHub companies indicated an interest in more multi-modal transportation options, bridge space (between incubator and full market operations), and more local businesses and amenities.

Mr. Henderson said regional collaboration is a top priority, and regional partners include the Washington Technology Industry Association, Global Cities Initiative, the Global Innovation Exchange (GIX), Bellevue Downtown Association, Bellevue Chamber of Commerce, Visit Bellevue Washington, the Economic Development Council of Seattle-King County and others. Mr. Canedo noted that the BDA has become more involved with the City's commute trip reduction program.

Mr. Henderson said the City will enter into a performance-based contract with the Economic Development Council this year to leverage the resources of the City and the EDC, and to become more effective in working together on business attraction, retention, and expansion. The GIX will travel to China in mid-January. The City will be working with the University of Washington to develop marketing materials focused on attracting Chinese companies to Bellevue.

Mr. Canedo said additional 2016 activities include Geekwire Startup Day, the Startup 425 Entrepreneur Center, and the Startup 425 Global Bootcamp. Mr. Henderson said City staff will attend the SelectUSA Summit in Washington, D.C.

Mayor Stokes commended staff on their work and accomplishments.

Councilmember Robinson thanked staff for the presentation. She encouraged staff to continue to focus on assisting with affordable, short-term office space for startup companies. She questioned the status of equity crowdfunding. She suggested that staff include in its accomplishments the InnovateHer event at Bellevue College in which she and Councilmember Slatter participated. She expressed appreciation for the City's role in that event.

Mr. Henderson said 2015 was the first time the InnovateHer event was held in Bellevue. It has traditionally been held in Seattle.

Councilmember Lee said he is impressed with what has been accomplished in a short time. He acknowledged the challenge of providing adequate office space. He is pleased with the Council's and staff's work to fund the Office of Economic Development and looks forward to continued success.

Mr. Lee asked staff to involve the Council in renaming NextGeneration Bellevue. With regard to business attraction, Mr. Lee suggested that this should include soliciting feedback and input from businesses as well as utilizing the City Council's leadership to make connections and to provide input on marketing and branding efforts. He expressed an interest in participating in meetings with key regional individuals, including Christine Gregoire.

Councilmember Slatter thanked staff for the comprehensive update. She looks forward to further details on the business survey. She questioned whether the results will be itemized by types of businesses and how staff will use the information and input.

Mr. Henderson said a briefing on the business survey is anticipated in February, and the consulting group will be involved in the presentation to Council.

Ms. Slatter said she is interested in business retention and regional collaboration, the challenges identified by staff, and how the Council could facilitate staff's efforts.

Responding to Councilmember Slatter, Mr. Henderson said the purpose of the GIX Summit was primarily to introduce Bellevue and the University of Washington to Chinese companies. He observed that many companies and brokers were receptive to Bellevue. Overall, they seemed to be pleasantly surprised about the companies in Bellevue and to appreciate hearing about the quality of life in Bellevue. Mr. Henderson said the Seattle Chamber of Commerce will travel to China in May. He noted the importance of regional collaboration including working with One Redmond, the City of Kirkland, the Economic Development Council, and the Trade Development Alliance.

Mayor Stokes concurred that regional collaboration is very important in the overall success of economic development and vitality. He observed that working together will provide the greatest benefit to individual cities and businesses. He noted the important role of Visit Bellevue Washington and promoting tourism as well.

At 7:15 p.m., Mayor Stokes declared recess to a break before the 8:00 Regular Session.

Kyle Stannert
Acting City Clerk

/kaw