

City of Bellevue - Budget One 2013-2014 Operating Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Implementation of Electrical Reliability Recommendations

Outcome: Economic Growth and Competitiveness

Primary Department: City Manager

List Parent/Dependent Proposals: N/A

Previous Proposal Number(s): N/A

Proposal Number: 040.10NA

Proposal Type: New Service

Proposal Status: Recommended

Attachments: Yes

Primary Staff Contact: Sheida Sahandy

Version Tracking: N/A

Section 2: Executive Summary

The City expects highly reliable electrical service from Puget Sound Energy ("PSE"), its electrical service provider. Electrical reliability is critical to meet economic, public safety, and public health objectives, as well community expectations regarding convenience and quality of life. Bellevue's knowledge and technology-based economy requires reliable electric service to meet current and future demand. Electrical reliability is measured using two indicators: frequency of outages ("SAIFI") and the duration of outages ("SAIDI"). The Washington Utilities and Trade Commission ("WUTC") sets standards and regulates performance with respect to these measures. A consultant study confirmed that Bellevue measurements of SAIDI and SAIFI have met WUTC standards for the last five years. The consultants did, however, provide recommended actions if the city desires to proactively advance Council's Electrical Reliability Interest statement. This proposal requests enough new resource to create a centralized position to focus on electrical reliability, immediately implement the top two priorities in the recommendations, and to manage the gradual implementation of the remainder of the recommendations.

Section 3: Requested Resources

Fund: 00100

Project Number: N/A

OPERATING

Expenditures		2013	2014
Personnel	\$	65,393	67,725
Other		15,000	15,000
Capital		0	0
	\$	80,393	82,725

Supporting Revenue		2013	2014
	\$	0	0

Rev-Exp Balance \$ -80,393 -82,725

FTE/LTE		2013	2014
FTE		0.00	0.00
LTE		0.56	0.56
Total Count		0.56	0.56

Please briefly describe:

A. "Other" Expenditures: Funds requested to allow for consultancy support, community outreach and printing of publications

B. "Capital" Expenditures: NA

C. Supporting Revenue: NA

D. Dedicated Revenue: NA

E. FTE/LTE: .56 new FTE

Section 4: Budget Proposal Description

In 2011, Council commissioned an Electrical Reliability Study (the "ERS") in order to receive an objective, expert, evaluation of the current state of the city's electrical reliability and the adequacy of

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plans for the future. Council's stated goals as they relate to Electrical Reliability are the following:

- Enhance the City's role as an informed stakeholder
- Ensure a highly reliable electric system is built and maintained
- Ensure the electric system keeps pace with future load growth
- Work collaboratively with PSE to site facilities ensuring sensitivity to neighborhood character
- Ensure fair and reasonable rates
- Improve PSE's transparency of operations

This study showed that Bellevue's reliability compares favorably to most but recommendations were provided in order to work towards meeting the Council goals stated above. The ERS report is available on the City Manager Office's Electrical Reliability SharePoint site. The consultants estimated that between 1.8 and 2.25 FTE would be required to implement all of their recommendations immediately. No resources have yet been allocated for implementation.

After internal conversations about the extent to which some of the work could be integrated into existing work plans, and a prioritization of the recommendations in collaboration with the consultants based on urgency, it was decided that .56 FTE would allow the two highest priority items to proceed (the annual reliability workshop and the annual planning workshop) and that the remainder of the recommendations could be addressed over time. This proposal could be scaled up to the full extent of the consultant recommendations in order to provide more rapid implementation of the recommendations and more in-depth treatment of the broader issues and goals.

The new staff resource would be responsible for:

- Implementing, and/or managing and coordinating the implementation of, the recommendations made in the ERS. Please see the attachment for a summary of all of the consultant recommendations – this proposal ensures that the annual planning meeting and the annual reliability meeting are implemented in the next budget cycle.
- Researching best practices, gathering and assimilating industry and organizational knowledge, tracking issues and departmental plans as they relate to electrical reliability, all with the goal of continuously and actively advancing Council's electrical reliability objectives.
- Serving as the single-point-of-contact regarding electrical reliability for PSE, residents, businesses and other stakeholders.
- Serving as an internal resource and consultant to inform city actions and decisions (such as permitting, land use decisions, long term planning efforts, capital projects, right of way projects, etc.), to ensure the city's desired electrical reliability objectives are integrated into those considerations.
- Working with Council and stakeholders to define specific reliability objectives for the city and to determine appropriate performance measures and targets to be used to measure progress towards the goals.

Section 5: Responsiveness to Request for Results

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

This proposal primarily supports the Community and Utility Infrastructure sub-factor of the Land, Infrastructure and Planning factor. It does this by building internal capacity for the City to assume an active role in ensuring that rapidly growing community needs are being adequately responded to by PSE. Additionally, developing and marketing exceptional infrastructure for meeting data delivery needs (as increasingly needed by hospitals, health care providers, software companies and people working from home, just to name a few), will increase the city's competitive advantage as a place to which knowledge workers and industries chose to locate. This supports the Bellevue Reputation sub-factor of the City Brand factor. Lastly, adequate and well-planned electrical reliability systems ensure that proper communication and speedy recovery of service occurs during and after emergencies such as storms and earthquakes. This directly supports the Public Safety sub-factor of the Quality of Community factor. Improving emergency management protocols, better

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integrating emergency management systems with PSE, and continuously working to ensure the existence of robust and redundant systems are all within the purview of what this position accomplishes. The failure to engage on these issues may compromise public safety if inadequate communication occurs during emergencies and if residents, hospitals and first responders have to operate without electricity for extended periods.

B. Citywide Purchasing Strategies and Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

This proposal is also responsive to the Safe Community outcome. Improved communications and coordination between the city's emergency operations center and the PSE emergency operations systems will result in improved emergency operations outcomes. This gap was identified in the recovery from the 2006 windstorm. Making improvements in this area supports the Emergency Management sub-factor of the Planning and Preparation factor in Safe Community.

Lastly, the electrical reliability effort has been supported by an engaged and devoted set of residents who are concerned about the reliability of the current system as well as the adequacy of planning to meet the city's future needs. Accordingly, as a resident-driven initiative, dedication of resource in this direction would support the Delivering Services the Customers Want sub-factor of the Responsive Government factors.

C. Partnerships and Collaboration proposed:

This work cannot be accomplished without close work with staff from multiple departments including Planning, Transportation, Development Services, Economic Development and IT. It is for this reason that the effort is being managed out of the City Manager's Office. Close continued work with PSE and the community stakeholders will also be critical.

D. Activities in this proposal that support the work of other proposals, or save costs that would otherwise have to be expended:

This proposal allows the city to be an informed and engaged participant in determining the city's electrical service future. Even though this proposal is not directly supporting other specific proposals failure, in the long term, to ensure electrical reliability could severely and negatively affect the economic viability and livability of the City.

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Section 1: Proposal Descriptors

Proposal Title: Bellevue Convention Center Authority (BCCA) Operations

Outcome: Economic Growth and Competitiveness

Primary Department: Finance

List Parent/Dependent Proposals: 060.10DA

Previous Proposal Number(s): 060.11PN

Proposal Number: 060.10PA

Proposal Type: Existing Service

Proposal Status: Recommended

Attachments: No

Primary Staff Contact: Carla Beauclair, x7671

Version Tracking: N/A

Section 2: Executive Summary

This proposal provides 100% of transient occupancy tax (approximately \$17 million in the 2013-2014 biennium) for the continuing support of and partnership with the Bellevue Convention Center Authority (BCCA) to promote tourism. BCCA fulfills its mission by supporting the operations of the Meydenbauer Convention Center. The BCCA and Meydenbauer Center operates as an economic engine to the community. Their activities bring people into the City which provides for increased transient occupancy tax (TOT), sales, and business and occupation (B&O) tax revenues. Additionally, they provide a facility for community events and performing arts while maintaining a nearly self-supporting status.

Section 3: Requested Resources

Fund: 00100

Project Number: N/A

OPERATING

Expenditures	2013	2014
Personnel	\$ 0	0
Other	8,165,000	8,726,000
Capital	0	0
	\$ 8,165,000	8,726,000

Supporting Revenue	2013	2014
	\$ 8,165,000	8,726,000

Rev-Exp Balance \$ 0 0

FTE/LTE	2013	2014
FTE	0.00	0.00
LTE	0.00	0.00
Total Count	0.00	0.00

Please briefly describe:

A. "Other" Expenditures: Transfers of TOT tax to debt service and the Convention Center.

B. "Capital" Expenditures: N/A

C. Supporting Revenue: Transient occupancy tax is generated through hotel/motel business and supports BCCA debt and operations.

D. Dedicated Revenue: N/A

E. FTE/LTE: N/A

Section 4: Budget Proposal Description

This proposal provides for continued support of the partnership with the Bellevue Convention Center Authority through the allocation of 100% of transient occupancy tax (TOT), approximately \$17 million in the 2013-2014 biennium, to promote tourism. BCCA fulfills its mission by supporting the operations of the Meydenbauer Convention Center.

The BCCA and Meydenbauer Center:

- provide an economic engine to the community to create jobs, tax revenues, and commercial activity;
- operate in a manner that continues its competitive position in the marketplace;

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- promotes Bellevue's "brand" through its marketing and communications activities;
- maximize local hotel room use to support the hotel industry; and
- provides a facility for community events and performing arts while maintaining a nearly self-supporting status.

The City's operating agreement with BCCA and Bellevue Ordinance #4092 provides 100% of transient occupancy tax in support of the Meydenbauer Center. RCW 35.21.730 provides revenue restriction specifics on the use of TOT revenues to tourism activities.

Scalability: All or some of these funds could be redirected to other tourism activities if the operating agreement is amended to reflect the change. The City would remain responsible for payment of BCCA debt.

Section 5: Responsiveness to Request for Results

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

Bellevue leverages the TOT policy (RCW 35.21.730) by collecting the maximum amount of tax allowed and using it to promote tourism activities within the City, supporting the cost and capital purchasing strategy. Meydenbauer Center holds around 360 events annually, including business/corporate meeting, conventions, consumer and trade shows, banquets and theatre events. Their 2011 activities brought nearly 140,000 people into Bellevue's downtown area to eat, stay, shop, and play. Based on standard convention center calculations, Meydenbauer Center activities generated nearly \$18M in economic activity in 2011.

Meydenbauer Center's marketing and communication activities focus on enhancing and promoting the City brand by marketing Bellevue as a destination City. Their advertising and outreach promotes Bellevue as a great place for a visit, with its vibrant retail and night life. Its advertising plan markets the City and region's unique qualities and attributes including: our position as a global gateway to the Northwest, our proximity to major transportation corridors, and our beautiful parks and open spaces. It additionally promotes a positive perception of Bellevue as a great place for business by showcasing the City as a center of international business with a business supportive culture. Their representation of Bellevue at local and national marketing conventions earns Bellevue local, national, and international recognition and contributes to Bellevue's positive reputation.

Meydenbauer Center contributes to the quality of the Bellevue community through the arts and culture programs that come to the Center, primarily its theatre events. Diverse local and international groups provide a wide variety of entertainment activities for the community. The center itself provides community amenities such as consumer shows, art exhibits, and other social offerings for citizens to meet and engage with one another.

B. Citywide Purchasing Strategies and Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

Bellevue leverages its partnership with the Meydenbauer Center to promote tourism, bringing people into Bellevue to eat, stay, shop, and play. In 2011, Meydenbauer Center activities were estimated to generate nearly \$18 million in economic activity to the City.

Bellevue meets with Meydenbauer Center monthly, and the Financial Oversight Committee for BCCA meet quarterly to ensure the Center maintains sound management of resources and acceptable business practices.

C. Partnerships and Collaboration proposed:

The City partners with Meydenbauer Convention Center to foster economic growth. One of the primary benefits Meydenbauer Convention Center provides to the community is economic impact. Events at Meydenbauer Convention Center bring people into the City, generating hotel and sales tax dollars for the region, stimulating employment, and increasing business activity. Information

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obtained from the International Association of Convention and Visitors Bureaus (IACVB) is used to calculate the economic impact of Meydenbauer Convention Center activity. Based on the 2011 data, the estimated economic impact attributable to Meydenbauer Convention Center activity was \$18 million.

D. Activities in this proposal that support the work of other proposals, or save costs that would otherwise have to be expended:

Continuation of this tourism promoting relationship ensures Bellevue's option of using TOT to support the BCCA.

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Section 1: Proposal Descriptors

Proposal Title: Development Services Review Services

Outcome: Economic Growth and Competitiveness

Primary Department: Development Services

List Parent/Dependent Proposals: None

Previous Proposal Number(s): 110.03PA

Proposal Number 110.03NA

Proposal Type: Existing Service

Proposal Status: Recommended

Attachments: Yes

Primary Staff Contact: Liz Stead

Version Tracking: N/A

Section 2: Executive Summary

This proposal provides for Development Services (DS) review of designs and applications for private and public development projects. DS issues 12,000 to 14,000 permits and approvals per year that contribute to the economic prosperity of the City. The goals of development review are to ensure that buildings are safe, that land uses and project designs are consistent with the community vision, that the environment is protected, that traffic impacts are managed, and that developer-built utilities and other infrastructure meet the city's standards.

Section 3: Requested Resources

Fund: 01420

Project Number: N/A

OPERATING

Expenditures	2013	2014
Personnel	\$ 4,355,923	4,509,465
Other	369,077	377,679
Capital	0	0
	<u>\$ 4,725,000</u>	<u>4,887,144</u>

Supporting Revenue	2013	2014
	\$ 4,275,715	4,416,478

Rev-Exp Balance \$ -449,285 -470,666

FTE/LTE	2013	2014
FTE	36.67	36.67
LTE	1.00	1.00
Total Count	<u>37.67</u>	<u>37.67</u>

Please briefly describe:

- A. "Other" Expenditures:** Other expenditures are for ongoing operating costs including a small budget for outside professional services as needed.
- B. "Capital" Expenditures:** N/A
- C. Supporting Revenue:** Fee-based revenue for Building, Transportation, Fire and Utilities. Land Use 50% supported through general tax collections
- D. Dedicated Revenue:** None
- E. FTE/LTE:** Review Services staff have decreased by 1.6 FTEs in response to reduced demand for services related to permit activity.

Section 4: Budget Proposal Description

This proposal funds staff positions in four departments (Development Services, Utilities, Transportation, and Fire) for review of development projects such as commercial development, residential construction, infrastructure projects, city parks, schools, and activities within the right of way. Many applications are highly complex and/or controversial, with technical, legal, and political issues. Staff are called upon to represent the City in public forums, including preapplication meetings, public meetings, and hearings. The direct customers of this proposal are the developers and users of property, ranging from homeowners, to small and large business owners, to the city itself. DS staff review these applications to ensure that these projects conform to the city's Comprehensive Plan and all other applicable standards and regulations. In addition, DS staff meet frequently with members of the development community to provide information and early guidance regarding potential

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development projects. This service assists developers in understanding relevant regulations and helps to avoid waste of resources in projects that cannot be supported.

DS is committed to continuing examination of review policies and procedures to support the implementation of Bellevue's Comprehensive Plan. The Plan reflects citizen involvement, technical analysis, and the judgment of decision-makers such as the city council. DS staff is tasked with ensuring that land uses and infrastructure development meet codes and standards and that future development remains consistent with the Plan. Having a strategic comprehensive plan supported by an efficient and predictable review process helps Bellevue attract businesses, developers, and entrepreneurs who seek an attractive and business friendly environment.

The performance measures for this proposal reflect the DS commitment to efficiency, predictability, and timeliness. These elements provide the assurance a developer needs to anticipate financing and timing needs. In 2011, 81% of customers rated review services as very good or good. In addition, 94% of customers stated that staff at the DS Center treated them in a helpful, courteous and knowledgeable manner. Also, DS staff are currently reviewing permit application timelines and procedures in order to streamline and shorten the review process (see Performance Measures). Customer service has been increased by new initiatives such as project assignment within three days of submittal, giving our customers a defined point of contact as soon as possible. We have also moved from sequential to concurrent review of projects, significantly reducing timelines for those projects.

If this proposal is not funded, there is legal exposure for not complying with State and Federal mandates, and a danger of unsafe development components being utilized. Other impacts of not funding or underfunding include: 1) less guidance provided in meeting codes and standards on projects, 2) delays in obtaining permits, and 3) a greater potential for developments negatively impacting the environment and neighborhoods. The City would also lose the benefits of a major investment in staff training and experience and in permit software, including Amanda, MyBuildingPermit.com, IVR, and the internet site. Additional negative impacts of not funding or underfunding would be inability to qualify for state and federal grant funds for city projects due to failure to follow mandates and increased threat to public/private infrastructure leading to life-safety issues and unrepaired infrastructure damage.

Supporting revenue of \$8,635,000 (2013-2014 combined total) reflects review fees paid by DS clients. Fees paid by an applicant for review and/or inspection services are considered a restricted funding source per RCW 82.02.020. In 2003 the City Council endorsed a set of financial management principles and cost recovery objectives established for Development Services. The cost recovery objectives dictate that the cost of review services by DS staff (Building, Fire, Transportation and Utilities) is recovered through fees. Land Use review services are 50% recovered through fees and 50% borne by the City. As a result, approximately \$979,000 of this proposal is funded through general tax collections. Other supporting revenue includes \$609,000 of Right of Way/Tellecommunications Lease fees and Street Restoration fees which support the cost of review related to franchise utility and development work.

Section 5: Responsiveness to Request for Results

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

CITY BRAND: DS staff is responsible for implementing codes and regulations that protect the natural environment and uphold the community vision within an increasingly urban city. This work contributes to Bellevue's positive reputation within the development community.

COSTS AND CAPITAL: This proposal supports City-wide purchasing strategies to provide the best value for meeting community needs by leveraging cross department collaborations to provide efficient and predictable review services ensuring sound management of resources. Level of service would be maintained by using the cross departmental expertise of DS staff to provide the technical expertise needed to support development review functions. DS staff regularly meet with potential developers and assist them by providing input as to design possibilities. This helps them

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to maximize resources and avoid major issues at an early stage.

LAND, INFRASTRUCTURE AND PLANNING: DS staff analyzes development to determine the need for mitigation of impacts, such as increased traffic and stormwater runoff, on the transportation and utilities systems. Mitigation can include improvements to pedestrian and street facilities, and also monetary contributions to capital improvement projects. All improvements and contributions are previously documented in adopted plans and codes, providing predictability to the business community as to the cost of doing business in Bellevue. The maintenance and safe installation of reliable public and private utilities in the public right of way is vital for future growth.

QUALITY OF COMMUNITY: Interpretation and implementation of Comprehensive Plan Policies leads to creation of quality neighborhood places. DS staff administer codes and standards that create attractive commercial districts, neighborhoods, and community facilities. Staff insures public safety and mobility during construction related activities. Staff partners with city departments that are responsible for road, utility, and park construction to improve delivery of quality facilities. DS staff have assisted applicants for low-income housing and winter shelter facilities to provide a greater range of housing for all citizens. Tent City shelters have located in Bellevue for three seasons with the assistance of DS staff.

B. Citywide Purchasing Strategies and Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

RESPONSIVE GOVERNMENT

- Collaborative Partnerships: DS plays a significant partner role in eGovAlliance, promoting consistency and ease in permitting amongst local agencies. DS staff maintain active partnerships with Sound Transit, MyBuildingPermit.com, Bellevue School District, Puget Sound Energy, Department of Ecology, WA State Department of Transportation, King County, WA Association of Building Officials, Structural Engineers Association of WA, King Co Emergency Management Division, and the Washington State Building Code Council. Also, DS staff secured grant funding from the US Department of Energy in collaboration with the Washington State Department of Commerce for implementation of a replicable streamlined permitting process for solar voltaic panels.

- High Performing Workforce and Customer-Focused Service: DS staff provide exceptional customer service, timeliness, and predictability. These services are provided to both developers and to the public, through Service First, public meetings, staff contact, and administrative processes. Staff maintain relationships with long-time citizen activists and new residents in order to facilitate communication between developers, franchise utilities, and residents who may be affected by proposed projects.

SAFE COMMUNITY

- Planning & Preparation: DS staff implement design standards that support quick and reliable access and facilities for emergency response. Staff are able to issue permits quickly following a disaster. Staff enforce codes that protect health and safety, such as building venting and exiting, and fire-fighting and prevention. Special procedures to require coordination with BP Olympic Pipe Lines mitigate the threat of damage to these liquid fuel lines running through the city.

IMPROVED MOBILITY

- Built Environment: The review services proposal provides infrastructure improvements and impact fee contributions by tying development approval to provision of adequate facilities. Through the review process, DS staff requires participation by new development in alternative travel modes through Transportation Demand Management strategies.

HEALTH AND SUSTAINABLE ENVIRONMENT

- The city's critical areas regulations, shoreline master program, clearing and grading codes, and storm and surface water codes promote a developed environment that is sustainable and healthy. The Right of Way (ROW) section assures that work performed in the ROW meets or exceeds required Best Management Practices for erosion control, runoff, and dust.

QUALITY NEIGHBORHOODS

- Many city codes deal with protecting and promoting quality neighborhoods. Neighborhood character includes natural attributes such as trees, lakes, and streams as well as the built form and

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land use context. Codes and standards that require new public facilities such as utilities, roads, and community spaces contribute to quality neighborhoods.

INNOVATIVE, VIBRANT AND CARING COMMUNITY

- **Built Environment:** DS staff impose requirements for amenities such as play areas and open spaces. This supports community values by ensuring compliance with the Comprehensive Plan. Further, DS staff continues to work extensively with the Bellevue School District to process school permit applications in a timely manner to promote public education in the community.

C. Partnerships and Collaboration proposed:

DS delivers quality services that are fast, predictable, and understandable. DS staff are called upon to support multiple city initiatives as resident experts in many fields. Representatives of Utilities, Transportation, and Fire Departments collocate and collaborate with Development Services staff on a daily basis to better serve both internal and external customers. This arrangement is unique within the city and allows for high quality service to our customers. Collaboration with regional cities creates consistency, predictable customer experience, and builds a better customer who is familiar with similar requirements and procedures.

D. Activities in this proposal that support the work of other proposals, or save costs that would otherwise have to be expended:

This proposal, through services delivered by a highly qualified and engaged staff, ensures that Capital Improvement projects are in compliance with codes, regulations, and standards. Developers and citizens of Bellevue are the beneficiaries of high quality development that protects their health, safety, property, environment, and investment. Providing predictable and effective review services reduces project delays for customers and associated costs, and allows for the most efficient use of staff time.

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Section 1: Proposal Descriptors

Proposal Title: Paperless Permitting Initiative

Proposal Number: 110.08NA

Outcome: Economic Growth and Competitiveness

Proposal Type: Existing Service

Proposal Status: Recommended

Primary Department: Development Services

Attachments: No

Primary Staff Contact: Magen Michaud

List Parent/Dependent Proposals: None

Previous Proposal Number(s): 110.08NN

Version Tracking: N/A

Section 2: Executive Summary

This proposal continues work on the current Paperless Permitting Initiative (P2I). Development Services, in partnership with the ECityGov Alliance EPlan project, is designing, implementing, and supporting end-to-end online and paperless application processing. The P2I project combines re-engineering internal business processes and creating consistency between jurisdictions with the leveraging of existing technologies to allow customers to submit plans, pay fees, and receive approvals without having to come to City Hall, on their own schedule, and from any anywhere with an Internet-connected device.

Section 3: Requested Resources

Fund: 01420

Project Number: N/A

OPERATING

Expenditures	2013	2014
Personnel	\$ 143,249	148,362
Other	177,526	55,000
Capital	67,000	26,000
	<u>\$ 387,775</u>	<u>229,362</u>

Supporting Revenue	2013	2014
	\$ 387,775	229,362

Rev-Exp Balance \$ 0 0

FTE/LTE	2013	2014
FTE	1.00	1.00
LTE	0.25	0.25
Total Count	<u>1.25</u>	<u>1.25</u>

Please briefly describe:

A. "Other" Expenditures: Other expenditures are for software, integration, and consulting services for project implementation.

B. "Capital" Expenditures: N/A

C. Supporting Revenue: Development Services reserves allocated for technology initiatives.

D. Dedicated Revenue: None

E. FTE/LTE: The Project management .56 FTE was not needed due to internal capacity and reduced project needs of .75 FTE.

Section 4: Budget Proposal Description

Development Services began offering online applications for mechanical, electrical, and plumbing permits that require plan review in October 2011. That initial phase built on the highly successful original MyBuildingPermit.com (MBP), which allows customers to submit permit applications through the common regional portal for relatively simple permits (Over the Counter or OTC) that can be issued without plan review.

This proposal covers the continuing work to expand the online services to include the remaining application types - building, fire, clearing and grading, right-of-way, utility and land use. These types are planned to be available in mid-2013.

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The Paperless Permitting Initiative represents a significant step beyond the original OTC submittal process. Development Services is using this project as an opportunity to re-examine underlying business assumptions and processes with these goals:

- Reduce the number of reviewers that review each application.
- Reduce the number of applications required for a project.
- Reduce non value-added tasks such as routing paper plans and making file folders.
- Create consistency between review staff.
- Provide customers with an online interactive communication and collaboration method.
- More effectively manage the City's public records.

The Paperless Permitting Initiative allows the City to leverage significant investments in current technology resources which include: AMANDA – Development Service's permit tracking system, ECM or SharePoint - electronic records storage systems, and MyBuildingpermit.com – the eCityGov Alliance web portal. With additional interfaces and by adding our specialized marker/viewer software – BlueBeam, these systems work together to allow staff to accept applications, route material, make revisions/notations electronically, issue the approval, and ultimately store the final record according to the State Archivist retention policies. Funding for this project is available through Development Services reserves allocated for technology initiatives and permit center/system improvements. Reserves for these purposes are accumulated through an operations fee and a portion of technology improvement fees included in development fees.

Section 5: Responsiveness to Request for Results

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

Promote efficient, coordinated, predictable and customer-focused development processes.

Implementing the next phase of P2I occurs through extensive collaboration with other departments and the EGovAlliance to offer seamless electronic permitting throughout the region for the benefit of our common customers.

Most engineering and architectural firms already develop plans using electronic tools. P2I allows them to submit their current electronic plans rather than incurring additional application costs. Moving to web-based aligns the City's services with how the world currently operates and will continue to operate in the future.

The immediate benefits of this proposal are being realized now and will increase long-term as more application types are offered and the usage grows as it has with other online offerings. These are application cost savings to clients who will no longer need to submit multiple copies of plan sets with the printing and delivery costs. Efficiencies created from ongoing process improvement efforts will reduce overall project costs and complexity. Applications currently routed sequentially (step-by-step) will be accessible concurrently resulting in reduced timelines. Electronic rules for records retention can be enforced reducing the chance of error in eliminating project files or losing physical records. Staff and internal/external customers will have access to application information and will be able to process work from remote locations on a 24/7 basis.

Earn local, national, and international recognition:

The City has been a member since 2001 of the eCityGov Alliance, a partnership of jurisdictions across the region that promotes the delivery of web-based services. Bellevue not only participates in, but is a leader in the development and delivery of the EPlan portal. Once completed, the vision of the originators of MBP to provide the ability to apply for both OTC and plan review applications online will be realized. The site was developed in a manner that allows a consistent experience through the portal no matter which jurisdiction and so far it's the only site of its kind in the United States. There are ongoing inquiries from jurisdictions outside the regional, state and even foreign countries. Master Builders Association of King and Snohomish County officially supports our efforts and is eagerly awaiting the expansion into all permit types.

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B. Citywide Purchasing Strategies and Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

This proposal also advances Responsive Government because of the impacts it has on external and internal clients as well as the way services are delivered throughout the region:

High Performing Workforce: Provide the tools, materials, technologies and the resources that enable the workforce to optimize service delivery.

By offering nonpaper-based services, staff have more flexibility in accomplishing their tasks, as well as more collaboration opportunities with other city staff and with the applicant. Non value-added tasks such as routing paper plans and making file folders are reduced. In addition, all field staff will have devices in mid-2013 that enable access to their applications and digital plans that make their field work more efficient.

The project is allowing staff from throughout DS the time, responsibility, and evaluation methods to become more efficient and customer-focused, to provide Exceptional Service through greater convenience, cost savings, and more timely information for clients. The project is providing the tools and training to enable staff to perform their required responsibilities in this new method.

Customer Focused Service: Ensure services are relevant and effective.

Development Services customers want to access City services in methods that meet their needs. This has been demonstrated repeatedly in the acceptance of alternative access methods implemented over the years. In 2003, 30% of the subject OTC applications came through MPB, now 72% do. Online inspection scheduling was first offered in 2007 and now 35% of our inspection requests are through the MBP portal. Since implementation of Phase 1 in October 2011, 25% are online. We have historical broad acceptance of these types of customer service improvement efforts.

We are in touch with our customer's and are responsive to their needs. Master Builders has endorsed the project. The MBP Customer Advisory Committee is actively involved in providing input to the project. The DS annual Customer Service Survey consistently has comments about online applications and the desire to expand over the current selection. Phase 1 customers have already provided positive feedback in cost savings for printing and travel costs, as well as shortened review times.

Being able to accept electronic applications for all types of plan review applications advances prior efforts, increases the options for clients - and provides for a total digital experience. A customer will be able to apply for any approval they need for a given project, 24 hours a day and 7 days a week from anywhere. Over time the percentage of online applications will increase just as previous offerings have.

In the first few months of Phase 1 we are already seeing acceptance of this new service. While this is valuable to these customers, staff will be working in two environments (electronic applications and paper applications) for some time in the future. Some previous work effort will shift from those non valued-added tasks inherent in a paper-based process, to auditing, training, trouble shooting, and maintenance of enhanced systems. The current LTE business process analyst required to accomplish the project is proposed to be converted to an FTE to provide the capacity as we move from project work to regular work. In addition, Development Services staffing is very low due to the

stage of the development cycle, and we must be positioned to rapidly add staff when the upturn hits. Capacity is needed to respond to this extra outfitting and training of new staff who haven't been involved in the project.

C. Partnerships and Collaboration proposed:

This proposal reflects continued collaboration between City Departments (Development Services, Fire, Transportation, Utilities, Information Technology, and City Clerk's Office), 13 other jurisdictions in the region through MyBuildingPermit.com (MBP), our citizens, and our customers in the development community. Ongoing collaboration with the Information Technology Department and the City Clerk's Office ensures that this phase continues to maximize our current investments and continues to create an efficient and sustainable solution that meets customer and city business needs.

D. Activities in this proposal that support the work of other proposals, or save costs that would otherwise have to be expended:

This proposal inherently supports the work of the other Development Services proposals of Review Services and Inspection Services by providing new tools to enhance the current service delivery and reach our goals of Fast, Predictable and One City.

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Section 1: Proposal Descriptors

Proposal Title: Eastgate/I-90 Project Implementation

Outcome: Economic Growth and Competitiveness

Primary Department: Planning & Community Development

List Parent/Dependent Proposals: 115.03PA

Previous Proposal Number(s): 115.03DN

Proposal Number 115.04DA

Proposal Type: Enhance Existing Service

Proposal Status: Recommended

Attachments: Yes

Primary Staff Contact: Paul Inghram

Version Tracking: N/A

Section 2: Executive Summary

In April 2012, the City Council accepted the Final Report and Recommendation for the Eastgate/I-90 Land Use & Transportation Project ("the Project"). The Project, overseen by a Citizen Advisory Committee, sets forth a long-term growth vision for the Eastgate/I-90 corridor, one of Bellevue's major employment centers. Implementation of the Project will expand Eastgate's economic role in the region, allowing it to capture anticipated employment and other economic growth by increasing development potential through zoning changes and promoting an improved business environment. Because few developable parcels of land remain in this corridor, Project implementation is crucial if the corridor is to remain competitive with other regional employment centers. At stake is projected growth of up to 1.8 million sq ft of office, 350,000 sq ft of institutional growth, 100,000 sq ft of retail space, 300 hotel rooms, and 800 residential dwelling units over the next 20 years. Project implementation now will position the corridor to capture that growth when the economic climate strengthens, while enhancing the character and quality of the area.

Section 3: Requested Resources

Fund: 00100

Project Number: N/A

OPERATING

Expenditures	2013	2014
Personnel	\$ 0	0
Other	115,000	0
Capital	0	0
	\$ 115,000	0

Supporting Revenue	2013	2014
	\$ 0	0
Rev-Exp Balance	\$ -115,000	0

FTE/LTE	2013	2014
FTE	0.00	0.00
LTE	0.00	0.00
Total Count	0.00	0.00

Please briefly describe:

A. "Other" Expenditures: Consultant support for design guidelines, financial analysis, environmental analysis, and early transportation design.

B. "Capital" Expenditures: n/a

C. Supporting Revenue: n/a

D. Dedicated Revenue: n/a

E. FTE/LTE: n/a

Section 4: Budget Proposal Description

This proposal aims to ensure that the Eastgate/I-90 corridor remains an attractive and competitive regional employment center in the decades to come. During the Eastgate/I-90 Land Use & Transportation Project it was found that the corridor is beginning to lose its appeal to major employers

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due to a lack of services and amenities, poor transportation connectivity, auto-dependency, and other factors. Further, the corridor is not positioned to capture identified market demand for growth, particularly office growth, due to the lack of available vacant land and the value of existing improvements. The Project identified strategies for overcoming these obstacles and ensuring the future vibrancy of this important employment center. This proposal seeks to implement those strategies, and will include these major components:

- Comprehensive Plan Amendments, to align official City policy with the vision embodied in the Project. This will set the direction and policy framework for the remaining steps.
- Land Use Code Amendments, to establish the regulatory framework for future development in the Eastgate corridor. These changes will promote a greater mix of uses (office, retail, residential) throughout the corridor, an evolution of the Richards Valley industrial area to more of a research & development/flex-tech center, physical and programmatic relationships between Bellevue College and nearby properties and uses, increased residential presence, increased support service and retail uses, and an improved visual character. This will be accomplished by promoting a Transit-Oriented Development center between Eastgate Way and Bellevue College, increasing allowable building heights and floor area ratios in much of the corridor, adding flexibility to Land Use Code regulations to promote greater mixed use development, and creating an incentives system that will ensure provision of desired public benefits and amenities.
- Urban Design Guidelines will be developed to ensure high quality building and site design and sensitivity to adjacent uses.
- Financial analysis of the incentives system to make sure it will be accepted by the development community and achieve the desired public benefits.
- More detailed architectural and financial analysis of the proposed Transit-Oriented Development center.
- More refined and targeted environmental analysis where needed (to be determined during the course of this project).

A significant conclusion reached by the Citizen Advisory Committee that oversaw the Project, contained in their Final Report to the City Council, states:

“Without the changes reflected in our recommended plan the current environment of paved parking lots, suburban-scale buildings, and vehicle dependency is unlikely to change, and will result in the need for future land use changes. As congestion on I-405 increases and reduces the east for getting into downtown Bellevue, the I-90 corridor becomes increasingly important to future job growth for our community. As Issaquah positions itself to capture significant future growth, it is important for the Eastgate/I-90 corridor to maintain its competitive position as a regional employment center.”

This proposal aims to ensure that the Eastgate/I-90 corridor is positioned to capture its market share of the next economic wave.

Section 5: Responsiveness to Request for Results

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

PRIMARY OUTCOME: ECONOMIC GROWTH AND COMPETITIVENESS

Land, Infrastructure, and Planning: The precursor project identified several strategies to enable continued growth within the corridor, including zoning changes, transportation improvements, and a quality built environment. This proposal advances long-range economic growth strategies, and enhances access to and circulation within commercial and employment centers in order to support their continued economic health. Zoning changes and other measures will facilitate a wide range of residential and commercial development.

Costs & Capital: The proposal incentivizes redevelopment by increasing allowable building heights and floor area ratios and creating a more vibrant business environment. It promotes partnerships, particularly among Bellevue College and surrounding private development. It will facilitate private

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sector development, establish market-based tools and incentives, and promote business growth and development.

Quality of Community: The proposal seeks to promote increased housing opportunities in the corridor, supported by multi-modal transportation, open spaces and trails (including the Mountains-to-Sound Trail), and greater retail, service, and restaurant choices. Social interaction opportunities will be created through mixed-use development. Creation of a Transit-Oriented Development center in the heart of the corridor will promote a “sense of place” that is currently lacking.

City Brand: The proposal reinforces Bellevue’s reputation and position as a regional economic hub. It will protect existing businesses and industries, and will attract new business growth. It will contribute to Bellevue’s positive reputation as a great place for business and development in a vibrant environment.

Workforce: The proposal seeks to establish stronger workforce development relationships between Bellevue College and R&D/flex-tech uses in Richards Valley and surrounding office uses.

B. Citywide Purchasing Strategies and Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

SECONDARY OUTCOME: IMPROVED MOBILITY

Existing & Future Infrastructure: The precursor project was managed jointly by Land Use & Transportation and proposed motorized and non-motorized transportation infrastructure improvements for implementation. This proposal will leverage previous investments in the Eastgate park-and-ride and the I-90 direct access ramps to catalyze Transit-Oriented Development and maximize multi-modal transportation choices.

Traffic Flow: The Project identified measures to improve traffic flow, both existing and projected. It will maximize system efficiency in the corridor, increase road capacity at key intersections, and offer alternatives to single-occupant vehicle trips by emphasizing choice in travel modes.

Built Environment: The proposal will promote context sensitive solutions, will leverage investments made at the Eastgate park-and-ride, and will protect neighborhoods from negative traffic impacts. As part of the Project, traffic modeling was done to ensure that negative transportation impacts are avoided or appropriately mitigated.

Travel Options: The proposal emphasizes a range of travel options, and works with regional agencies to ensure the same.

SECONDARY OUTCOME: INNOVATIVE, VIBRANT, AND CARING COMMUNITY

Built Environment: The proposal will lead to an improved built environment and visual character of the corridor. It will accommodate future growth and development through careful planning, and will allow commerce to thrive while minimizing impacts to the surrounding neighborhoods. The proposal will provide indoor and outdoor spaces for people to gather and interact. Streetscapes will be improved through boulevard treatments where appropriate. A sense of place will evolve over time and gateway treatments will be added to freeway interchanges.

SECONDARY OUTCOME: QUALITY NEIGHBORHOODS

Facilities & Amenities: The proposal promotes creation of and linkages between public and private facilities and amenities, including Bellevue College, open spaces, private recreation facilities and amenities, trail systems, and the Mountains-to-Sound Greenway Trail.

Mobility: The proposal envisions a multi-modal transportation network to destinations within the corridor, as well as facilitating movement through the corridor. It promotes placemaking, particularly

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in the TOD Center south of Bellevue College, with a range of amenities and activities for the public to enjoy.

SECONDARY OUTCOME: HEALTHY & SUSTAINABLE ENVIRONMENT

Clean Air: The proposal promotes efficient transportation options, increased tree canopy, and improved walkability. It expands safe and convenient walking and bicycling opportunities and facilities. The environmental analysis conducted for the Project concluded that it would result in some reduction in greenhouse gas emissions.

Natural Environment: The proposal promotes protection of sensitive features in Richards Valley and of the Phantom Lake watershed.

CITYWIDE PURCHASING STRATEGIES

Collaboration and Partnerships: The proposal promotes collaboration and partnerships with other departments (primarily Transportation) and with outside organizations. The proposal builds on partnerships established during the Project with WSDOT, Metro, Sound Transit, and Bellevue College to help realize land use and transportation solutions that will benefit the Eastgate/I-90 corridor as a whole.

Innovative and Creative: The proposal will utilize innovative zoning tools to bring about change to an already-established economic center. The results will include improved visual character, increased public amenities, decreased auto-dependency, and a more vibrant business environment.

Short- and Long-Term Financial Impacts: The proposal envisions modest short-term and targeted City investments that leverage financial participation from partnering agencies and the development community, to ensure the continued financial health of this regional employment center and its long-term contribution to the City's economic base.

C. Partnerships and Collaboration proposed:

The work performed under this proposal will primarily be internal, with several City departments collaborating, and with area stakeholder input (Bellevue College, private property owners, general public). During the course of the Eastgate/I-90 Land Use & Transportation Project, completed April 2012, several partnerships were formed with other regional service providers, including WSDOT, Sound Transit, and Metro to identify realistic and effective transportation solutions to support the envisioned land use growth in the corridor. This proposal will build upon those partnerships to ensure successful implementation of the Project.

D. Activities in this proposal that support the work of other proposals, or save costs that would otherwise have to be expended:

Other activities that are underway that relate to this proposal include preliminary design of the segment of the Mountains-to-Sound Greenway Trail that will extend through the Eastgate area. The Trail is a key organizing and character-setting element of the precursor project, and will support the land uses envisioned in this proposal. In addition, the highest priority transportation improvements that were identified in the precursor project as needed to support the land use growth that this proposal would enable are currently being reviewed through the Transportation Facilities Plan update process for prioritization among other transportation needs.

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Section 1: Proposal Descriptors

Proposal Title: Downtown Livability

Proposal Number: 115.05NA

Outcome: Economic Growth and Competitiveness

Proposal Type: New Service

Proposal Status: Recommended

Primary Department: Planning & Community Development

Attachments: No

Primary Staff Contact: Emil King

List Parent/Dependent Proposals: None

Previous Proposal Number(s): 115.05NN

Version Tracking: N/A

Section 2: Executive Summary

This proposal provides resources for refining the design guidelines, zoning incentive system, building form and height provisions, parking standards, and other regulations that are the foundation for development in Downtown Bellevue. These elements need to be updated prior to the next development cycle. This work stems from the Downtown Implementation Plan, which concluded that Downtown's competitive edge will increasingly depend on creating and maintaining a viable, livable and memorable environment in our major growth center.

Section 3: Requested Resources

Fund: 00100

Project Number: N/A

OPERATING

Expenditures	2013	2014
Personnel	\$ 57,335	0
Other	200,000	100,000
Capital	0	0
	\$ 257,335	100,000

Supporting Revenue	2013	2014
	\$ 0	0

Rev-Exp Balance \$ -257,335 -100,000

FTE/LTE	2013	2014
FTE	0.00	0.00
LTE	0.50	0.00
Total Count	0.50	0.00

Please briefly describe:

- A. "Other" Expenditures:** Consultant support for density incentive system, urban form and building heights, design guidelines, parking, and environmental review.
- B. "Capital" Expenditures:** None
- C. Supporting Revenue:** None
- D. Dedicated Revenue:** None
- E. FTE/LTE:** A 0.5 LTE would be funded in 2013 in the Development Services Department to supplement other staff resources.

Section 4: Budget Proposal Description

This proposal aims to make Downtown Bellevue a more livable place and higher quality urban environment by updating much of the design framework that guides private and public development. It will include both technical work by staff (PCD, Development Services, Transportation, Parks & Community Services) and consultants and significant engagement of citizens who live, work, and own property in the area. It will build upon the Downtown Transportation Plan Update that is planned to be completed in early 2013. The Downtown Livability proposal will likely take up to one and half years to complete. It includes \$300,000 in consulting resources and a 0.5 LTE in the Development Services Department in 2013 to supplement other City staff resources.

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The major components of this proposal will include the following:

Update amenity incentive system; fine tune to best support the Downtown vision. The incentive system is a foundational piece for Downtown development whereby additional building square footage and height are earned by providing features with special public benefit. The existing framework dates back to 1981; neither the specific bonus features nor bonus rates have been fundamentally updated in nearly 30 years. This work will refine the incentive system to promote Downtown livability, while providing a new economic/market-based foundation, and ensuring the system provides adequate flexibility to achieve the desired outcomes.

Analyze building form and height; identify potential areas for increased height limits. Possible height refinements could produce more interesting building and roof forms and allow for added density transfer opportunities, while generating additional or more meaningful public amenities through the related incentive system (see above).

Refine Downtown design guidelines to achieve improved pedestrian environment, stronger architectural interest, and sustainable building practices. The City currently has design guidelines in place that address building/sidewalk relationships, Downtown in general, Perimeter Design Districts (on the edges of Downtown), Old Bellevue, the Core, and the Civic Center District. Guidelines will be updated to incorporate Great Streets work, provide refinements to urban form, district character, open space, pedestrian orientation and other key design considerations. The work will also ensure that the design review process continues to be customer-focused, fair, predictable, and measurable.

Revise Downtown parking ratios and design standards; respond to shifts in demand, promote multi-modal mobility and economic vitality. With the continuing shift of Downtown to a more multi-modal urban center to be served by light rail, a number of parking components are in need of review. These include minimum parking ratios, parking dimensional standards, treatment of surface parking, garage design, and parking uses (shared, short term, long term).

Light rail interface to achieve maximum "connectivity" to attract ridership and encourage an active street environment. Existing Comprehensive Plan policies and the Light Rail Best Practices Report provide general guidance on integrating light rail into an urban downtown, but much more work is needed to translate these policies into specific urban design outcomes to create an attractive, vital environment and to ensure good pedestrian access in the vicinity of the Downtown light rail station.

Other Land Use Code amendments identified in recent years, along with minor "clean-up" amendments. The list of needs includes: nonconforming uses, sites, and structures; maintenance standards for vacant sites and buildings; mechanical screening; noise and odor control; recycling and solid waste criteria; signage (not part of the Land Use Code); heliport landing regulations; and vendor carts.

In the short-term, a new set of implementing regulations will be developed through a public process and adopted by Council prior to the next development cycle. Long-term the results would be evident as new development occurs as it would be consistent with the updated design framework.

A related, but not dependent proposal to update the vision for the NE 6th Street Pedestrian Corridor, is being considered by the CIP panel. The work would revise the design guidelines for NE 6th Street while incorporating a more livable and robust vision for the Corridor.

Section 5: Responsiveness to Request for Results

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

PRIMARY OUTCOME: ECONOMIC GROWTH AND COMPETITIVENESS

City Brand: A major component of this proposal is to further Downtown's attractiveness as a livable and memorable place to live, work or visit. The range of amenities and the character of Downtown are important part of promoting Bellevue as a great place for business and development. This includes portraying Downtown Bellevue as a great place for business, to live in diverse neighborhoods, and an area with a range of shopping, dining, and nightlife.

Costs and Capital: This proposal includes a review of incentives and other underlying cost components that affect Downtown development. As Downtown readies itself for the next development cycle, this proposal will have market-based tools and incentives in place, developed through a collaborative process involving the City and a full range of stakeholders.

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Land, Infrastructure, and Planning: This proposal will advance economic growth in Downtown Bellevue by updating a number of outdated Code provisions. The amenity incentive system is a zoning provision that applies to all Downtown development and has been an important part of the private sector helping to deliver public infrastructure (in the form of amenities). The current Code and incentive system will be improved to reflect today's market realities and provide greater flexibility in implementing desired amenities. This proposal also addresses the economics of parking as part of the development equation.

Quality of Community: This proposal will enhance Downtown's sense of place by improving the quality of the built environment and the community amenities that are both attractive to residents and the workers that are the backbone of successful companies. The proposal includes new guidelines to reflect the latest thinking in desirable urban form and design treatments, a refined set of public amenities, arts and cultural components, further definition of Downtown neighborhoods, open space and urban recreation elements, and enhanced streetscapes throughout Downtown. The goal is to develop a package of code and policy amendments that are economically grounded and "move the bar" for Downtown Bellevue to a heightened level of quality and livability.

B. Citywide Purchasing Strategies and Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

SECONDARY OUTCOME: INNOVATIVE, VIBRANT AND CARING COMMUNITY

Support Services: The work outlined in this proposal will help to strengthen the community partnership between the City and Downtown's growing residential population that is now near 10,200 persons. This will lead to better understanding the unique support service needs of the Downtown neighborhood, and how they might be most effectively provided.

Involved Citizens: This proposal will inform and involve citizens. The work to update the land use code is built around a full public involvement process that would include, among others, an emerging set of stakeholders – Downtown residents. This will provide an opportunity for them to become involved in character issues relating specifically to the downtown neighborhood, and meet others who are interested in civic engagement.

Opportunities for Interaction: This proposal will foster opportunities for interaction by improving the variety and quality of public spaces and activities available within Downtown. A key outcome is a revised framework for public spaces and associated amenities built through new development. Within Downtown, many of these public spaces are right at the center of where work, home, and leisure come together because of the close-knit nature and proximity of jobs, residents, shopping, and dining. These will help build social bonds by fostering more informal interactions by people from different backgrounds that might not otherwise interact.

Built Environment: This work will directly improve community design and Downtown livability. It will create a positive, more memorable experience for those who live, work, or visit Downtown. The design guidelines define the look and feel of the built environment, especially from the pedestrian's perspective. Design guidelines aim to ensure that all individual components fit together in a complementary and comprehensive manner. Improving outdoor spaces and connections via sidewalks and through-block connections, will make Downtown a more walkable, people-oriented place encouraging personal activity and health.

SECONDARY OUTCOME: QUALITY NEIGHBORHOODS

Sense of Community: This work will help foster the sense of Downtown as a series of unique neighborhoods. While it is still viewed as a somewhat homogeneous area with little differentiation in character, Downtown will be examined with a critical eye towards furthering the sense of distinct neighborhoods as envisioned in the Downtown Subarea Plan. This proposal will build neighborhood capacity as it involves Downtown residents as part of the process to rethink what public amenities are most important as we move forward.

Facilities & Amenities: This proposal will improve the quality of public amenities including open spaces and plazas. There will be a greater number and heightened sense of design aesthetic and function for these public gathering spaces.

Mobility: A key part of the Downtown transportation system is the pedestrian environment, including

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sidewalks and through-block connections. This proposal will incorporate the Great Streets concepts into the Downtown land use code. By making Downtown a more walkable place, the reliance on the automobile for short trips will be reduced.

SECONDARY OUTCOME: IMPROVED MOBILITY

Existing and Future Infrastructure: This proposal will take a number of projects from the Downtown Transportation Plan Update (expected to be complete in early 2013) and integrate them in a manner that best meets the Downtown vision. In addition to City projects, this includes the critical integration of light rail.

Traffic Flow: The analysis of parking in this proposal will have a direct relationship to providing an efficient traffic system that maximizes existing capacity.

Built Environment: This proposal addresses mobility in two important ways. The first is improvement of the pedestrian system within Downtown through refinements to the building/sidewalk interface. The second is the work on parking standards that will respond to shifting demands and promote multi-modal mobility.

Travel Options: The elements of this proposal centered on the pedestrian environment (sidewalks, through-block connections) as well as the Pedestrian Corridor are important to bettering pedestrian travel options.

CITYWIDE PURCHASING STRATEGIES: The proposal most closely addresses the following citywide strategies.

- Provides the best value in meeting community needs by reexamining the list and calibration of the public amenities that are part of the Downtown incentive system, leveraging private investment to help provide these public amenities. Many of these amenities would otherwise need to be provided by the City.
- Provide for gains in efficiency and/or cost savings by undertaking a number of interrelated Downtown topics that would otherwise be done in a piecemeal fashion with redundant processes and public involvement.
- Leverages collaboration or partnerships with other departments and/or external organizations by utilizing a One-City approach to the work program and engaging and collaborating with key organizational stakeholders such as the Bellevue Downtown Association.
- Is a catalyst for increasing citizen participation and support by engaging long-standing and new stakeholder groups. Downtown residents have shown early interest in civic engagement and neighborhood building.
- Are innovative and creative in the manner in which land use, urban design, and transportation issues will be combined into a single process, both internally and for the public.
- Uses evidence-based approach to determine how to achieve outcomes through research and analysis of successes and areas for improvement in the on-the-ground results of the past two decades of Downtown growth.
- Considers short- and long-term financial impacts by doing work in the near-term to set up the City for longer-term benefits in leveraging the most productive outcomes from private investment in new development projects.

C. Partnerships and Collaboration proposed:

Internally, this proposal will be a collaboration among PCD, DSD, Transportation, and Parks & Community Services. Externally, the process will include critical input from the design and development communities to help identify and review key issues and alternatives.

D. Activities in this proposal that support the work of other proposals, or save costs that would otherwise have to be expended:

This proposal has a relationship to the on-going East Link work in that it supports the station area planning and implementation of light rail within Downtown Bellevue.

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Section 1: Proposal Descriptors

Proposal Title: Economic Development Core Program and Services

Outcome: Economic Growth and Competitiveness

Primary Department: Planning & Community Development

List Parent/Dependent Proposals: None

Previous Proposal Number(s): 055.01A2

Proposal Number: 115.15NA

Proposal Type: Existing Service

Proposal Status: Recommended

Attachments: No

Primary Staff Contact: Tom Boydell

Version Tracking: N/A

Section 2: Executive Summary

This proposal for the Economic Development Core Program and Services will continue to deliver or fund: business retention and recruitment, business ombudsman, international business development, small business development, marketing and promoting the City as a place to do business, work with a long list of local and regional business and governmental organizations to promote business in Bellevue, provide information to the public, focus efforts on specific industries and outlook, assist in revitalizing neighborhood retail centers, and provide regional leadership on economic issues appropriate to Bellevue's place in the region and location relative to major corporations. We expect in this budget cycle to undertake some redirection and refocusing of the Economic Development Core Program with the aid of the inter-departmental Economic Development Committee. This proposal is oriented to implement the two primary elements: filling space in support of developers and property owners in the City and helping to make local businesses and other organizations successful for long-term growth and sustainability.

Section 3: Requested Resources

Fund: 00100

Project Number: N/A

OPERATING

Expenditures	2013	2014
Personnel	\$ 232,955	241,223
Other	104,000	106,500
Capital	0	0
	<u>\$ 336,955</u>	<u>347,723</u>

Supporting Revenue	2013	2014
	\$ 0	0
Rev-Exp Balance	\$ -336,955	-347,723

FTE/LTE	2013	2014
FTE	2.00	2.00
LTE	0.00	0.00
Total Count	<u>2.00</u>	<u>2.00</u>

Please briefly describe:

A. "Other" Expenditures: Combination of memberships, sponsorships, and professional services.

B. "Capital" Expenditures: N/A

C. Supporting Revenue: N/A

D. Dedicated Revenue: N/A

E. FTE/LTE: N/A

Section 4: Budget Proposal Description

This proposal for the Economic Development Core Program and Services offers a wide variety and range of services and new initiatives, including but not limited to the following programs, services and activities:

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Business retention efforts and facilitate relocations—get businesses to locate here and stay here. Focus on industry clusters, including but not limited to: software companies, mobile communications, interactive media, financial and legal services, architecture & engineering, telecommunications, biomedical devices, clean tech, alternative energy, educational institutions, and the aerospace supply chain.

- Companies assisted in the past include Microsoft, Symetra, Expedia, Captaris, Cbeyond

Entrepreneurism, venture capital, and small business development support and training—to help businesses start, grow, and become successful (Bellevue Entrepreneur Center and Regional Small Business Development Program among others). Additional focus on development and helping retain and expand a variety of retail, restaurants, and other supporting services in Bellevue's economic structure. This work begins with business networking and training events for entrepreneurs. It is followed by workshops and individual coaching and mentoring.

- Buzzlabs was a great multi-million dollar startup success directly under our sponsorship. TiE Boot Camp for Entrepreneurs, ZINO Society Venture Capital forums, Tech BA Accelerator (22 new businesses so far), Atlas Accelerator (35 start ups taken to IPO status), and Mobile Com Tech Forums are other prime examples that contribute to Bellevue being number 1 US city for entrepreneurship (Forbes Magazine rating).

- Retail and Restaurant examples include Holly Zhang Pearl Gallery, Facing East Restaurant, Din Tai Fung, Your Local Market, Gilbert's Bagel Shop, and a French cooking school.

Business financing program – help businesses obtain needed financing through Small Business Association programs, Community Capital Development loan fund, local commercial banks, export finance assistance programs, international lenders, and inventory/receivables-based lending operations.

Business ombudsman program—provide information, guide new business owners, solve problems that businesses have in dealing with the City (permits, inspections, business taxes, procurement), and facilitate introductions and deal-making where appropriate.

Tourism marketing—promote Bellevue as a place to spend tourism dollars, including fashion, retail, restaurants.

International and National Marketing, leading to specific investment and business recruitment opportunities,

- Example: People Tech Group which chose Bellevue in 2010 and has grown 10 fold in 2 years, from \$2M/year to \$20M/year revenue and 500 employees.

International business development and training—to help business be successful and make Bellevue a primary location for international business (Initiative India and Choose China among others). Ongoing support and roll out of the BellevueCN.com multi-lingual marketing website is included.

Economic Development Brand Development and Roll-out—place Bellevue in people and businesses minds as the best place to work and do business.

Economic research studies, surveys of businesses, and development and information dissemination—help provide data and information for business decision-making, including uses of real estate information and demographics.

Outreach to corporate and civic leadership - ongoing effort to maintain strong relationships and lines of communication open with key people in the expanding Bellevue business community at all levels of

business and influence.

Neighborhood retail center planning and promotion for redevelopment—ongoing efforts to upgrade retail centers. Current priority is a senior housing and commercial redevelopment in Newport Hills Center.

Land use development project analysis and management—individual projects on specific sites (past examples include King County Solid Waste site, hospital projects, prior Sonics arena, Costco projects, 116th Avenue “Auto Row”, Bel-Red Corridor)

Sponsorships and Collaboration are described in section 5.

Section 5: Responsiveness to Request for Results

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

PRIMARY OUTCOME: ECONOMIC GROWTH AND COMPETITIVENESS

Economic development program activities and services are the ones that most directly and consistently result in a growth of jobs, and new businesses and investment in Bellevue. This results in increased tax revenues, sustained economic growth, and a high sense of quality of life in our city. The number of jobs retained or created and new businesses are highly visible. Several examples were identified in Section 4. This addresses each category of the purchasing strategies identified in the Economic Growth and Competitiveness section. Economic Development core program activities are directly aimed at actual business recruitment and growth which are the ultimate performance outcomes of those strategies.

B. Citywide Purchasing Strategies and Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

SECONDARY OUTCOMES AND CITYWIDE PURCHASING STRATEGIES

Membership, sponsorships, and other expenditures meet all the city financial guidelines for procedure, value, and impact. In addition, several projects, including BellevueCN.com marketing website are supported in large part through business participation and corporate sponsorships, thereby leveraging city investment and staff efforts in ways that improve both the reach and quality of our efforts.

In addition, Responsive Government goals are addressed through the new vision, strategic planning for specific projects and implementation of city priorities, and collaborative partnerships with foreign entities and local land developers to achieve new investment and job growth.

C. Partnerships and Collaboration proposed:

Substantial coordination with other City departments (Finance, IT, Parks, Transportation, Utilities), among others is continuously required. In addition, collaboration partners include: enterpriseSeattle (business recruitment; industry focus—interactive media, bio-tech, and tech start-ups), Trade Development Alliance (international business and Sister City program), Bellevue Chamber, Bellevue Downtown Association, Meydenbauer Center, Bellevue Entrepreneur Center, Regional Small Business Development Program, Trade Alliance, State of Washington, US Commercial Service, Seattle area Sports Council, World Trade Club, Japan American Society of Western Washington, Washington China Relations Council, various foreign consulates, economic development associations, industry associations, and others. Economic development has increased the number of agencies, at the state, local and regional levels, with which it works from about 10 to nearly 30, in an effort to have wider influence and increase the leverage of time, energy, and resources used to achieve programmatic goals. The increase is due to improvements in relationships, knowledge and effectiveness. The amount of time, membership fees, and sponsorship dollars have not increased, however sponsorships and memberships remain strategically valuable both to staff and giving the City's elected officials via connections, access to information, and structured roles in regional policy making.

D. Activities in this proposal that support the work of other proposals, or save costs that would otherwise have to be expended:

The goals of economic development are to increase private wealth and increase public revenues by recruiting businesses, help them survive and be successful, and support property owners and developers, that is to fill the existing and new buildings with successful businesses that can

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continue to pay market rents, and produce employees to buy goods and services locally, pay taxes, as well as bringing tourists that fill our hotels and shop locally. Therefore, directly and indirectly, meeting those goals plays a big role in sustaining city services and improves the city's excellent quality of life and business climate.

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Section 1: Proposal Descriptors

Proposal Title: Economic Development and Recovery Strategy

Outcome: Economic Growth and Competitiveness

Primary Department: Planning & Community Development

List Parent/Dependent Proposals: None

Previous Proposal Number(s): N/A

Proposal Number: 115.16NA

Proposal Type: New Service

Proposal Status: Recommended

Attachments: No

Primary Staff Contact: Chris Salomone

Version Tracking: N/A

Section 2: Executive Summary

This proposal is to create and begin to implement an overall Economic Development Strategy for the City, an effort that will significantly focus the City's efforts and help make the shift to a more transactional, "deal-making" approach that achieves powerful outcomes for business retention and recruitment. It includes three major components: 1) analysis of Bellevue's strengths, competitive position, and economic opportunities that will result in identifying the key target job "clusters" that are the greatest opportunities for job retention and recruitment; 2) development of branding and marketing strategies and tools that will be effective in targeting the identified clusters; and 3) pursuit of specific job retention and recruitment transactions; i.e. developing packages of information, visualization, market analysis and economic modeling that enable the City to be an effective participant in specific economic development transactions. A cross-departmental City team, with consultant assistance and the advice of business and community leaders and organizations, will develop the overall ED Strategy.

Section 3: Requested Resources

Fund: 00100

Project Number: N/A

OPERATING

Expenditures	2013	2014
Personnel	\$ 0	0
Other	220,000	130,000
Capital	0	0
	\$ 220,000	130,000

Supporting Revenue	2013	2014
	\$ 0	0
Rev-Exp Balance	\$ -220,000	-130,000

FTE/LTE	2013	2014
FTE	0.00	0.00
LTE	0.00	0.00
Total Count	0.00	0.00

Please briefly describe:

- A. "Other" Expenditures:** Consultant assistance for financial analysis, feasibility studies, project visualizations, legal support, and marketing
- B. "Capital" Expenditures:** None
- C. Supporting Revenue:** None
- D. Dedicated Revenue:** None
- E. FTE/LTE:** None

Section 4: Budget Proposal Description

This proposal is to create and begin to implement an overall Economic Development Strategy for the City, an effort that will significantly focus the City's efforts and help make the shift to a more transactional, "deal-making" approach. This highly focused and targeted strategy will assist the City to

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accelerate the current slow economic recovery as well as direct long-term economic development efforts.

The proposal includes three major components:

1) Analysis of Bellevue's strengths, competitive position, and economic opportunities that will result in identifying the key target job "clusters" that are the City's greatest opportunities for job retention and recruitment. This involves assembling and analyzing local and regional economic data and the trends affecting Bellevue's economic growth and competitiveness, as well as opportunities and trends within specific market niches. This analysis, augmented by strategic insight from community and business leaders, will lead to identifying the most promising job clusters for Bellevue and will greatly help focus the City's retention and recruitment efforts.

Budget requirement: \$20,000 one-time expenditure for consultant assistance on economic analysis.

2) Development of branding and marketing strategies and tools that will be effective for the identified clusters. A branding and marketing campaign will be targeted to the specific economic clusters identified in step 1 above. Marketing campaigns can be very expensive. Given the modest budget, this effort must be very considerate in getting maximum return on City dollars expended. Delivery is likely to be through a combination of printed materials and Web/social media.

Budget requirement: \$70,000 includes \$50k one-time expenditure for consultant assistance in developing branding, messages and targeting strategy; plus limited assistance with preparation of Web and print media; additional \$20,000 covers printing and distribution of printed materials.

3) Pursuit of specific job retention and recruitment transactions. This is one of the biggest shifts in this proposal as compared to past City economic development efforts. The underlying concept here is that the City becomes a more active participant in helping achieve specific real estate development deals and business location decisions that enhance Bellevue's economic vitality. City efforts would focus on the job clusters identified in step 1 above. A key tool for sealing such transactions will likely be use of development agreements, as authorized by state law.

Budget requirements: (\$260,000 over the biennium or \$130k/yr) Consultant assistance is needed for feasibility/market analysis (\$30k/yr); proforma economic modeling (\$35k/yr); visualization graphics (\$35k/yr); and legal support (\$30k/yr).

Total budget (summing the above three components): \$350,000

The goal is to create a unified and focused strategy that can be clearly understood by the organization and community, market this strategy effectively, and begin pursuing it in a proactive, transactional way. While the traditional, broad-spectrum approach covered in the "core" ED proposal continues to be important, this proposal will enable the City to take a stronger and more focused role in retention and recruitment. Moreover, this effort is intended to push the City's economic development strategy broadly out to all rungs of the City organization, so that staff at every level can recognize and carry out their role as economic ambassadors of the City, in addition to their other core functions.

Section 5: Responsiveness to Request for Results

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

PRIMARY OUTCOME: ECONOMIC GROWTH AND COMPETITIVENESS

City Brand: This proposal will enhance City branding as part of an overall economic development marketing strategy, and help focus branding messages on specific economic clusters that are judged to be most productive. The proposal includes branding and marketing as one of the three major activities to be delivered. It will identify and highlight the City's strengths, particularly those strengths that are most attractive to the identified clusters, and create effective branding and marketing strategies to promote these strengths.

Costs and Capital: The proposal will help promote efficient, coordinated, predictable and customer-focused development processes, by developing a City-wide economic development strategy, broadly disseminating it throughout the City organization, and extending the expectation that all City staff are helping to achieve it. The proposal will further facilitate private sector

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investment and partnerships, by incorporating a shift to a more transactional approach to development.

Land, Infrastructure and Planning: This proposal has at its core advancing a focused, long-range economic growth strategy that is understood and implemented throughout the City organization. In addition, the transactional element of the proposal will facilitate targeted investments through site development assistance as appropriate.

Workforce: Given the knowledge-based economy of Bellevue and the Eastside, and the strong role for higher education and professional training in supporting this economy, the leveraging of college and research institution offerings is likely to play a major role in the economic development strategy produced by this proposal.

B. Citywide Purchasing Strategies and Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

SECONDARY OUTCOME: RESPONSIVE GOVERNMENT

Strategic Leadership: This proposal provides strategic leadership by advancing a focused and targeted strategy for economic development, based on Bellevue-specific opportunities and values. This strategy will be broadly disseminated across the City organization to provide clear direction in this important area. A key part of implementation will be to form collaborative partnerships with a variety of community stakeholders that can help meet the expressed ED objectives.

Customer-Focused Service: This proposal will help address customer-identified needs and proactively address stakeholder and community concerns. It will push the City's economic development strategy broadly out to all rungs of the City organization, so that staff at every level can recognize and carry out their role as economic ambassadors for the City.

CITYWIDE PURCHASING STRATEGIES

The proposal addresses the following Citywide purchasing strategies.

- 1) Provides the best value in meeting community needs and eliminates lower value-added activities. By developing a focused and deliberative ED Strategy, this proposal will help the City become more targeted and results-oriented in pursuing community objectives for economic development, focusing resources on high value-added activities.
- 2) Leverages collaboration or partnerships with other departments and/or external organizations. The proposal will result in an ED strategy that has broad involvement by stakeholders both inside and outside the City organization, with implementation that collaborates with and engages this broad range of individuals and organizations.
- 3) Is innovative and creative. The proposal is innovative and creative in developing a focused ED strategy, using sophisticated analysis tools and cluster analysis to arrive at key City targets, and a new, transactional approach towards implementation.

C. Partnerships and Collaboration proposed:

Partnerships and collaboration are at the heart of this proposal. Successful development and implementation of the new ED Strategy will involve extensive collaboration with partner individuals and organizations both inside City Hall and with numerous outside parties, including the Chamber of Commerce, the Bellevue Downtown Association, Meydenbauer Center, and others.

D. Activities in this proposal that support the work of other proposals, or save costs that would otherwise have to be expended:

A fundamental rationale for this proposal is that the City needs a more focused and proactive strategy to increase its economic competitiveness. Success will result in more jobs and more City revenues than would occur without the proposal. It is hoped that every dollar spent on this proposal will be leveraged many times over in private investments that would not otherwise have occurred; this will help provide resources to support the work of proposals across all seven City-wide budget outcomes.

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Section 1: Proposal Descriptors

Proposal Title: EB-5 Program

Outcome: Economic Growth and Competitiveness

Primary Department: Planning & Community Development

List Parent/Dependent Proposals: None

Previous Proposal Number(s): None

Proposal Number: 115.17NA

Proposal Type: New Service

Proposal Status: Recommended

Attachments: No

Primary Staff Contact: Tom Boydell

Version Tracking: N/A

Section 2: Executive Summary

This proposal is for creation of an EB-5 Program and Regional Center in Bellevue. EB-5 refers to a federal incentives program for foreign investors. Its more complete name is the Employment Based Immigration: Fifth Preference Immigrant Investor Program (EB-5). Associated with this is an application process and complex set of standards for establishing a local area (i.e., municipality or subarea) as a Regional Center under the Immigrant Investor Pilot Program. This proposal is to create a program under that federal authorization, which will take advantage of the incentives and status associated with it but which also adds some unique features and structure that will give Bellevue a competitive advantage nationally for attracting direct foreign investment and new companies, particularly those from Asia.

Section 3: Requested Resources

Fund: 00100

Project Number: N/A

OPERATING

Expenditures	2013	2014
Personnel	\$ 0	0
Other	60,000	0
Capital	0	0
	\$ 60,000	0

Supporting Revenue	2013	2014
	\$ 0	0

Rev-Exp Balance \$ -60,000 0

FTE/LTE	2013	2014
FTE	0.00	0.00
LTE	0.00	0.00
Total Count	0.00	0.00

Please briefly describe:

A. "Other" Expenditures: Professional services as outlined in Section 4.

B. "Capital" Expenditures: N/A

C. Supporting Revenue: N/A

D. Dedicated Revenue: N/A

E. FTE/LTE: N/A

Section 4: Budget Proposal Description

With Bellevue's international profile and presence as a global technology center, and with so much competition from other cities for foreign investment, it is a natural step to consider the USCIS EB-5 Regional Center program as a viable means to achieve multiple economic development goals.

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PROPOSED IMPLEMENTATION STEPS

Prior Work: Economic Development plans to complete Phase I work in 2012. Phase I work consists of the following: Research the process and requirements of forming a USCIS Regional Center in order to facilitate foreign investment in economic development initiatives that will expand the City of Bellevue's capacity as a top tier City. This document will summarize what needs to be done in order clarify, develop and implement a Regional Center to function as a funding path for commercial real estate development, municipal projects, or other new commercial enterprises.

Product: Requirements Document.

Phase II Proposal: This 2013 budget proposal is for the following Phase II work:

1. Planning for Program Structure and Related Requirements: \$10,000

Under the program and structure to be developed, the foreign investment could be channeled into three programmatic areas: (1) Assist and encourage recruitment of the US headquarters of foreign companies, to be called a "soft landings program," (2) channel investment dollars to support real estate development projects, i.e., downtown office towers, entertainment centers, and Bel-Red office complexes, and (3) package investment dollars to support large special purpose projects, such as a sports arena, performing arts center, or expanded convention center. A potential fourth application may be to package investment to support a small business incubator or technology accelerator program.

Product: Business Plan Summary describing how the Regional Center program will operate, including governance, financial participation (i.e., fees to be paid to the City), and legal structure.

2. Negotiations and Facilitated Discussion with City Leaders: \$5,000

Engage in discussions with staff and City Council to sharpen the focus of what we want to accomplish, specifically the type of recruitment targets and development vision.

Product: Letter of Intent.

3. Specifications Document and Application for the EB-5 Regional Center: \$35,000

The Specifications Document will summarize how to apply for the opportunity to be formally recognized as a Regional Center, and it will outline the path for formal authorization of Bellevue for the EB-5 program. This will be followed by the formal Application and submittal. Successful completion should include a Regional Center general proposal, business plan, industry classification codes related to the identified CIP, direct and indirect economic indicators for job creation, and packaging of the I-924 required attachments. A geographic area and range of business investment types must be identified prior and included in any application for designation by USCIS as an approved Regional Center. Research into the highest value, best leverage opportunities will be refined into an approach providing a balance of direction with flexibility. Within this mix, an initial Capital Investment Project, "CIP," is identified. Second, the identification of potential stakeholders along with what actions each stakeholder must take in order to apply for Project Approval as part of the Regional Center designation will be clarified.

Products: Specification Document, Project Description(s), Application Documents

4. Research Reports and Data Subscription for Performance Monitoring: \$10,000

The Federal government requires very specific job creation and performance monitoring under the EB-5 program and preliminary feasibility analysis of project applications. There are certain accepted standards as to what data sources and calculations are allowed (e.g., IMPLAN, RIMS, or Washington State I/O Model based reports). Expenses related to these custom economic impact reports would be an additional project expense. Costs for this type of report typically range from \$7,500 to \$15,000.

Products: Performance Measurement System, Reports to Support Applications.

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Section 5: Responsiveness to Request for Results

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

PRIMARY OUTCOME: ECONOMIC GROWTH AND COMPETITIVENESS

The goals of economic development are to increase private wealth and increase public revenues by recruiting businesses, help them survive and be successful, and support property owners and developers, that is to fill the existing and new buildings with successful businesses that can continue to pay market rents, and produce employees to buy goods and services locally, pay taxes, as well as bringing tourists that fill our hotels and shop locally. Therefore, directly and indirectly, meeting those goals plays a big role in sustaining city services and improves the city's excellent quality of life and business climate.

Timeframes: 5 to 10 year program horizon

Milestone targets:

- Completion of planning and application by September 2013.

Performance targets are as follows:

- Soft Landings Program – Recruit 1 or more new companies per year. Job creation typically 50 to 500 employees for corporate headquarters in manufacturing or technology. Leased space or built.
- Investment in Commercial Development - \$30 million in 2014, and \$200 million or more over the subsequent 8 years. Required minimum of 10 new jobs created for each \$1 million invested, over a designated monitoring period. Note that new commercial development could be matched with new company recruitments.
- Special Purpose Projects – to be determined.

Fee income: to be determined, on a percentage basis of the actual investment dollars, i.e., one half of one percent.

As a result, the EGC factors addressed include city brand, costs & capital, and workforce.

B. Citywide Purchasing Strategies and Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

SECONDARY OUTCOME: RESPONSIVE GOVERNMENT

Responsive government goals are addressed through the new vision, strategic planning for specific projects and implementation of city priorities, and collaborative partnerships with foreign entities and local land developers to achieve new investment and job growth. Under EGC, Factors 3 and 4 are supported or addressed indirectly.

C. Partnerships and Collaboration proposed:

Substantial coordination with other City departments (Finance, IT, Parks, Transportation, Utilities), among others will be required on a project by project basis.

D. Activities in this proposal that support the work of other proposals, or save costs that would otherwise have to be expended:

This proposal supports the recruitment of investment and business recruitment to support city projects and accomplish development targets. It supports the proposals of other departments, particularly all of planning, utilities, and development services.

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Section 1: Proposal Descriptors

Proposal Title: Citywide Environmental Review

Proposal Number: 115.19NA

Outcome: Economic Growth and Competitiveness

Proposal Type: New Service

Proposal Status: Recommended

Primary Department: Planning & Community Development

Attachments: No

Primary Staff Contact: Paul Inghram

List Parent/Dependent Proposals: None

Previous Proposal Number(s): N/A

Version Tracking: N/A

Section 2: Executive Summary

The Citywide Environmental Review proposal will generate new development, enhance the city's reputation, and result in greater investment in the city. The proposal funds the development of and completion of a citywide Environmental Impact Statement (EIS) that will streamline the development review process.

The city lacks a citywide EIS today. Completing one will be a major tool to support new development consistent with the city's Vision by opening up new categories of environmental review exemptions allowed by the state, reducing the potential for SEPA appeals, and thereby reducing the time, costs, and risk associated with the development review process. Furthermore, it sends a signal to the development community that Bellevue supports new development projects in its Downtown and other commercial centers. This EIS will be completed as part of the city's major Comprehensive Plan update scheduled to occur in 2013-2014.

Section 3: Requested Resources

Fund: 00100

Project Number: N/A

OPERATING

Expenditures	2013	2014
Personnel	\$ 57,335	0
Other	200,000	200,000
Capital	0	0
	<u>\$ 257,335</u>	<u>200,000</u>

Supporting Revenue	2013	2014
	\$ 0	0
Rev-Exp Balance	\$ -257,335	-200,000

FTE/LTE	2013	2014
FTE	0.00	0.00
LTE	0.50	0.00
Total Count	<u>0.50</u>	<u>0.00</u>

Please briefly describe:

A. "Other" Expenditures: Consultant services to complete EIS.

B. "Capital" Expenditures: N/A

C. Supporting Revenue: N/A

D. Dedicated Revenue: N/A

E. FTE/LTE: Would require 0.5 LTE of staff time for 12 months to manage project.

Section 4: Budget Proposal Description

The Citywide Environmental Review proposal would fund the development of an Environmental Impact Statement (EIS) consistent with state law that would facilitate new development, reduce process and cost, and increase the certainty of the development process. The EIS would be prepared as part of the

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city's major Comprehensive Plan update.

Bellevue has always been a leader in efficiently managing the environmental review process and is already known as a good place to do business. This proposal would further that reputation by eliminating duplicative environmental review steps. Under state law, environmental review (known as SEPA in reference to the State Environmental Policy Act) is required of most public and private development projects with a few exceptions. SEPA requires development to complete a checklist and to be reviewed for impacts to the natural environment, traffic, housing, and adjacent land uses. When a development has the potential for significant impacts under SEPA, an intensive environmental impact statement (EIS) may be required. An EIS often costs hundreds of thousands of dollars and about nine months to complete. Even when an EIS is not required, SEPA determinations can add time and costs to projects and open up the potential for appeals.

SEPA review is important because it can help ensure that development projects mitigate impacts to the community. Now, however, the city anticipates and seeks to encourage new development in areas like Downtown, BelRed and Eastgate. Development in these commercial centers is consistent with the City's vision for growth. And impacts that may have once been addressed by SEPA, are often now commonly addressed through development regulations and traffic impact fees.

The state offers three SEPA streamlining tools that can be used to encourage development and reduce the development review process:

- * Planned Action EIS – Under this tool, a city may conduct a planned action EIS on a subarea plan as an upfront investment that avoids the need for more extensive SEPA review later during the development review stage. This can significantly reduce permit times and complexity and reduces appeal risks associated with development.

- * Infill Development Exemption – In 2003, a new section was added to SEPA to encourage infill development at the densities and intensities designated by GMA cities and counties in their comprehensive plans. This new section allows GMA counties and cities to establish categorical exemptions for "...new residential or mixed-use development proposed to fill in an urban growth area..." This would allow the city to exempt much of the development anticipated in Downtown, BelRed and in other areas where growth is projected.

- * ESHB 2538 – Passed by the state Legislature in 2010, this bill allows cities to complete SEPA review and a subarea plan for designated urban centers (like Downtown Bellevue) and other transit-oriented centers that then exempts development projects that are consistent with the adopted plan. Importantly, once the SEPA review is complete on the subarea plan, those projects that are exempt are not subject to SEPA appeal.

This proposal would look to conduct an Environmental Impact Statement as part of the Comprehensive Plan and the Downtown Subarea Plan updates that could be applied to these three categories of SEPA streamlining. As this project is scoped and defined, it will include outreach to the Downtown business community and developers and will focus on those particular tools that provide the greatest net benefit. While the city is budgeting separately for the update of the Comprehensive Plan, that project does not include funding for an EIS. This proposal would need to be approved to provide sufficient funding, if an EIS were to be required or deemed critical for the Comprehensive Plan update.

The state conducted a review of fifteen case studies of cities and counties that conducted early subarea planning and SEPA review with the intent of facilitating development. The study found that there are cost savings to be had by front-loading the environmental review during the planning process and that there are significant benefits from streamlining the permit process. The study drew the following conclusions:

- * All of the case studies will eventually achieve a net benefit in direct costs. Even GMA plans that did not result in the adoption of a Planned Action Ordinance will result in the reduction of SEPA costs for projects within the planning area because of the additional environmental review done at the plan

stage.

* The public bears the bulk of the planning and environmental costs at the front end while the public and private sector split the avoided SEPA costs about evenly at the project level. The developer avoids the costs of preparing SEPA documents and the public reduces the administrative costs of review.

* The avoided SEPA costs, while not overwhelming, are significant to developers making decisions about where to build.

Perhaps, most importantly, the study noted how the upfront SEPA review reduced the risk to the investors and communicated the city's willingness to support development.

In addition to savings costs and reducing risks for private development projects, conducting a citywide EIS has the opportunity to reduce city costs. The city regularly spends hundreds of thousands of dollars conducting SEPA review on updates to the Comprehensive Plan, the TFP, on individual planning initiatives and code amendments, and individual city projects. While a citywide EIS won't be able to anticipate all future projects and replace all SEPA review, it has the potential to reduce SEPA costs by conducting environmental review upfront and establishing a basis for future reviews. In some cases, future EISs may be avoided by relying on this citywide analysis.

Section 5: Responsiveness to Request for Results

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

PRIMARY OUTCOME: ECONOMIC GROWTH & COMPETITIVENESS

The COSTS & CAPITAL purchasing strategy notes that the cost of doing business is critical to a firm's decision to develop. It calls for efficient, coordinated, predictable, and customer-focused development processes. By streamlining the SEPA review process, this proposal would enhance the development process in all those ways, reducing time, costs, and risks associated with development. In the state study it was found,

"Predictability, especially the component of reduced and more certain application review and processing time, is another benefit that was consistently stressed in the interviews as an overall objective. It was also noted in comments made by developers. Increasing the predictability amounts to reducing the risk and thereby increasing the return on investment."

The proposal also responds to the LAND, INFRASTRUCTURE AND PLANNING purchasing strategy in that it would bolster the city's planned Comprehensive Plan update and Downtown planning projects, completing a higher degree of environmental review for those projects, which would enhance the public outreach, background analysis, and ensure that that full spectrum of environmental impacts are analyzed. In short, conducting this citywide environmental review will make the city's Comprehensive Plan and subarea plans more valuable.

Lastly, this proposal not only streamlines duplicative permitting processes, it strengthens the CITY BRAND by communicating the city's support for development and signaling the city's commitment to its Vision. While the costs and time of development review are only some of the factors that go into the business decision of whether to begin a development project, city actions that streamline the process send a positive message that the city intends to be supportive.

B. Citywide Purchasing Strategies and Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

SECONDARY OUTCOME: IVCC

This proposal addresses responds to several of the IVCC purchasing requests: By supporting the Comprehensive Plan update and city subarea plans, the proposal responds to the BUILT ENVIRONMENT purchasing request by furthering the ability for the city to plan for its future and implement the Community Vision. It also enhances the opportunity for the public to be involved in considering alternatives and evaluating their consequences through required scoping and public review steps that are consistent with INVOLVED CITIZENS and OPPORTUNITIES FOR INTERACTION.

CITYWIDE PURCHASING STRATEGIES

Provide the best value in meeting community needs by conducting a single environmental review process on the Comprehensive Plan and select subareas, such as Downtown, to provide a base for

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future environmental reviews and reducing the costs associated with individual projects. Conducting a citywide environmental review on the Comprehensive Plan should reduce the need to conduct an EIS on other city projects.

Leverage collaboration or partnerships with other departments and/or external organizations by performing environmental review in way that benefits both multiple departments in the city and private development. Upfront investments in comprehensive environmental review has been shown to reduce net costs as development occurs.

Are a catalyst for increasing citizen participation and support by engaging stakeholders and general public in a transparent and open process and by providing the public with greater access to information and opportunity to shape the planning process than they would without a comprehensive environmental review process.

As a new proposal it will provide net cost savings over time by reducing environmental review costs associated with city projects and it will stimulate the local economy by reducing costs, time and risks associated with private development.

C. Partnerships and Collaboration proposed:

This proposal would be implemented in a close partnership between Development Services and Planning and Community Development. DSD is the city's lead for environmental review; while PCD leads planning initiatives such as the update to the Comprehensive Plan and the Downtown Livability project.

Conducting a citywide environmental review would provide an opportunity to work closely with other departments, especially those with capital programs, such as Parks, Transportation and Utilities, to programmatically address as much of the environmental review process associated with their plans as possible, to thereby reduce their future environmental review costs.

D. Activities in this proposal that support the work of other proposals, or save costs that would otherwise have to be expended:

Conducting a citywide EIS would support the city's required update of the Comprehensive Plan, as well as efforts to update the Downtown Subarea Plan. It may also support and reduce the environmental review process and costs associated with the biennial TFP and other future planning initiatives. Those future plans, would be able to use the citywide EIS as a basis for their environmental review. Even when a new EIS might be required for a new planning effort, that new EIS would be able to use this proposal as a baseline for measuring new impacts and would be able to utilize data and analysis from this effort, significantly reducing future costs.

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Section 1: Proposal Descriptors

Proposal Title: Downtown Parking Enforcement

Proposal Number: 130.17NA

Outcome: Economic Growth and Competitiveness

Proposal Type: Existing Service

Proposal Status: Recommended

Primary Department: Transportation

Attachments: No

Primary Staff Contact: Hillary Stibbard

List Parent/Dependent Proposals: No

Previous Proposal Number(s): 130.17A2

Version Tracking: N/A

Section 2: Executive Summary

This proposal will continue to provide enforcement for on-street parking in the Downtown. Short-term on-street parking in the Downtown creates turnover in parking space, thus increasing the overall parking availability for retail customers and general downtown visitors, a goal of the Downtown Subarea Plan. This proposal includes staff and resources needed to hire a contractor to provide enforcement services and to administer the parking program.

Section 3: Requested Resources

Fund: 00100

Project Number: N/A

OPERATING

Expenditures	2013	2014
Personnel	\$ 21,942	22,738
Other	96,510	100,513
Capital	0	0
	<u>\$ 118,452</u>	<u>123,251</u>

Supporting Revenue	2013	2014
	\$ 0	0

Rev-Exp Balance \$ -118,452 -123,251

FTE/LTE	2013	2014
FTE	0.20	0.20
LTE	0.00	0.00
Total Count	<u>0.20</u>	<u>0.20</u>

Please briefly describe:

A. "Other" Expenditures: : Cost of outside enforcement contractor.

B. "Capital" Expenditures: NA

C. Supporting Revenue: NA

D. Dedicated Revenue: NA

E. FTE/LTE: 0.1 FTE of Traffic Engineering Manager consolidated into Traffic Safety and Engineering proposal.

Section 4: Budget Proposal Description

This proposal will continue to provide daily, on-going management of the Downtown Parking Program. This includes management of and coordination with the enforcement contractor, coordination with the Police Department and the City Attorney's Office, investigation into and response to citizen concerns, and monitoring and revising parking zones when necessary.

The contractor provides enforcement of time restrictions for on-street parking and general duties such as coordination with Bellevue District Court, attending court, researching vehicle registration information, and public contact.

The downtown area, for purposes of this proposal, is defined as the west side of I-405 to the west side of 100th Avenue NE, and the south side of Main Street to the north side of NE 12th Street.

City of Bellevue - Budget One 2013-2014 Operating Budget Proposal

It should be noted that, as indicated in Section 3 of this proposal, there is no revenue that directly supports this program. A small portion of the revenue from parking tickets is returned to the City's General Fund, but most of the revenue stays with the court to cover the cost of the court. It must be stated, however, that although a relatively small amount of the revenues are returned directly, there is benefit to the City as these tickets help pay for the overall cost of the court.

SCALABILITY: This proposal is scalable, but only if the hours of enforcement are reduced. The cost of the enforcement contract is based on the hours that the parking restrictions are signed and in effect. If this proposal is not funded, there will be no parking enforcement program in the Downtown and the on-street parking will be filled by office workers and residents, leaving very little available for retail customers and visitors.

Section 5: Responsiveness to Request for Results

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

ECONOMIC GROWTH AND COMPETITIVENESS - This offer addresses the following strategies: \

[CITY BRAND]

The willingness of the City to ensure the availability of on-street parking to increase accessibility to the storefront retail businesses "contributes to the positive reputation of Bellevue as a great place for business".

[LAND, INFRASTRUCTURE, AND PLANNING]

With on-street parking located throughout Downtown, maintaining turnover of parking spaces throughout the day and increasing the availability of parking "enhances access to and circulation within this commercial center as a way to support the continued economic health" of retail businesses.

[QUALITY OF COMMUNITY]

As stated in the description of the Quality of Community factor, the high quality of community in Bellevue contributes to the City's economic health through the provision of amenities such as shopping, entertainment and restaurants that are part of the economy and contribute to the quality of life. As the residential community within downtown Bellevue continues to expand and contributes to the further growth of the Downtown as a place to live and play, as well as work, the storefront retail businesses "significantly contribute" to the sense of community and the "quality of the Downtown community".

B. Citywide Purchasing Strategies and Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

IMPROVED MOBILITY

[EXISTING AND FUTURE INFRASTRUCTURE]

By providing short-term on-street parking, this proposal "promotes and supports the economic development of the city" by maintaining the overall parking availability for retail customers and general downtown visitors.

C. Partnerships and Collaboration proposed:

NA

D. Activities in this proposal that support the work of other proposals, or save costs that would otherwise have to be expended:

It has been shown that the cost of on-street parking enforcement in the Downtown is less when performed by an outside contractor than when provided by the Police Department. This proposal will continue to provide the current level of enforcement for on-street parking in the Downtown without the increased cost of providing it in-house.