FINAL RECOMMENDED FOR COUNCIL ADOPTION: JUNE 30, 2014

City of Bellevue

ECONOMIC DEVELOPMENT PLAN

VISION:
Bellevue is a prosperous and vibrant international city with innovative and entrepreneurial businesses and a high quality of life for residents.

CITY OF BELLEVUE ECONOMIC DEVELOPMENT PLAN

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City of Bellevue

ECONOMIC DEVELOPMENT PLAN

EXECUTIVE SUMMARY

Bellevue is truly fortunate. Fortunate in its location that places its residents and businesses in proximity to lakes, mountains, freeways, and a thriving regional economy, with easy access to overseas markets in Asia. Fortunate to have a diverse population and workforce that mirrors the world and attracts some of the best employers in the world. Fortunate to have a phenomenal public school system and enviable parks and recreation opportunities. Fortunate with a high quality of life and an attractive environment that attracts residents, employers, employees, and visitors from around the globe.

These many blessings are interlinked and intertwined, with cause and effect compounded. The Bellevue community benefits from a virtuous cycle in which a high-quality community supports a vibrant economy — and vice versa. But given regional and global competitiveness, the City, its partners, and its community cannot stand idle. Indeed, it never has. Other than its geographic location, all of the blessings that make Bellevue what it is today are the results of deliberate choices and hard work by many individuals and organizations, including entrepreneurs and immigrants, individuals and families, and governmental and community leaders.

The City is establishing this Economic Development Plan at this point in its evolution to guide its proactive efforts to strengthen and diversify the Bellevue economy for the good of existing and future residents and businesses. Success in the City's strategic thinking, hard work, and investment will contribute to achieving our **Vision** for the community:

> Bellevue is a prosperous and vibrant international city with innovative and entrepreneurial businesses and a high quality of life for residents.

Success will come from accomplishing the **Desired Outcomes** articulated below, as well as specific, measurable performance measures that align with these qualitative descriptions:

- **A strengthened and diversified economic base** that supports the City's ability to provide quality services to residents and business owners and enhances economic resiliency. Investment by businesses and individuals from many sectors and many countries will contribute to the health and vitality of the Bellevue economy.
- **A strong regional economy** that benefits residents and business in Bellevue and neighboring communities. As the economic engine of the Eastside, we will take a regional, collaborative approach to advancing areas of common interest among communities in the greater Seattle area.
- **Employment opportunities and paths to prosperity for a wide range of residents.** Bellevue is a diverse community, with prosperous residents employed by companies at the forefront of the Internet economy, and others who struggle to find service jobs that pay a living wage. The City's economic development strategy includes programs that benefit workers along the entire spectrum, and assists those seeking to develop the skills necessary to find a job or upgrade their employment.
- **An easy and attractive place to do business** by having a full range of attractive commercial building types, highly reliable and up-to-date power and technology infrastructure, and a positive business climate.
- **A sustainable city,** with a prosperous economy, a healthy environment, and an innovative, caring community. We will guide Bellevue's growth in a responsible manner, well-planned and in synch with our natural and built environments.

The following themes run through the City's Economic Development Plan, emphasized multiple times and in multiple ways throughout this document. They describe key aspects of how Bellevue will approach its economic development efforts.

- **Collaboration.** Through collaboration, Bellevue will leverage others' strengths and resources to achieve greater outcomes than could be accomplished individually.
- **Regionalism.** The City of Bellevue cannot be strong without a strong Eastside and Puget Sound region. The City will be both a leader and a collaborator, working with other communities in the region to address issues that require regional, state, or national solutions.
- **Internationalism.** Bellevue sees itself in a global context. City residents and businesses, as well as the owners, investors, employees, and customers of these businesses, come from all over the world. This is a tremendous advantage, giving our businesses access to worldwide markets and a global workforce.

Recognizing the interlinking connections between the city's economy and the community supports that serve as a foundation for both economic prosperity and high quality of life, this Economic Development Plan is centered on **Direct** and **Foundational** Strategies.

DIRECT STRATEGIES

The strategies below describe direct actions the City will take to strengthen targeted economic clusters. These clusters were carefully selected among the city's many areas of strength based on their potential for impact, the opportunity to diversify the city's economy, and the presence of interested partners.

1. CULTIVATE BELLEVUE'S NEXT GENERATION OF TECHNOLOGY ENTREPRENEURS

Information Technology (IT) — including software and systems development, interactive media (gaming), and mobile technology — is Bellevue's largest industry cluster. In addition, IT is where most business starts occur.

Our Next Generation strategy is to encourage a creative and entrepreneurial environment, where businesses, entrepreneurs, and knowledge workers are at the center of the mix. Our means of doing this include creating affordable and flexible workspaces for entrepreneurial companies, creating a Tech Zone with targeted amenities, and attracting technology firms to Bellevue. We will also seek to locate an expanded higher education presence in Bellevue that will enrich our workforce and energize the technology ecosystem with research and development, programming, and business spin-offs.

2. POSITION BELLEVUE AS A PACIFIC RIM GATEWAY

Bellevue is already an international business hub with a well-educated workforce, a diverse population (more than one-third of Bellevue's population is foreign born), and proximity to Asia. Bellevue's focus will continue to be on the Pacific Rim, particularly where specific opportunities and strong ties already exist.

Bellevue can maintain existing connections and build off of them to spur new business formation.

Supporting foreign investors and businesses choosing to locate in Bellevue will diversify the city's economy, increase its economic base, and continue to support Bellevue's ethnic diversity. Desirable firms are defined as those that increase access to overseas markets, establish a prime office for U.S. operations in Bellevue, and/or grow the regional marketplace and talent pool.

To advance this Strategy, we will work with our partners to strengthen our international relationships and knowledge base and seek to attract foreign investors, employers, and institutions.

3. STRENGTHEN BELLEVUE'S TOURISM AND VISITOR CLUSTER

Bellevue's tourism industry is an existing strength that has potential for additional growth. Currently there is strong demand for corporate meeting facilities of all sizes. However, while Bellevue hotels are typically booked during the week, frequently there is excess capacity on the weekends.

To address this gap, the City will work with partners to develop a coordinated tourism strategy encompassing business-related and leisure markets. This Strategy will increase the city's economic base, create job opportunities, and strengthen the city's economic resiliency.

4. DEVELOP A MULTI-PRONGED ECONOMIC DEVELOPMENT MARKETING CAMPAIGN

The City must clearly communicate its vision for the future of Bellevue's economy. The City will implement an economic development marketing campaign to raise awareness of its goals, the opportunities that exist in Bellevue, and the City's willingness to facilitate investment that is in line with the Vision and Desired Outcomes established in this Strategy.

FOUNDATIONAL STRATEGIES

The Foundational Strategies below are essential to a well-functioning community and will support a high quality of life for Bellevue residents and all of Bellevue's businesses and economic clusters.

One of the greatest ways that Bellevue supports its economy is by ensuring the City functions well as a place, including investments in business districts and infrastructure such as streets, sidewalks, and parks, as well as services such as public transit, recreation programming, and support for specific populations. We recognize that these City services affect businesses directly and indirectly, by making Bellevue an attractive place for employees, the lifeblood of every business. Similarly, the City will support partners to ensure city housing and education systems function well, providing options and opportunities for a diverse population.

A. TAKE BOTH A LOCAL AND A REGIONAL APPROACH TO SOLVING TRANSPORTATION CHALLENGES

B. PROVIDE A BUSINESS CLIMATE AND INFRASTRUCTURE THAT FACILITATES DESIRABLE BUSINESS INVESTMENT

C. CULTIVATE ATTRACTIVE AND DIVERSE BUSINESS DISTRICTS

D. SUPPORT THE DEVELOPMENT AND ATTRACTION OF WORLD-CLASS TALENT

E. ENCOURAGE A VARIETY OF HOUSING CHOICES WITHIN THE CITY

F. CONTINUE TO MAKE BELLEVUE A GREAT PLACE TO LIVE AND VISIT

Many of these Foundational Strategies are long-standing, ongoing efforts carried out by initiatives and programs throughout the City organization. It is important to recognize their connection to economic development, and to call attention to a short list of new initiatives among them that will require new energy and resources, including:

- **Expanding access to high speed data options (Objective B.4)**
- **Establishing a clear vision and future for the Wilburton District (Objective C.5)**
- **Workforce housing (Strategy E)**

Looking Forward

This Economic Development Plan has been developed to align the efforts and expectations of the City Council, staff, and partners, and clearly state the City of Bellevue's economic goals and priorities. The City intends to use this Plan as a guiding document in its work around advancing Bellevue's economy; this is designed to be a living strategy, frequently referred to, executed upon, and periodically updated.

During each biennial budgeting process, the City will evaluate its progress towards the Vision and Desired Outcomes stated in this document and identify areas of focus for the coming year. Short-term action items will be selected and energetically pursued as current year priorities.

The City is using an ***Implementation Plan*** that accompanies this Strategic Plan to capture implementation tactics, responsibility for leading and supporting individual tasks, resource requirements, and partnership opportunities. This internal document will support the City's budgeting and implementation processes, and will provide a mechanism for assessing progress and maintaining accountability.

Background

Planning Purpose and Process

Bellevue has a long history of success in both directly and indirectly affecting many elements of economic development and supporting businesses that choose to locate here. This new effort to develop Bellevue's economic development strategy for the coming five years will build upon this success through identifying clear and direct goals and strategies that link a strong economy with business opportunities, sustainability, and a high quality of life.

Bellevue's Economic Development Plan is intended to:

- **Align the efforts and expectations of the City Council, City staff, and partners.** Many individuals and organizations have direct or supporting roles to play in economic development. All of these actors need to be able to state simply and consistently Bellevue's long-term economic Vision and Desired Outcomes. They also need to be aware of actions and investments being made in the short term to move the City ahead.
- **Clearly state the City of Bellevue's economic goals and priorities.** Business owners and financial investors desire clear and predictable policy environments. With this plan, the City seeks to clearly state Bellevue's objectives and desire to partner to further the Vision.

Planning Process. The City began this planning process in mid-2013 by gathering and analyzing information to gain a clear understanding of Bellevue's current situation as summarized in the section that follows. By drawing on quantitative demographic, economic, and market data, as well as the qualitative perspectives of a wide range of stakeholders, this foundation was analytically rigorous and informed by a variety of perspectives on the shape of Bellevue's economy now and in the future.

A committee of City department leaders was formed to consider Bellevue's position and to design a thoughtful and effective strategy. This Economic Development Planning Committee met seven times over the course of the planning period to review the Situation Assessment and develop the Draft Plan.

This Draft Plan has been circulated in April 2014 to key stakeholders who participated in earlier Fall 2013 interviews, with comments incorporated into this document.

Economic Development Planning Committee

City Manager's Office

Mike Brennan, Acting Assistant City Manager, Director of the Development Services Department

Sheida Sahandy, Assistant to the City Manager

Planning & Community Development

Chris Salomone, Director

Dan Stroh, Planning Director

Emil King, Strategic Planning Manager

Gwen Rousseau, Associate Planner

Tom Boydell, Economic Development Manager (former)

Civic Services

Nora Johnson, Director

Max Jacobs, Real Property Manager

Communications

Emily Christensen, Chief Communications Officer

Finance

Jan Hawn, Director

Information Technology

Toni Cramer, Chief Information Officer

Parks & Community Services

Patrick Foran, Director

Key Findings from Bellevue's Situation Assessment

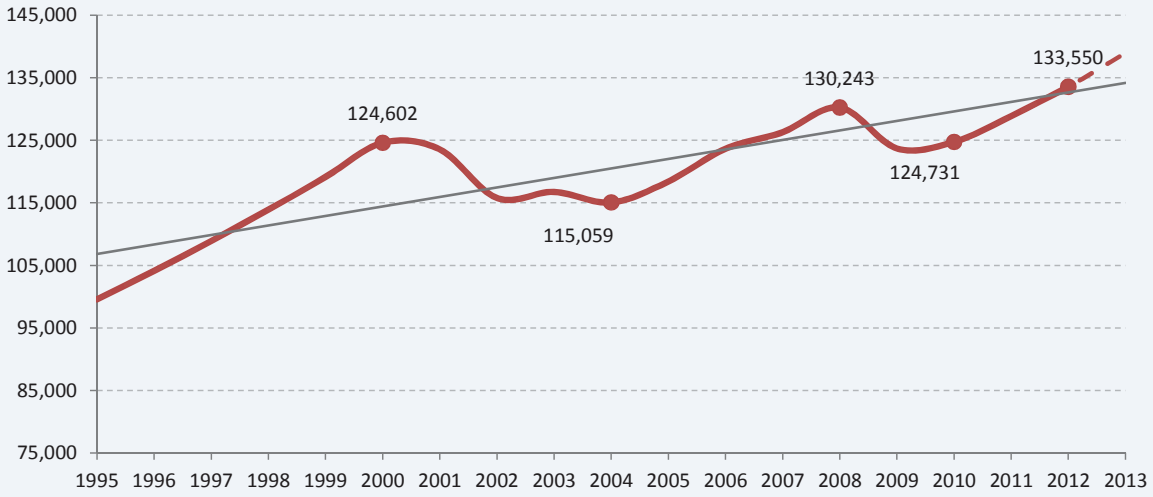
Quantitative Analysis

Key findings from the quantitative analysis gathered or conducted for this planning effort are presented below. *Attachment A* presents the analysis in full.

➔ *Bellevue's employment has steadily grown over time*

Despite fluctuations that correlate with the ups and downs of economic cycles, including two significant downturns since 2000, the number of jobs in Bellevue has grown at an average annual growth rate of 1.6% over the last 17 years. The trend line in the exhibit below shows the direction of job growth over the long term.

BELLEVUE TOTAL EMPLOYMENT, 1995 – 2012

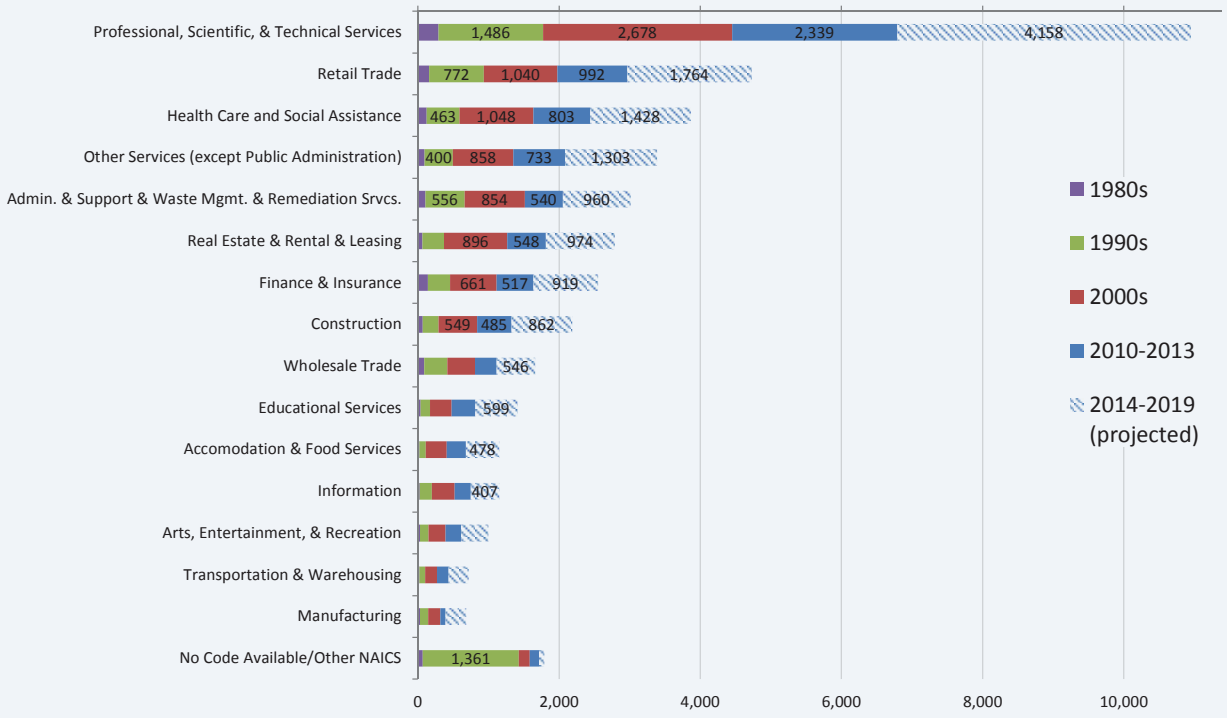


Source: City of Bellevue, 2013
Note: Construction jobs are excluded from this exhibit as they are not often permanently located and tend to be volatile in reaction to economic cycles.

➔ *Bellevue is a strong, growing, and diverse regional economic center*

- Bellevue is a major regional employment center, with workers commuting to their jobs from throughout the Puget Sound region.
- Approximately 22% of Bellevue workers live in Bellevue and nearly 15% of workers live in Seattle. Other Bellevue workers are spread throughout the region, with relatively strong concentrations in other Eastside cities and South King County.
- Just over three-quarters of Bellevue's employed residents work in Bellevue (40%), Seattle (21%), or Redmond (15%). Bellevue residents also work in other Eastside communities, South King County, and other cities across the region.
- As shown below, the Bellevue economy is quite dynamic, with a large number of business openings, particularly in the Professional, Scientific, and Technical Services sector.

PAST AND PROJECTED BUSINESS OPENINGS IN BELLEVUE BY DECADE, 1980 – 2019



Source: Washington State Department of Revenue, 2013; BERK, 2013

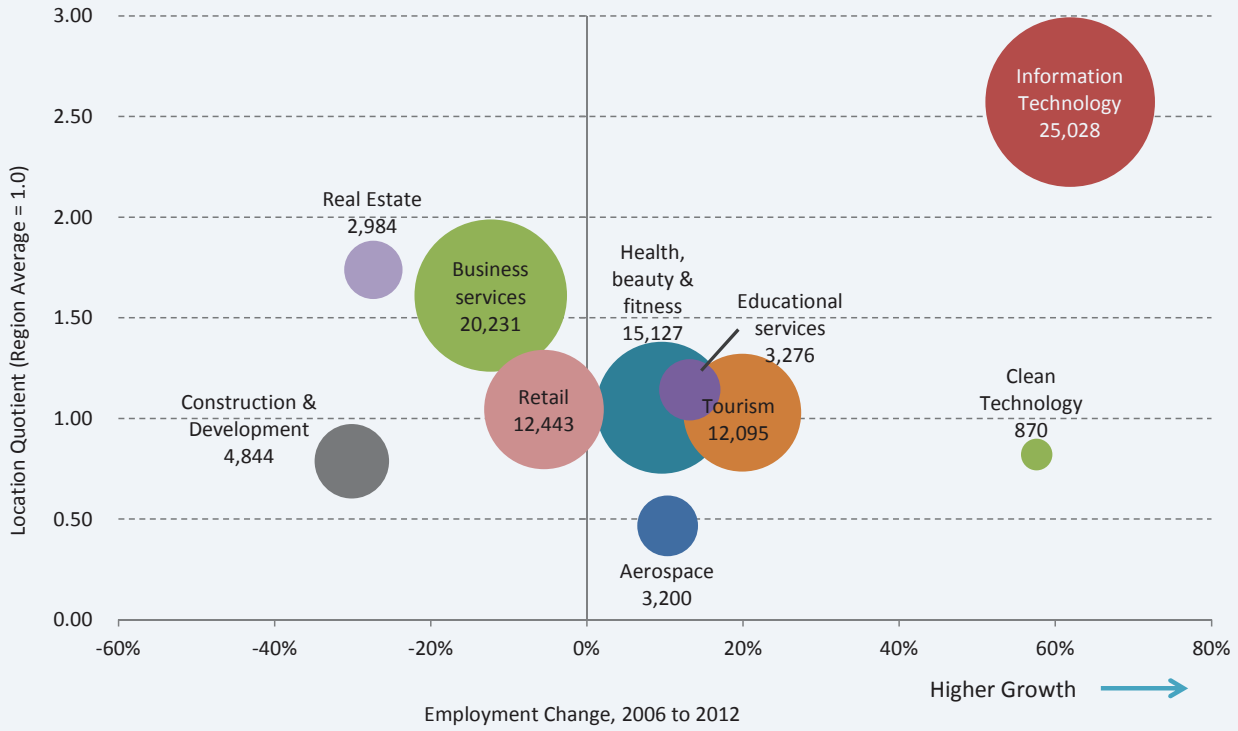
Note: The 1990s have a large number of records without valid North American Industry Classification System (NAICS) industry codes. This is likely due to the transition from the previous Standard Industrial Classification (SIC) industry classification system to NAICS during this period.

The chart below profiles Bellevue's major industry clusters using three measures:

- Total employment in 2012. The size of each circle represents the number of Bellevue jobs within the individual industry cluster in 2012.
- Employment Change 2006-2012. The horizontal axis shows which industry clusters have grown or declined between 2006 and 2012. These two reference years were selected because of their similar placement on upward growth cycles (see earlier exhibit on job growth).
- Location Quotient. The vertical axis compares the concentration of each industry cluster in Bellevue to the concentration of the same industry cluster in the Puget Sound region. A circle with a location quotient of 1.0 (Retail is very close at 1.05) means Bellevue has the same concentration of jobs in that cluster as the regional average. A locational quotient of 2.6 (Information Technology is 2.57) means the cluster is 2.6 times more concentrated compared to the regional average, and 0.5 (such as Aerospace) means half the concentration.

The chart shows that Information Technology is the largest, fastest growing, and most concentrated industry cluster in Bellevue in terms of employment. Other notable clusters include Business Services; Health, Beauty and Fitness (which includes hospitals and health practitioners); Retail; and Tourism.

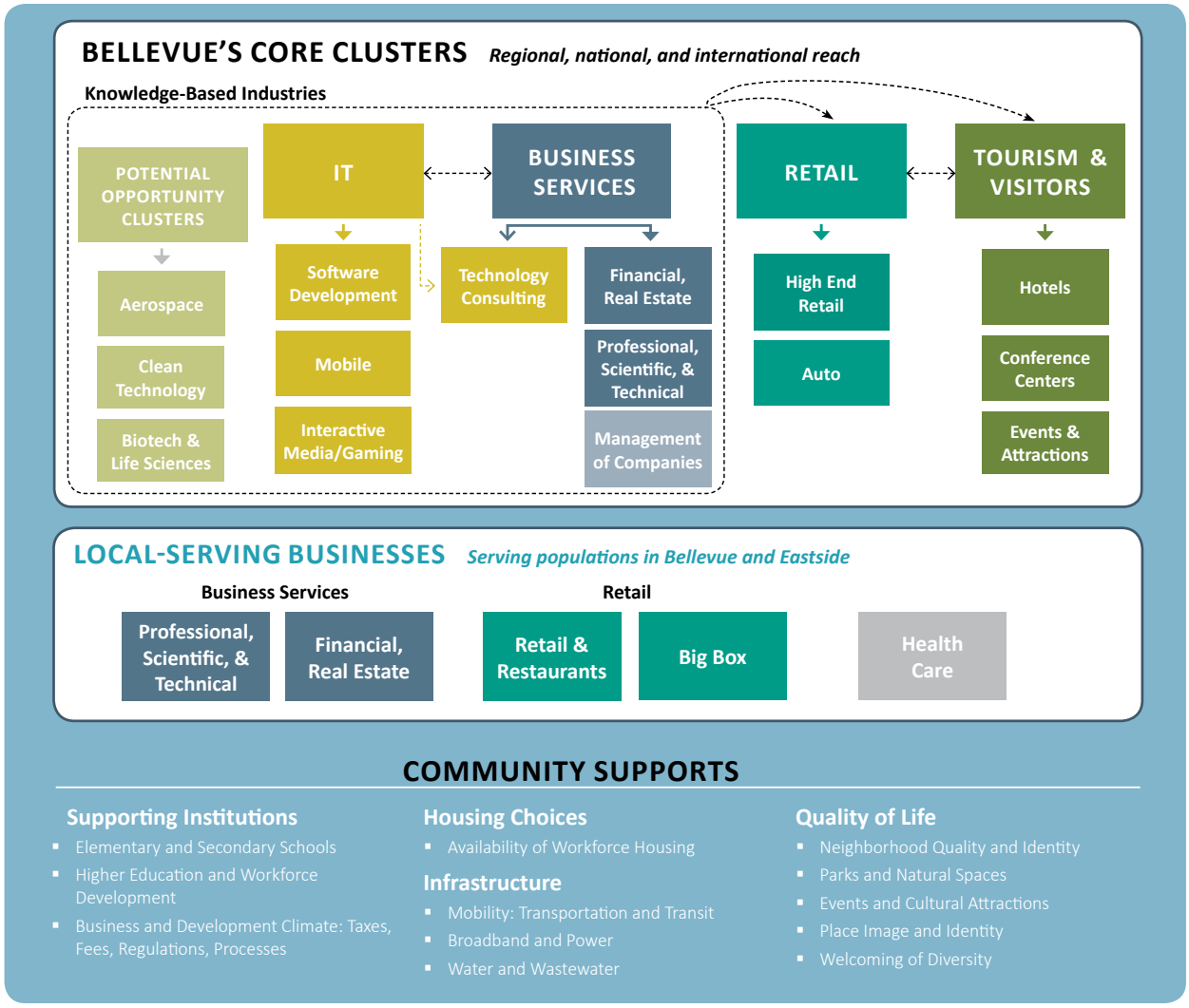
BELLEVUE MAJOR INDUSTRY CLUSTERS BY SIZE, EMPLOYMENT CHANGE, AND CONCENTRATION



Source: Puget Sound Regional Council, 2013; City of Bellevue, 2013; BERK, 2013.

➔ *Bellevue's economy is driven by four major industry sectors: Information Technology, Business Services, Retail, and Tourism and Visitors.*

The Information Technology, Business Services, Retail, and Tourism and Visitors industry clusters are the primary drivers of Bellevue's economy. The conceptual map below represents these clusters, their connection to each other and the larger economy, and their reliance on a strong foundation of community supports.



Key Findings Related to Bellevue's Four Primary Clusters

➔ *Bellevue's Information Technology (IT) sector has seen considerable growth and shows great potential going forward.*

- The City benefits from a well-educated workforce with significant professional expertise and cultural diversity.
- Employment in most IT sub-clusters is more than twice as concentrated as the regional average.
- The IT sector has had the most business openings of any sector in the last three decades, and is expected to continue this trend.

➔ *The Business Services sector is strong relative to the region.*

- Finance is the largest Business Services sub-cluster, followed by Management Services, and Architecture and Engineering.
- While Bellevue's Finance sub-cluster is strong relative to the region, the region (including Seattle) is not considered to be a large financial center relative to other metro areas, such as Chicago, San Francisco, and others.
- Most Business Services sub-clusters were fairly stable in the 2000s, with Management Services showing some growth.
- Management Services includes headquarters for companies such as Eddie Bauer, Esterline, Paccar, and Puget Sound Energy, as well as regional managing offices for companies such as QFC and Safeway.

➔ *Bellevue's retail sector is thriving and critical to the city's economy.*

- Bellevue is one of the Puget Sound region's premier high-end retail destinations, generating a substantial portion of retail sales from outside the community.
- Bellevue had the highest Taxable Retail Sales (TRS) per capita ($25,438 per person) of any major city in King County in 2012. Bellevue's TRS per capita was nearly twice as high as Seattle's in 2012.
- Retail supports and is supported by Bellevue's Tourism and IT clusters.

➔ *Bellevue's Tourism and Visitors market has both strengths and opportunities for growth.*

- Bellevue has a strong corporate convention market, but there is not currently enough hotel and conference space in the city to host major national or international events.
- Bellevue's reputation as a safe, clean city with excellent high-end shopping, nightlife, and restaurants, as well as its central location within the Puget Sound region, has contributed to making the city more appealing to leisure travelers. However, some see Bellevue as lacking unique, memorable visitor experiences. Bellevue has little name recognition on its own outside of Washington State.

Summary Themes from Stakeholder Input

In Fall 2013, BERK Consulting conducted interviews with a wide range of stakeholders to inform the economic development planning process. BERK and the City jointly identified a list of key interviewees and developed a set of interview questions.

Stakeholders included local and regional partners, businesses, real estate representatives, community leaders, and others. Telephone interviews were conducted with more than 50 people, with each interview lasting between 20 and 60 minutes. Key themes from these interviews are presented below, with the full record of stakeholder input contained in *Attachment A*.

Bellevue's Primary Strengths

- **International Connections.** Benefits from the Bellevue's proximity to and connections with Asia (especially China) and Canada.
- **Diversity.** The makeup of the Bellevue's community and workforce mirrors the world. Draw of residents and visitors to the city for this diversity and business attraction to Bellevue because of the diverse workforce.
- **Talent.** Presence of executives, access to an educated workforce, diversity.
- **Business Climate.** Comparatively low taxes, a well-run municipal government, regulations commensurate with city objectives.
- **Quality of Life**. Excellent schools, a walkable downtown, beautiful parks and natural environment, safe streets.

Bellevue's Primary Challenges

- **Traffic.** Congestion, need for more mobility options.
- **Housing.** Lack of workforce housing for employees.
- **City Investment**. Additional public resources needed for investments in infrastructure, business climate improvements, and proactive economic development efforts.

Stakeholder Recommendations for Continued Economic Success

- **Retain existing businesses.** Be responsive to the needs of existing businesses.
- **Facilitate access to talent.** Support a strong educational pipeline from elementary to secondary educational institutions, as well as a high quality of life that attracts the best talent from around the world.
- **Invest in infrastructure.** Continue to seek solutions to solve infrastructure challenges, especially transportation.
- **Maintain a positive business climate.** Maintain competitive tax rates and fees, be proactive in streamlining permitting, and establish clear and timely expectations and codes/regulations to create predictable outcomes.
- **Focus on the built environment.** Foster a diverse range of attractive built environments throughout the city and increase Bellevue's character and sense of place. Encourage continued vitality of a thriving downtown.
- **Communicate.** Promote a vision for the city's future, raise awareness of opportunities in Bellevue, and communicate that Bellevue desires growth and is willing to work with business owners and investors with a shared vision.
- **Collaborate.** Avoid parochialism — take a leadership role in promoting and benefiting from a prosperous Eastside region.

Bellevue's Economic Development Vision

A Vision of Bellevue's Economic Future

Citywide economic development efforts are focused by a shared vision of Bellevue's future:

Bellevue is a prosperous and vibrant international city with innovative and entrepreneurial businesses and a high quality of life for residents.

Desired Outcomes

Bellevue's economic development efforts are ultimately about improving the quality of life for residents through the creation of diverse and dynamic places and a variety of nearby shopping, recreation, entertainment, cultural, and employment opportunities. The City's ability to maintain its world-class park system, high-quality programming, and professional and responsive city government depends on the continuing health of Bellevue businesses. In addition to benefitting residents and drawing tourists, these assets help the City attract some of the best talent from around the world to live, work, and invest in Bellevue.

To achieve this vision and best serve Bellevue's residents, the City's economic development initiatives are designed to advance the following Desired Outcomes:

- **A strengthened and diversified economic base** that supports the City's ability to provide quality services to residents and business owners and enhances economic resiliency. Investment by businesses and individuals from many sectors and many countries will contribute to the health and vitality of the Bellevue economy.
- **A strong regional economy** that benefits residents and business in Bellevue and neighboring communities. As the economic engine of the Eastside, we will take a regional, collaborative approach to advancing areas of common interest among communities in the greater Seattle area.
- **Employment opportunities and paths to prosperity for a wide range of residents.** Bellevue is a diverse community, with prosperous residents employed by companies at the forefront of the Internet economy, and others who struggle to find service jobs that pay a living wage. The City's economic development strategy includes programs that benefit workers along the entire spectrum, and assists those seeking to develop the skills necessary to find a job or upgrade their employment.
- **An easy and attractive place to do business** by having a full range of attractive commercial building types, highly reliable and up-to-date power and technology infrastructure, and a positive business climate.
- **A sustainable city,** with a prosperous economy, a healthy environment, and an innovative, caring community. We will guide Bellevue's growth in a responsible manner, well-planned and in synch with our natural and built environments.

Performance Measures

Bellevue's progress towards each of these Desired Outcomes may be tracked using quantifiable performance measure as described below. The City will track and report on these measures on an annual basis, or more frequently as needed.

DESIRED OUTCOME	MEASURES
A strengthened and diversified economic base	• Taxable retail sales and Business and Occupation tax receipts • Job growth by sector • Business starts • Foreign direct investment • Sustainability of small businesses
A strong regional economy	• Same measures as above, but for greater Seattle region
Employment opportunities and paths to prosperity for a wide range of residents	• Family wage jobs • Employment rate of Bellevue residents as compared to the region
An easy and attractive place to do business	• Competitive taxes and fees relative to the quality of public infrastructure and services and to regional neighbors • Businesses agreeing the City is doing a good job helping create a positive business environment • Broadband access
A sustainable city	• Mobility and congestion • Workforce housing • Natural environment

Bellevue's Economic Development Approach

Continue Core Business Support Services

Bellevue will continue to serve businesses by providing core business support services and careful attention to the impact its decisions and investment priorities have on the private sector:

- We will continue to engage representatives of the private sector to understand the needs and interests of our business community, addressing issues of interest to **retain existing businesses and attract new businesses**. We will continue to support businesses seeking to locate in Bellevue, expand their existing operations, or navigate challenges in areas where we have influence.
- Bellevue will maintain a positive **business climate** that encourages investment by businesses. This includes competitive business taxes and fees, as well as the City's land use code and zoning decisions that affect the allowable uses for property throughout the city. Building inspections and permitting processes similarly will continue to balance public benefit and protections with the predictability and responsiveness that businesses need to be able to make plans and investments in the community.
- One of the greatest ways that Bellevue supports its economy is by **ensuring the city functions well as a place,** including investments in infrastructure such as streets, sidewalks, and parks, as well as services such as public transit, recreation programming, and support for specific populations. We recognize that these services affect businesses directly and indirectly, by making Bellevue an attractive place for employees, the lifeblood of every business.

Focus on Direct Economic Development Strategies and Foundational Strategies

Bellevue's economic development strategy is structured around a set of **DIRECT ECONOMIC DEVELOPMENT STRATEGIES** that describe specific actions the City will take to support targeted portions of its economy. These strategies are primarily the responsibility of the City's Economic Development staff, and will be acted upon in the short- and medium-term (defined as within the next five years). An accompanying ***Implementation Plan*** will be updated annually to provide more specificity about what will be done, by whom, with what resources, and in collaboration with which partners. This annual implementation planning process will ensure we advance aggressively towards the end points established in this plan while maintaining flexibility to respond to opportunities and challenges as they arise.

Additional investment and energy through the **FOUNDATIONAL STRATEGIES** will support the Direct Strategies and the broader Bellevue economy as a whole. These Foundational Strategies are the responsibility of departments across the City organization; actions on these will be informed by the direct and indirect impacts on Bellevue's economy. These strategies include some new, near-term actions, but are generally longer-term, reflecting the ongoing nature of the City's roles and responsibilities.

The full sets of Direct Economic Development Strategies and Foundational Strategies are listed below and described in greater detail on the following pages.

Summary of Strategies

DIRECT ECONOMIC DEVELOPMENT STRATEGIES

1. Cultivate Bellevue's next generation of technology entrepreneurs
2. Position Bellevue as a Pacific Rim gateway
3. Strengthen Bellevue's tourism and visitors cluster
4. Develop a multi-pronged economic development marketing campaign

FOUNDATIONAL STRATEGIES

A. Take both a local and a regional approach to solving transportation challenges

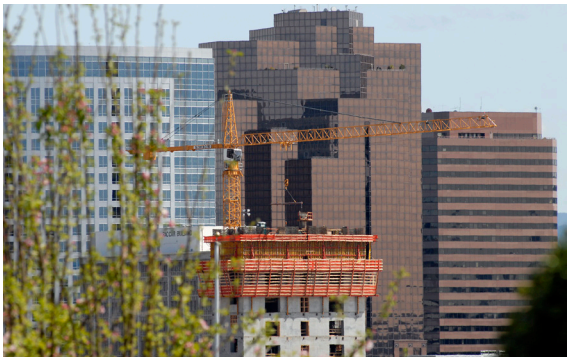
B. Provide a business climate and infrastructure that facilitates desirable business investment

C. Cultivate attractive and diverse business districts

D. Support the development and attraction of world-class talent

E. Encourage a variety of housing choices within the city

F. Continue to make Bellevue a great place to live and visit



Determination of Target Clusters

Bellevue's Direct Strategies maximize the use of limited resources by focusing on four key areas: **cultivating technology entrepreneurism; positioning Bellevue as a Pacific Rim gateway; strengthening our tourism and visitors market; and promoting Bellevue.**

Several criteria led to these choices:

- **Potential for impact.** The City's philosophy is that public investment in economic development makes sense only when that investment serves as an important stimulus, strengthening or shifting a market in significant ways that could not otherwise be achieved. To justify investment, an economic cluster must be an area of strength, but not have so much momentum that public investment is superfluous. Some clusters considered were determined to be too nascent to warrant public support; others too mature to require direct action.

  These choices, while difficult, were made easier by the understanding that all business and economic clusters in the city, including aerospace, retail, and clean technology, will benefit from significant City investments and actions taken through the Foundational Strategies.

- **Opportunity to diversify.** Like its neighbors and other communities in the Puget Sound region, Bellevue benefits from the strength of its Information Technology cluster. This cluster not only generates tremendous wealth and jobs within itself, but also spurs comparable benefits in countless supporting sectors, from business services to restaurants, and from retail to construction. The Eastside presence of Microsoft, Google, Expedia, and other large technology firms is an asset that needs to be carefully protected. Dependency on these firms is also a weakness to be guarded against. The City's investments in newer, small-scale technology firms, international markets, and the tourism and visitors industry all seek to build on and diversify from this core strength.

- **Presence of interested partners.** With limited resources, the City is interested in working with partners to leverage its investments and energies, to secure the biggest impact possible. The presence of keen and engaged partners encouraged the City to focus energies on technology entrepreneurism, globalism, and tourism.

As with any strategy, the focus will change over time. While the priorities identified in this plan offer more than enough promise and challenge to absorb our energies over the coming five years, we will remain flexible and open to other possibilities that may arise.

Plan Themes

- **Collaboration.** The City recognizes that it cannot achieve the Desired Outcomes working alone. Bellevue can extend its reach by partnering with community-based entities, including our economic development partners, as well as private businesses that share our Vision and focus. Through this collaboration, Bellevue will leverage others' strengths and resources to achieve greater outcomes than could be accomplished individually.
- **Regionalism.** The City of Bellevue cannot be strong without a strong Eastside and Puget Sound region. Bellevue's economy and other neighboring communities are interlinked: businesses and residents alike choose to locate in a healthy and attractive region; which city they land in is almost incidental. Similarly, visitors do not pay attention to specific city boundaries when choosing their destinations. Bellevue will take a regional, collaborative approach to advancing areas of common interest among Eastside communities and in partnership with the greater Seattle area. The City will be both a leader and a collaborator, working with other communities in the region to address issues that require regional, state, or national solutions.
- **Internationalism.** Bellevue sees itself in a global context. City residents and businesses, as well as the owners, investors, employees, and customers of these businesses, come from all over the world. This is a tremendous advantage, giving our businesses access to worldwide markets and a global workforce.

Economic Development Strategy

DIRECT ECONOMIC DEVELOPMENT STRATEGIES

1. Cultivate Bellevue's next generation of technology entrepreneurs

Information Technology (IT) — including software and systems development, interactive media (gaming), and mobile technology — is Bellevue's largest industry cluster. In addition, analysis of business openings by industry shows that IT is where most business starts occur.

Our strategy is to encourage a creative and entrepreneurial environment, where businesses, entrepreneurs, and knowledge workers are at the center of the mix.

1.1 Create a collaborative environment supportive of entrepreneurism

- Establish an entrepreneur-focused advisory group to provide ongoing input on Bellevue's Next Generation strategy
- Create greater awareness of training and mentoring opportunities for new and growing businesses
- Host creative programs and competitions to spur innovation, drawing an international audience
- Explore means to support easier access to investment capital for local entrepreneurs

1.2 Create affordable and flexible workspaces for entrepreneurial companies

- Capitalize on immediately available space to launch a collaborative workspace endeavor in the short-term
- Plan for and open a shared workspace in a more permanent location
- Spur the creation of community-based gathering places for entrepreneurs that would serve as social places for meeting and working

1.3 Establish a "Tech Zone" or technology district with high connectivity, smart infrastructure, and other amenities to attract targeted firms and site them in close proximity to one another

1.4 Recruit technology firms to Bellevue, targeting mid-sized companies that are well-funded and poised for growth

1.5 Attract an expanded higher education presence to support talent development and enrich and energize the local technology environment with research and development, programming, and business spin-offs

This Direct Strategy will be supported by the following Foundational Strategies in particular:

- *Strategy C: Cultivate attractive and diverse business districts*
- *Strategy D: Support the development and attraction of world-class talent*
- *Strategy E: Encourage a variety of housing choices within the city*
- *Strategy F: Continue to make Bellevue a great place to live and visit*

This Strategy will inform the portions of *Strategy 4* that relate to promoting Bellevue as a hub for technology entrepreneurism and recruiting targeted firms.

2. Position Bellevue as a Pacific Rim gateway

Bellevue is already an international business hub with a well-educated workforce, a diverse population (more than one-third of Bellevue's population is foreign-born), and proximity to Asia. Bellevue's focus will continue to be on the Pacific Rim, particularly where specific opportunities and strong ties already exist. Bellevue can maintain existing connections and build off of them to spur new business formation.

Supporting foreign investors and businesses choosing to locate in Bellevue will diversify the city's economy, increase its economic base, and continue to support Bellevue's ethnic diversity. Desirable firms are defined as those that increase access to overseas markets, establish a prime office for U.S. operations in Bellevue, and/or grow the regional marketplace and talent pool.

2.1 Strengthen the city's international relationships and knowledge base

- Cultivate City staff and leadership's cultural fluency and ability to communicate with visiting diplomats, businesses, and entrepreneurs
- Build relationships with regional, state, and federal partners
- Continue to build a global network of relationships

2.2 Proactively link foreign investors and potential investment opportunities

2.3 Provide increased assistance for foreign businesses or foreign nationals seeking to open businesses in Bellevue

2.4 Recruit key institutions and governmental agencies to Bellevue, including consulates

2.5 Recruit overseas companies to locate operations in Bellevue

- Target financial services companies, particularly those that may serve as a conduit for foreign investment from the Pacific Rim and elsewhere, as well as firms that will help grow Bellevue's innovation economy

This Direct Strategy will be supported by *Foundational Strategy F, Objective 3: Cultivate community-driven events and festivals that add vibrancy to the city and reflect our diversity.*

This Strategy will inform the portions of *Strategy 4* that relate to promoting Bellevue internationally as a location for foreign capital and business investment.

3. Strengthen Bellevue's tourism and visitors cluster

Bellevue's tourism industry is an existing strength that has potential for additional growth. Currently there is strong demand for corporate meeting facilities of all sizes. However, while Bellevue hotels are typically booked during the week, frequently there is excess capacity on the weekends. To address this gap, the City will work with partners to develop a coordinated tourism strategy encompassing business-related and leisure markets. This Strategy will increase the city's economic base, create job opportunities, and strengthen the city's economic resiliency.

3.1 Establish a coordinated tourism and visitors strategy

Partner with Visit Bellevue Washington, Bellevue's official destination marketing organization to:

- Study Bellevue's hotel market and capacity to host business meetings and conventions, identifying and promoting gaps and market opportunities.
- Further develop and implement a tourism plan for Bellevue.
- Support the Visit Bellevue Washington partnership to develop and implement a targeted destination tourism campaign.
- Participate in the development of Bellevue as a destination for visitors. Evaluate the need and support the creation of new tourism draws including a new regional- or national-level arts and cultural attraction.

3.2 Participate in the preliminary efforts to grow Washington's film and other media businesses

- Provide specialized services and permitting processes that meet the unique needs and quick timelines of this industry
- Connect industry with local hotels, restaurants, and other businesses

This Strategy will inform the portions of *Strategy 4* that relate to promoting Bellevue as a destination for tourists and visitors.

4. Develop a multi-pronged economic development marketing campaign

The City must clearly communicate its vision for the future of Bellevue's economy. The City will implement an economic development marketing campaign to raise awareness of its goals, the opportunities that exist in Bellevue, and the City's willingness to facilitate investment that is in line with the Vision and Desired Outcomes established in this Strategy.

4.1 Establish a funded City of Bellevue economic development marketing campaign aligned with the City's brand and communications strategy

4.2 Redesign the City's economic development web pages or establish a dedicated economic development web site promoting Bellevue to prospective businesses and investors

In the short-term, focus on:

- General economic development: the city's strong and diverse economy, supportive business climate, and high quality of life
- Next Generation Bellevue: the City's focus on cultivating technology entrepreneurism

4.3 Create additional marketing collateral to support specific aspects of the City's economic development strategy as they are activated

- Develop additional economic development collateral, including a family of printed materials that overview the City's economic development strategy and the City's interest and opportunities in specific target markets
- Promote Bellevue and the region as a tourism and visitor destination as established in the coordinated tourism and visitors strategy (supports *Strategy 3*)
- Partner to promote the Eastside as a particularly attractive destination within the greater Seattle region for Pacific Rim tourists and visitors (supports *Strategies 2 and 3*)

4.4 Proactively link investors and potential investment opportunities

FOUNDATIONAL STRATEGIES

The Foundational Strategies below are essential to a well-functioning community and will support high quality of life for Bellevue residents and all businesses and economic clusters. Many of these topics are long-standing, ongoing efforts carried out by initiatives and programs throughout the City organization. It is important to recognize their connection to economic development, and to call attention to a short list of new initiatives among them that will require **new** energy and resources:

- *Expanding access to high speed data options (Objective B.4)*
- *Establishing a clear vision and future for the Wilburton District (Objective C.5)*
- *Workforce housing (Strategy E)*

A. Take both a local and a regional approach to solving transportation challenges

Many stakeholders highlighted transportation as Bellevue's largest challenge. The City should provide leadership around transportation investments (at local and regional levels), including a multi-modal system that works together (roads, transit, rail, biking, and pedestrian corridors). To do this, Bellevue needs to leverage regional supports, as well as review available infrastructure funding mechanisms. By achieving needed improvements to the transportation infrastructure, the City will ensure smooth movement, with increased capacity, of people and goods, strengthening the local economy.

A.1 Provide leadership around transportation investments at the regional level

- Work in collaboration with other jurisdictions to pursue critical improvements to regional transportation infrastructure, including regional highway, transit, pedestrian, bike, and trail investments.

A.2 Leverage the planned East Link light rail corridor

- Promote community-driven transit-oriented development opportunities around light rail stations and other major transit facilities.
- In East Link station areas, address interim conditions between now and the start of light rail service.

A.3 Cultivate a multi-modal transportation system that will ease congestion by increasing capacity and enhancing connectivity (roads, transit, rail, biking, and pedestrian corridors)

- Continue to invest in smart infrastructure systems to enhance performance of the existing transportation network
- Establish a transportation capital plan for future growth and mobility of the city.

B. Provide a business climate and infrastructure that facilitates desirable business investment

Stakeholders suggested that the City needs to continue to improve business climate, further streamlining codes and regulations and ensuring development predictability. Doing this and facilitating access to high speed Internet will encourage business investment and attract new business.

B.1 Create systems that will make it easier for businesses to navigate processes, facilitating the efficient navigation of City regulations and assisting small businesses in finding solutions that adhere to Bellevue's codes and requirements

B.2 Continue to streamline permitting, inspections, and entitlement processes, with particular focus on assistance to small business start-ups and making inspections of new and existing buildings more efficient and consistent

B.3 Integrate our infrastructure planning with an economic development strategies and consider using the full spectrum of infrastructure funding mechanisms available to support investments that will support businesses and residents

B.4 Develop a "Smart City" strategy to include high speed data options for businesses and residents

C. Cultivate attractive and diverse business districts

Employers are looking for a diverse range of built environments, including unique options appealing to the younger, creative demographic typical at information technology companies. While the City needs to invest in the health and vitality of Downtown, we should focus not solely there, but seek to develop other areas with growth potential. Attaining these goals will improve the quality of life of Bellevue residents through the creation of diverse and dynamic places and will attract cutting edge, innovative companies.

A key focus in this Foundational Strategy is making the greatest use of the City's distinctive business districts, including Downtown, Factoria/Eastgate, the redeveloping Bel-Red Corridor, and the as-yet unplanned reinvention of the Wilburton and 116th Avenue NE area. Each of these areas presents unique potential to add to Bellevue's sense of place and diversity of built environments. Each is or will be grounded by a distinct vision and supporting strategies designed to cultivate a particular character in the buildings, businesses, and amenities and form the sub-area into a desirable place to be.

C.1 Use land use code guidance and public infrastructure investments to promote dynamic urban neighborhoods with diverse shopping and eating options, healthy neighborhood retail centers, and "after hours activities"

C.2 Continue to shape Downtown Bellevue into a dynamic, world-class urban environment by implementing the results of the Downtown Livability Study and using targeted public investment to make Downtown a walkable and energized environment with a strong sense of place

C.3 Promote the Factoria/Eastgate area along the I-90 corridor, updating the area land use and amenities consistent with recommendations of the Eastgate Land Use and Transportation Project

C.4 Cultivate the Bel-Red Corridor as a distinctive, well-defined place energized by transit-oriented development and supported by public investment

C.5 Seek unique anchor uses to develop the Wilburton and 116th Avenue NE area into a distinct district that complements Downtown and the Spring District

C.6 Continue to retain and attract auto dealerships, recognizing the increasing difficulties of finding appropriate land due to continued urbanization of Bellevue

D. Support the development and attraction of world-class talent

Bellevue School District is one of the community's greatest assets, consistently ranking at the top in the state and nationally – continuing the support of the school system is important to maintaining Bellevue as a desirable area to live. In addition, availability of a skilled talent pool is one of the major determinants in business location decisions. While Bellevue is one of the most highly educated areas at the moment, most employees received their degrees outside the region. There is a continuing need for higher education capacity across the board, and in Science, Technology, Engineering, and Math (STEM) fields in particular, providing an opportunity to leverage and partner with local education providers such as Bellevue College.

D.1 Continue to support and leverage Bellevue's high-quality K-12 education system by supporting the work of the Bellevue School District and facilitating the collective impact of organizations working with the K-12 system to close achievement gaps

D.2 Fully leverage relationships with Bellevue College

D.3 Convene workforce development entities and businesses in the City's target clusters to coordinate and advance workforce development efforts

E. Encourage a variety of housing choices within the city

To support a thriving economy, there is a need for workers at all income levels; however, the limited range of housing options in Bellevue challenges the availability of a varied workforce. Bellevue needs a city-wide approach to housing options for different income levels – in different growth areas of the city.

E.1 Develop a city-wide strategy to expand workforce housing options by exploring all manner of tools, including a multifamily tax exemption program, a revolving fund for transit-oriented development, zoning changes, and other options

E.2 Create opportunities for workforce housing in the redevelopment of Bel-Red and other major employment centers

F. Continue to make Bellevue a great place to live and visit

A high quality of life is one of Bellevue's greatest economic development assets. Stakeholder interviews suggested that more can be done to improve quality of life and cultivate a strong sense of place with a true Bellevue character. Opportunities to advance these interests include further investments in parks, public spaces, community assets, and events, especially those celebrating diversity.

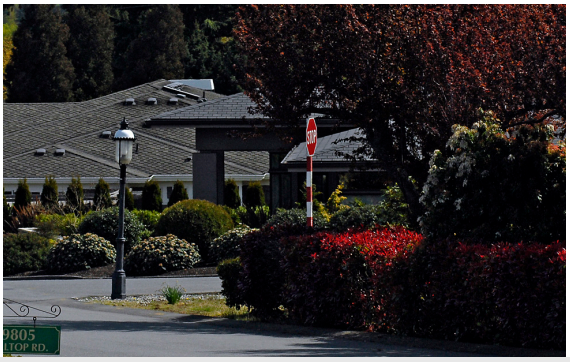
A vibrant community with strong cultural diversity, arts, and public events aligns both with the expectations of Bellevue residents and the desires of knowledge workers key to achieving Bellevue's aspirations to be a hub of technology entrepreneurism and a gateway to the Pacific Rim.

F.1 Complete Meydenbauer Bay Park with a strong linkage to Downtown and the Wilburton District, including the Eastside Rail Corridor

F.2 Create community assets and experiences that benefit local residents and draw regional tourists, including options such as destination parks, a youth center focused on science and technology, a performing arts center, and the development of the Eastside Rail Corridor as a pedestrian and bicycle amenity

F.3 Cultivate community spaces and community-driven events and festivals that add vibrancy to the city and reflect our diversity

F.4 Promote environmental sustainability at the municipal and city-wide levels, recognizing that the interface between the built environment and natural environment ("the City in a Park") is a major attractor for local talent



Implementation

With its first articulated economic development strategy in place, the City has established a framework for aligning efforts across the city, coordinating with partners, and measuring progress.

During each biennial budgeting process, the City will evaluate its progress towards the Vision and Desired Outcomes stated in this document and identify areas of focus for the coming year. Short-term action items will be selected and energetically pursued as current year priorities. These priorities will be communicated to stakeholders, including partners who will work together with the City to advance its strategy. In addition to announcing these ambitions, the City will review its progress, both on key priorities and additional work that is happening in the background.

The City is using an ***Implementation Plan*** that accompanies this Strategic Plan to capture implementation tactics, responsibilities for leading and supporting individual tasks, resource requirements, and partnership opportunities. This internal document will support the City's budgeting and implementation processes, and provide a mechanism for assessing progress and maintaining accountability.