

City of Bellevue - Budget One

2017-2018 Operating Budget Proposal

Section 1: Proposal Descriptors

Ranking: 1

Proposal Title: Economic Development Core Program & Strategy Implementation

Outcome: Economic Growth and Competitiveness

Proposal Number: 115.15NA

Primary Dept: Planning & Community Development

Parent Proposal: None

Proposal Type: Existing

Dependent Proposal: None

Budget Status: Recommended

Previous Proposal: 115.15NA, 115.16N

Primary Staff: James Henderson, x7910

Fund: General Fund

Section 2: Executive Summary

The proposal for the Office of Economic Development (OED) Core Program and Strategy Implementation is to continue to support activities focused on business attraction, business retention and expansion (BRE) and Next Generation Bellevue. In addition, the proposal supports the continued work of small business development, the Economic Development Action Team, international business development, and marketing and promoting Bellevue as a great place to do business. OED will continue to work with local and regional business and governmental organizations to promote business in Bellevue and provide regional leadership on economic issues. Requested resources include funding to support previous staffing levels at 3.0 FTEs. The resources are needed to support the on-going programmatic work as well as implementation of the strategies identified in the Economic Development Plan adopted by City Council in July 2014.

Section 2b: Performance Narrative

OED establishes an Action Plan for each year with performance metrics for each of the program areas of Business Attraction, BRE and Next Generation Bellevue. The performance metrics focus on items which can be directly affected by OED's work, such as the number of large companies moving to Bellevue and number technical assistance cases completed to help firms. The office provides a quarterly reporter to Council on the progress made toward the metrics along with the status of on-going work. Outcome metrics such as total employment in Bellevue, number of new businesses created and change in tax revenue are conducted on an annual basis. Moreover, the 2017 Business Survey will also provide metrics that we can compare to the City's initial 2015 Survey to measure our progress on supporting a growth oriented business climate in Bellevue.

Section 3: Responsiveness to Request For Results

This proposal will fund the direct, near-term activities identified in Economic Development (ED) Plan and core programming.

Funding of 4.0 FTE staff positions: The existing positions of ED Director, ED Manager and Administrative Assistant would be funded, along with a request for a new ED Program Administrator position. This position would provide marketing and outreach expertise and serve as a "startup advocate" to strengthen development of the Startup 425 initiative. This position is essential to meet demands of the growing startup community in Bellevue.

The ED Core Program includes:

Business Attraction: The goal is to attract national and international companies to Bellevue that align with our economic development strategy, growth industries, and complement and support local businesses.

Business Retention and Expansion (BRE): The goal is to develop and promote a healthy and vibrant business climate in Bellevue that facilitates growth, retention and expansion of local companies. Face to face interaction is done with businesses across the City with a special emphasis on Bellevue's major employers. An Action Team

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provides hands-on services to local businesses to address any issues they are facing.

Next Generation Bellevue: The goal is to foster the development of an entrepreneurial and startup culture in Bellevue by helping people to start and grow a successful company. A successful startup support system is critical to attracting new businesses to Bellevue as well as to support the retention and growth of existing businesses. A major focus in 2017 is the continued development of the Startup 425 Program. The program will provide low-cost, high-value technical assistance to founders and managers of small businesses on the Eastside. As success is achieved, Startup 425 can scale its programming to serve more needs and help startups go from 10 employees to 100, assisting job creation and investment in Bellevue.

Annual Program Support and Strategy Implementation to support the on-going programming above and continue the implementation of the Economic Development Plan adopted by Council in July 2014, OED is requesting \$450,000 annually in funding. Proposed use of the funds is as follows:

Market Bellevue as a global innovation hub, gateway to international markets, and business friendly community through a targeted campaign to businesses locally, nationally, and internationally.

Business development missions nationally and internationally to support the business attraction and BRE programs with a particular emphasis on supporting the development and growth of the UW's Global Innovation Exchange in the Spring District.

Performance based contracts with regional economic development partners such as the Economic Development Council of Seattle and King County and the Greater Seattle Trade and Development Alliance to leverage the expertise of these organizations and add capacity to OED's work to meet our annual performance goals.

Bi-annual business survey to better understand the needs of Bellevue's businesses and how the city and community can best support their retention and continued growth.

Economic impact and strategy studies on Bellevue's creative economy and workforce mobility to help position Bellevue for long-term growth. Economic Development will partner the Arts Program, Transportation Department and outside agencies to develop the strategies.

Sponsorship of key events that support Bellevue's startup culture, retains and attracts companies in our targeted industries, and promotes the City's innovative talent to audiences around the world. Key sponsorships for events in Bellevue that support the growth of our target industries and fulfill the goals of the Economic Development Plan include the Geekwire Startup Day, Seattle Virtual Reality Conference and Power of Play, an indie gaming conference.

Professional Development through conferences and leadership summits where staff can network with economic development professionals and learn about national and international best practices that support on-going programming.

Full funding (\$55,000 annually) for "Visit Bellevue", as tourism is one of the key economic clusters identified in the ED Plan. These funds will help implement the Destination Development Plan that will be completed in the fall of 2016.

PRIMARY OUTCOME: ECONOMIC GROWTH AND COMPETITIVENESS (EGC)

The mission of the Economic Development program is to develop and implement sustainable programs that

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advance job creation and investment, develop human capital, and spur innovation and entrepreneurship in order to build a foundation for prosperity in the community. The mission and work of economic development aligns and supports the City Council's vision to establish Bellevue as a hub for global business by maintaining a strong local economy, providing opportunities for high-quality education and access to capital and establishing a high-quality of life that attracts talent nationally and globally.

Economic development directly supports EGC Factor 1: Economic Development. Economic development programming attracts national and international companies to locate to Bellevue; supports the retention and growth of existing companies in Bellevue; provides assistance to small businesses and startups; acts as a regional leader to support economic development initiatives that benefit Bellevue and the larger region; supports the growth of retail and tourism; enhances and strengthens Bellevue's brand regionally, nationally and internationally; and establishes a supportive business climate through balanced tax system and infrastructure support.

Moreover, economic development directly supports EDC Factors 2 thru 4 which serve as the foundational elements of Bellevue as a supportive hub for business and continued economic growth. Specifically, economic development partners with City departments and outside agencies to establish a robust transportation infrastructure that meets the needs of local business and workforce. Economic development also supports the elements in Community Development (Factor 3) to enhance Bellevue's quality of life to attract talent to support business. In particular, economic development is engaged in developing an affordable housing strategy and support in arts and culture. Finally, economic development is also focused on attracting and retaining talent (Factor 4) that is a critical driver for why businesses choose to locate and stay in Bellevue.

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 real estate developers to achieve new investment and job growth.

Substantial coordination with other City departments (Finance, IT, Parks, Transportation, Utilities), among others is continuously required. In addition, collaboration partners include: Economic Development Council of Seattle & King County (EDC), Trade Development Alliance, City of Kirkland, OneRedmond, Bellevue Chamber, Bellevue Downtown Association, Meydenbauer Center, Regional Small Business Development Program, State of Washington, U.S. Commercial Service, Japan American Society of Western Washington, Washington China Relations Council, various foreign consulates, economic development associations, industry associations, and others.

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Section 4: Performance Measures and Targets

Code	Performance Measure	Frequency	2014	2015	2016	2017	2018
			Actual	Actual	Target	Target	Target
115.4005	City jobs (estimated)	Years	148,788		153,000	155,300	157,500
115.4006	Annual percent increase of total Bellevue jobs	Years	22.60%		1.43%	1.43%	1.43%
115.4036	Number of annual business openings in Bellevue	Years	2,882	2,952	3,500	3,500	3,500
115.4037	Percent change in B&O tax revenues	Years	22.6%				
115.4120	Number of jobs created by business attraction	Months		686	200	200	200
115.4121	Number of jobs created by foreign direct investment	Months		190	50	50	50
115.4122	Number of jobs created by business retention and local expansion	Months		150	50	50	50
115.4123	Number of BRE company visits	Months		27	15	15	15
115.4124	Number of new businesses supported by Startup425	Months			15	30	40
115.4125	Percent of businesses that believe Bellevue is a "somewhat" or "significantly" better place to operate a business	Months		74%		76%	
115.4126	Percent of businesses that believe Bellevue is moving in the right direction	Months		69%		71%	

Section 5: Requested Funding

5A: Are any new costs other than inflation included in this proposal?

OED is requesting a new FTE position. This position would provide marketing and outreach expertise and support the three economic development programs. In addition, the position would serve as a "startup advocate" to strengthen the development of the Startup 425 initiative in the Next Generation Bellevue Program. This position and support is needed for OED to meet the demands of the growing startup community in Bellevue, put in place the resources to help startups become successful and grow and to support the entrepreneur and innovation focus of the Global Innovation Exchange. In addition, OED is requesting additional Professional Services support of \$150,000 annually to a total budget of \$450,000 annually. These additional funds are needed to support the on-going growing programmatic work as well as implementation of the on-going strategies identified in the Economic Development Plan adopted by City Council in July 2014.

5B: Are one-time expenditures included in this proposal?

None

5C: Are dedicated revenues included in this proposal?

None

5D: Are changes to the existing service levels included in this proposal?

None

5E: Budget Summary

<u>FTE/LTE</u>	<u>2017</u>	<u>2018</u>
FTE	3.00	3.00
LTE	0.00	0.00
Total Count	3.00	3.00

<u>Operating</u>	<u>2017</u>	<u>2018</u>
Expenditures	465,027	422,638
Personnel	365,784	381,216
Revenue	0	0
Rev-Exp Balance	-830,811	-803,854

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Section 1: Proposal Descriptors

Ranking: 2

Proposal Title: Development Services Review Services
Outcome: Economic Growth and Competitiveness
Proposal Number: 110.03NA **Primary Dept:** Development Services
Parent Proposal: None **Proposal Type:** Existing
Dependent Proposal: None **Budget Status:** Recommended
Previous Proposal: 110.03NA **Primary Staff:** Lee Kranz or Jake Hesselgesser
Fund: Development Services Fund

Section 2: Executive Summary

Development Services (DS) reviews designs and applications for private and public development projects for conformance with adopted local, state, and national codes. DS issues 12,000 to 15,000 permits per year that contribute to the economic prosperity of the City. The goals of development review are to ensure that buildings are safe, land uses and project designs are consistent with the community vision, the environment is protected, traffic impacts are managed, and developer-built utilities and other infrastructure meet the city's standards. DS strives to be a regional leader by providing clear, comprehensive and innovative services for our customers to create safe buildings and a thriving community.

Section 2b: Performance Narrative

DS has identified three measures included in this proposal which represent the commitment to fast, efficient, and predictable services for our customers. These measures provide valuable information on the effectiveness of new as well as existing processes so that educated decisions can be made. Monitoring permit timelines is critical to measure current and future resource needs, while the percentage of online applications versus paper applications measures the impact of the DS technology investment. The average number of revisions per permit application shows the effectiveness of the DS Information Delivery function by demonstrating the success of the submittal and pre-application information provided to our customers.

Section 3: Responsiveness to Request For Results

This proposal funds 58.6 staff positions in Development Services (Building, Land Use, Utilities, Transportation, and Fire) for review of development projects. Many applications are highly complex or controversial, with technical, legal, and political issues. Staff are called upon to represent the City in applicant meetings, public meetings, and hearings. The direct customers of this proposal are the developers and users of property. DS staff review applications to ensure that these projects conform to the city's Comprehensive Plan and all standards and regulations. In addition, DS staff meet frequently with members of the development community to provide information and early guidance regarding potential development projects. DS is committed to continuing improvement of review policies and procedures to support Bellevue's Comprehensive Plan. Having a strategic Comprehensive Plan supported by efficient and predictable review processes helps Bellevue attract businesses, developers, and entrepreneurs who seek an attractive and business-friendly environment.

DS is committed to efficiency, predictability, and timeliness, which lowers the risk to developers and provides the assurance to anticipate financing and scheduling needs. 85% of DS customers rated review services as very good or good. In addition, 95% of customers stated that staff at the Permit Center treated them in a helpful, courteous and knowledgeable manner. DS staff continue to review permit application timelines and procedures in order to streamline the review process. Customer service has improved by focusing on meeting First Review Decision (FRD) targets and expanding our Paperless Permitting volumes.

This proposal is critical in meeting the local, state and federal mandates. The proper level of funding provides customer's guidance in meeting codes and standards for new projects, assists customers with timely permits,

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and ensures reduction in negative impact to the environment. This proposal also ensures that the City can qualify for state and federal grant funds for city projects because of consistency in meeting mandates, and ensures there is no threat to public/private infrastructure which would lead to life-safety and health risks, as well as unrepaired infrastructure damage.

Supporting revenue is generated from permit review fees. 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 for this proposal 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% supported by the General Fund.

ECONOMIC DEVELOPMENT: 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. DS staff reviews permit applications and assists businesses and citizens in achieving compliance with City codes and regulations. The quality and responsiveness of review services helps to attract businesses and retain existing businesses in the City.

INFRASTRUCTURE DEVELOPMENT: 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. DS staff analyze development to determine the need for mitigation of impacts, such as increased traffic and stormwater runoff. All mitigation 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 are vital for future growth. This proposal provides infrastructure improvements and impact fee contributions by tying development approval to provision of adequate facilities. DS staff require participation by new development in alternative travel modes through Transportation Demand Management strategies. The Right of Way (ROW) reviewers assure that work performed in the ROW includes control of erosion, runoff, and dust.

COMMUNITY DEVELOPMENT: Interpretation and implementation of Comprehensive Plan policies lead to creation of quality neighborhood places and a sense of community. DS staff administer codes and standards that create attractive commercial districts, neighborhoods, and community facilities. DS review staff partner with other city departments responsible for road, utility, and park construction to improve delivery of quality facilities. 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. Many City codes deal with protecting and promoting neighborhood character, including natural attributes such as trees, lakes, and streams, as well as the built form and land use context. Enforcement of City nuisance abatement and property maintenance codes helps to ensure well-kept neighborhoods and public spaces. Codes and standards that require new public facilities and amenities, such as play areas and open spaces, contribute to quality neighborhoods. This supports community values by ensuring compliance with the Comprehensive Plan. Appropriate enforcement of Building & Fire Codes plays a key role in creating a safe, long lasting, affordable, energy efficient and accessible built environment.

WORKFORCE DEVELOPMENT: 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 general public, through public information in the permit center, public meetings, staff contact, and administrative processes. This proposal enables DS to provide competitive wages and training to maintain and develop a skilled workforce who can deliver exceptional customer service. Level of service would be maintained by using the cross-department expertise of DS staff to support development review functions by maximizing resources, and identifying and resolving major issues at the early stages of project design. DS plays a significant partner role in eGovAlliance, promoting consistency and ease in permitting across local agencies. Diversity is an important factor in DS hiring decisions. DS embraces the 2014 Council concept of "Bellevue welcomes the world - Our diversity is our strength".

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Through planning & preparation DS staff implement design standards that support quick and reliable access to facilities for emergency response. In the event of an emergency staff have been trained in Incident Command System (ICS) which is a key feature of the National Incident Management System (NIMS). Staff are also able to issue permits quickly following a disaster.

When a customer submits a permit, the complete permit process from beginning to end includes proposals that are addressed in several outcomes. Information Delivery is in RESPONSIVE GOVERNMENT and is a service which provides materials and education to customers on the various components of the permits and the process. Once the permit has been accepted through the intake process, it becomes part of the Review Services which are identified in this proposal submitted to ECONOMIC GROWTH AND COMPETITIVENESS. This includes land use and building / structural review. Once the application has been reviewed and approved, construction begins and the customer moves to the next process identified in the DS Inspection Services proposal submitted to the PUBLIC SAFETY outcome. Management, Code Amendments and Policy Changes, and Fiscal Services are proposals submitted to the RESPONSIVE GOVERNMENT outcome. These proposals support the overall functions of the permit process. The Code Compliance proposal is submitted to QUALITY NEIGHBORHOODS / IVCC and meets community concerns about safe buildings and environmental damage.

This proposal also advances the factors of other outcomes such as: RESPONSIVE GOVERNMENT: Collaborative Partnerships: DS plays a significant partner role in eGovAlliance, promoting consistency and ease in permitting across local agencies. DS staff also maintain active partnerships with local, state, and federal agencies. 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. SAFE COMMUNITY: Planning & Preparation: DS staff implement design standards that support quick and reliable access to facilities for emergency response. Staff are also able to issue permits quickly following a disaster, as well as enforce codes that protect health and safety. IMPROVED MOBILITY: Built Environment: This proposal provides infrastructure improvements and impact fee contributions by tying development approval to provision of adequate facilities. DS staff require participation by new development in alternative travel modes through Transportation Demand Management strategies. HEALTHY 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) reviewers assure that work performed in the ROW includes control of erosion, runoff, and dust. INNOVATIVE, VIBRANT AND CARING COMMUNITY & QUALITY NEIGHBORHOODS: Many City codes deal with protecting and promoting neighborhood character, including natural attributes such as trees, lakes, and streams, as well as the built form and land use context. Codes and standards that require new public facilities contribute to quality neighborhoods. DS staff continue to work extensively with the Bellevue School District to process school permit applications in a timely manner.

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Section 4: Performance Measures and Targets

<u>Code</u>	<u>Performance Measure</u>	<u>Frequency</u>	<u>2014 Actual</u>	<u>2015 Actual</u>	<u>2016 Target</u>	<u>2017 Target</u>	<u>2018 Target</u>
110.0024	Percentage of DS permits applied for online	Years	62%	67%	70%	75%	85%
110.0025	Percentage of permits meeting their First Review Decision timelines target	Years	57%	61%	80%	80%	80%
110.0040	Percentage of online permits successfully screened for completeness within 2 business days	Years			95%	95%	95%
110.0041	Average number of revisions cycle per permit application	Years			3	3	3

Section 5: Requested Funding

5A: Are any new costs other than inflation included in this proposal?

Expenditures are for ongoing operating costs, including budget for outside professional services as needed. Anticipated cost increases are a result of higher development activity, including additional visits to the Permit Center, pre-application consultations, permit volumes, and more customer contacts with staff.

5B: Are one-time expenditures included in this proposal?

N/A

5C: Are dedicated revenues included in this proposal?

Fee-based revenue for Building, Transportation, Fire and Utilities. Land Use 50% supported through general tax collections. Revenue is generated from review, inspection and other fees and is consistent with permit application volumes and other client service demands.

5D: Are changes to the existing service levels included in this proposal?

None

5E: Budget Summary

<u>FTE/LTE</u>	<u>2017</u>	<u>2018</u>
FTE	58.10	59.10
LTE	0.50	0.50
Total Count	58.60	59.60

<u>Operating</u>	<u>2017</u>	<u>2018</u>
Expenditures	587,809	596,821
Personnel	7,251,731	7,716,228
Revenue	7,657,686	8,063,787
Rev-Exp Balance	-181,854	-249,262

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Section 1: Proposal Descriptors

Ranking: 3

Proposal Title: Telecommunications and Franchise Advisor
Outcome: Economic Growth and Competitiveness
Proposal Number: 130.500NA **Primary Dept:** Transportation
Parent Proposal: None **Proposal Type:** New
Dependent Proposal: None **Budget Status:** Recommended
Previous Proposal: **Primary Staff:** Tony Cezar
Fund: General Fund

Section 2: Executive Summary

This proposal provides for the coordination of telecommunication agreements, franchises, leases, and private utility agreements the city is engaged in or currently developing, including development of “small cell” master lease agreements to advance the Smart City connectivity strategies. This resource would work interdepartmentally and be funded through anticipated new revenues produced by small cell agreements. Responsibilities include tracking, renewing, and managing existing leases, agreements, and franchises to provide better telecom and utility services to the businesses and residents of Bellevue. The work will be closely coordinated with the Information Technology Department (ITD) to develop new agreements emerging for new telecommunications technology, and lead how to integrate these technologies into Transportation facilities and permit process. The work will have significant interdepartmental coordination with other city departments.

Section 2b: Performance Narrative

The measures included in this proposal will indicate if the duties of tracking and managing franchise, lease, and private utility agreements are being accomplished. Measures will include number of agreements to manage, development of new agreements, agreements renewed on time, and new and overall revenue collected from agreements including new “small cell” revenues. Performance relative to Smart Cities advancement will be explored as well. Our projections indicate that the annual fees collected by new “small cell” agreement revenues will be more than enough to sustain the funding of this proposal on a yearly basis.

Section 3: Responsiveness to Request For Results

This proposal is vital to producing and maintaining a robust communication network infrastructure which encourages economic growth (Factor: Infrastructure Development) and in is alignment with Council’s vision of a “smart city”. This work will serve as a focal point on new emerging communication technology and regulations and its impacts to Transportation systems and the right-of-way functions. It will ensure the public benefit to the city is realized through early coordination and information sharing during negotiations and execution of agreements with service providers looking to invest and expand in Bellevue. It will also include the maintaining and updating records of current companies as part of its “relationship management” role and will stay on top of acquisitions, mergers, or terminations of companies. In addition, this proposal will involve coordinating with Development Services to ensure the apparatus, equipment, and systems are in compliance with the City’s Comprehensive plan and Land Use Code. Because of the close connection to Bellevue’s Smart City goals, this proposal has a close link with the IT department smart city strategy to include high-speed data options to support business and residents.

This proposal will facilitate a streamlined review process for executing a master lease agreement with the city to forward “small cell” implementation, rather than subject companies to the current lengthy Conditional Land Use process. Council action is still required, but a streamlined review process requires less processing time while protecting the city’s interests.

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Currently franchise and private utility agreements are managed in different departments of the city. Cable franchises are managed in the ITD, and all telecommunication Right of Way (ROW) use agreements and franchises for electrical, gas and Olympic pipeline are managed in the Transportation Department. Providing clear guidance and overseeing what telecommunications providers do in the ROW requires close coordination with ITD, especially when crafting new types of agreements to handle rapidly changing technology (such as small cell wireless) that need to leverage city assets such as streetlight poles and fiber network to improve mobile services for residents and businesses. This proposal provides needed resources for adequate coordination of leases, franchises and private utilities agreements to provide the necessary attention and consistency required to support Council priorities and strategies.

With no dedicated resource assigned as a focal point, inefficiencies result from service providers contacting multiple departments with questions, oversight of the ROW is compromised when companies are merged or terminated without the city being notified, and major franchise agreements have expired without action to renew. This proposal will mitigate these issues by having a dedicated resource managing these agreements. A recent interview with the City of San Francisco highlighted the need for a single point of contact for small cell development to prevent companies from being confused or taking advantage of the many departments involved to negotiate agreements that may not be in the best interest of the city.

Developing and maintaining a well organized and robust communication network infrastructure will attract national and international businesses to Bellevue (Factor: Economic Development). This proposal supports Smart City efforts as well as providing a competitive environment for businesses, supporting entrepreneurs, planning for growth, and adding value to the quality of life of our residents. The availability of various communication services is critical in this high-tech region for companies choosing to locate in Bellevue. High speed connectivity includes internet, cellular wireless, and Wi-Fi. Existing businesses rely on the various communication systems for expansion and growth as well. This proposal, with the partnership of Transportation and IT Departments, will oversee and monitor service providers as they install, upgrade and maintain their equipment and systems. This does not replace the the ROW permit process, rather this is a support and coordination function prior to that process.

All this translates to more businesses moving to Bellevue, more jobs, and an easy and attractive place to work and do business.

This proposal is anticipated to be supported by the new revenue stream produced through new "small cell" master lease agreements, as well as other future telecom related agreements. Funding can be accomplished by the one-time general fund investment until lease agreement revenues fully support the investment. This work is not part of the Development Services line of business, however, the work will be interdepartmental in nature, working with ITD, City Attorney's Office, Risk, Development Services, Civic Services and Parks, all of which support this funding proposal.

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Section 4: Performance Measures and Targets

<u>Code</u>	<u>Performance Measure</u>	<u>Frequency</u>	<u>2014</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>	<u>2016</u> <u>Target</u>	<u>2017</u> <u>Target</u>	<u>2018</u> <u>Target</u>
130.0190	Number of Agreements managed	Years				25	30
130.0191	Agreements Renewed on time	Years				5	5
130.0193	New Agreements processed	Years				3	3
130.0195	Fees collected	Years				\$100,000	\$200,000

Section 5: Requested Funding

5A: Are any new costs other than inflation included in this proposal?

Includes professional services and other M&O costs to support this new service.

5B: Are one-time expenditures included in this proposal?

This proposal is for one-time funding for the biennium.

5C: Are dedicated revenues included in this proposal?

Revenues generated from new Small Cell master lease agreements (\$100,000 in 2017 and \$200,000 in 2018). One-time funding is needed until the small cell lease revenues mature.

5D: Are changes to the existing service levels included in this proposal?

This proposal will improve the service level by having a dedicated resource to manage all the franchise and private development agreements rather than these efforts being divided amongst various departments. Also, work will include maintaining current agreement documents for renewals, mergers, and terminations.

5E: Budget Summary

<u>FTE/LTE</u>	<u>2017</u>	<u>2018</u>
FTE	0.00	0.00
LTE	0.00	0.00
Total Count	0.00	0.00

<u>Operating</u>	<u>2017</u>	<u>2018</u>
Expenditures	143,591	147,726
Personnel	0	0
Revenue	100,000	200,000
Rev-Exp Balance	-43,591	52,274

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Section 1: Proposal Descriptors

Ranking: 4

Proposal Title: Bellevue Convention Center Authority (BCCA) Operations

Outcome: Economic Growth and Competitiveness

Proposal Number: 060.10NA

Primary Dept: Finance

Parent Proposal: None

Proposal Type: Existing

Dependent Proposal: None

Budget Status: Recommended

Previous Proposal: 060.10PA

Primary Staff: Zemed Yitref, x6101

Fund: Hotel/Motel Tax Fund

Section 2: Executive Summary

This proposal provides 100% of transient occupancy tax (approximately \$24 million in the 2017-2018 biennium) for the continuing support of and partnership with the Bellevue Convention Center Authority (BCCA) to promote business and tourism. BCCA fulfills its mission by supporting the operations of the Meydenbauer Convention Center. Meydenbauer Convention Center serves 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 2b: Performance Narrative

The measures included in this proposal demonstrate that the Bellevue Convention Center Authority (BCCA) is fiscally responsible in its use of TOT funds generated from Bellevue hotels. TOT is used to pay the bonds on the convention center construction, land purchase, and building renovations, a capital reinvestment program, and a portion of the operations. The reported metrics demonstrate that these funds are used to generate convention center operating revenues, hotel room bookings created by events held at Meydenbauer Center, and the overall economic impact of convention center events. In addition, customer satisfaction ratings demonstrate that not only does the convention center operate in financially beneficial ways, but that clients evaluate the service received to be of a superior level.

Section 3: Responsiveness to Request For Results

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 \$24 million in the 2017-2018 biennium, to promote tourism and book hotel rooms that are not attributable to Meydenbauer Center. 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; promote Bellevue's "brand" through its marketing and communications activities; maximize local hotel room use to support the hotel industry; and provide 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.

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 300 events annually, including business/corporate meeting, conventions, consumer and trade shows, banquets and theatre events. Their 2015 activities brought nearly 160,000 people into Bellevue's downtown area to eat, stay, shop, and play. Based on standard convention center calculations,

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Meydenbauer Center activities generated nearly \$45 million in economic activity in 2015.

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. Additionally, the Center 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 a place to hold fund raising events, art exhibits, and other social offerings for citizens to meet and engage with one another. These activities support community priorities and values through a city government that seeks involvement from, listens to, and communicates with the community.

Bellevue leverages its partnership with Meydenbauer Center and Visit Bellevue Washington (VBW) to promote tourism, bringing people into Bellevue to eat, stay, shop, and play. In 2015, Meydenbauer Center activities generated nearly \$45 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.

The City partners with Meydenbauer Convention Center to foster economic growth, with one of the primary benefits being 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. Prior to 2014, information obtained from the International Association of Convention and Visitors Bureaus (IACVB) was used to calculate the economic impact of Meydenbauer Convention Center activity. Starting in 2014, Meydenbauer Convention Center adopted the use of the Destination Marketing Association International (DMAI) economic impact calculator. The DMAI economic impact calculator is the convention industry standard, generally accepted as the best tool to gauge economic impact, and is updated annually with multiple sources across the event industry. The estimated economic impact attributable to Meydenbauer Convention Center activity in 2016 is \$50 million.

Continuation of this tourism-promoting relationship ensures Bellevue's option of using TOT to support the BCCA, and in turn, support the community by providing high quality service and excellent value.

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Section 4: Performance Measures and Targets

Code	Performance Measure	Frequency	2014	2015	2016	2017	2018
			Actual	Actual	Target	Target	Target
060.0199	Meydenbauer Center - Dollar of Economic Impact Generated (\$m)	Years	\$48.90	\$44.50	\$50.00	\$51.50	\$53.05
060.0208	Meydenbauer Center - Operating Revenue	Years	\$8.30	\$7.50	\$7.80	\$7.90	\$8.00
060.0209	Meydenbauer Center - Coverage Ratio	Years	99%	93%	90%	90%	90%
060.0210	Meydenbauer Center - Number of hotel nights generated by operations (thousands)	Years	46.3	45.7	37.5	38	38.5
060.0211	Meydenbauer Center - Number of events	Years	289	301	346	350	350
060.0212	Theatre days booked	Years	233	195	221	230	235
060.0213	Customer Service Rating: Overall quality of service rated good and excellent	Years	100%	100%	95%	95%	95%
060.0214	Customer Service Rating: overall courtesy of Meydenbauer Center staff	Years	100%	100%	95%	95%	95%

Section 5: Requested Funding

5A: Are any new costs other than inflation included in this proposal?

No

5B: Are one-time expenditures included in this proposal?

N/A

5C: Are dedicated revenues included in this proposal?

Transient occupancy tax is generated through hotel/motel business and supports BCCA debt and operations per the City's operating agreement with BCCA.

5D: Are changes to the existing service levels included in this proposal?

N/A

5E: Budget Summary

<u>FTE/LTE</u>	<u>2017</u>	<u>2018</u>
FTE	0.00	0.00
LTE	0.00	0.00
Total Count	0.00	0.00

<u>Operating</u>	<u>2017</u>	<u>2018</u>
Expenditures	10,126,400	11,120,350
Personnel	0	0
Revenue	10,126,400	11,120,350
Rev-Exp Balance	0	0

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Section 1: Proposal Descriptors

Ranking: 5

Proposal Title: Downtown Parking Enforcement

Outcome: Economic Growth and Competitiveness

Proposal Number: 130.17NA **Primary Dept:** Transportation

Parent Proposal: None **Proposal Type:** New

Dependent Proposal: None **Budget Status:** Recommended

Previous Proposal: 130.17NA **Primary Staff:** Chris Long

Fund: General Fund

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 spaces, thus increasing the overall parking availability for retail customers and general downtown visitors, a goal of the Downtown Subarea Plan. This proposal includes the funding needed to hire a contractor to provide enforcement services. The staffing and administration necessary to support this proposal are provided through the Traffic Engineering and Safety proposal.

Section 2b: Performance Narrative

Evaluation of meeting intended results is focused on the city's ability to provide short term on-street parking spaces in the Downtown, enforce the time restriction at these spaces, track the number of complaints received, and enforce safety related parking infractions throughout the Downtown.

Section 3: Responsiveness to Request For Results

WHAT THE CITY IS BUYING

This proposal will continue to provide daily, on-going management and enforcement for 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; monitoring and revising parking zones when necessary; and conducting Requests for Proposals (RFP) and contract recommendations to Council. 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.

The contractor provides enforcement of time restrictions for on-street parking; enforcement of general safety related parking rules (too close to driveway, no parking anytime, etc.); disabled parking enforcement on private property; general duties such as coordination with Bellevue District Court, attending court, researching vehicle registration information; and public contact to respond to customer concerns. Per policy to promote awareness and education, each vehicle receives one overtime parking warning annually before overtime parking infraction tickets are issued.

It should be noted that 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. Although only a relatively small amount of the revenue is returned to the General Fund from this proposal, there is a larger benefit to the city as parking enforcement tickets help pay for the overall cost of the court.

SUPPORT OF PURCHASING STRATEGIES

This program supports the Economic Growth and Competitiveness purchasing strategies as described below.

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Economic Development:

Monitoring the use of short term parking in the downtown area supports economic development by maintaining the overall parking availability for retail customers and general downtown visitors. 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. It also supports the vision of a walkable Downtown, and supports existing businesses, especially ground level retail.

Community Development:

Parking monitoring also supports public safety through the issuance of safety related infractions. Parking patrols not only maintain the turnover desired for the downtown area, but it helps make sure motorists are not parking in places that could impact sight distance or potentially block access to fire lanes or fire hydrants.

Infrastructure Development:

On-street parking helps promote street level businesses, which in turn promotes a more walkable community. Maintaining the proper turnover of this parking assure that more parking is available for patrons coming into downtown. This focus on a walkable community supports both a multimodal environment and the overall site development of the downtown.

Workforce Development:

Providing on street parking within close proximity to Downtown businesses is an incentive to both establishing and visiting those businesses.

Section 4: Performance Measures and Targets

<u>Code</u>	<u>Performance Measure</u>	<u>Frequency</u>	<u>2014 Actual</u>	<u>2015 Actual</u>	<u>2016 Target</u>	<u>2017 Target</u>	<u>2018 Target</u>
130.0180	# Downtown parking spaces available	Months	310	343	300	300	310
130.0181	Downtown parking complaints received/responded	Months	109	319	250	250	250

Section 5: Requested Funding

5A: Are any new costs other than inflation included in this proposal?

N/A

5B: Are one-time expenditures included in this proposal?

N/A

5C: Are dedicated revenues included in this proposal?

N/A

5D: Are changes to the existing service levels included in this proposal?

N/A

5E: Budget Summary

<u>FTE/LTE</u>	<u>2017</u>	<u>2018</u>
FTE	0.00	0.00
LTE	0.00	0.00
Total Count	0.00	0.00

<u>Operating</u>	<u>2017</u>	<u>2018</u>
Expenditures	107,290	109,896
Personnel	0	0
Revenue	0	0
Rev-Exp Balance	-107,290	-109,896

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