Economic Development Element

**Goal:**
To pursue a strong local economy consistent with a sustainable natural environment and a high quality of life in order to provide:

- Employment and other economic opportunities for residents of Bellevue and the central Puget Sound region;
- Vibrant commercial areas to serve the needs of the city and region; and
- A solid tax base to support local services.

Bellevue is the economic hub of the Eastside due to its geographic location and city policies promoting a positive business climate.

**Overview**

In the last several decades, Bellevue has evolved from its roots as a suburban “bedroom” community with virtually no employment base, to its current status as the second largest employment center in King County and the economic hub of the Eastside. The city has done this while retaining a reputation as one of the most livable communities in the Northwest.

This strong local economy has been in many ways a tremendous asset for Bellevue. It has provided economic opportunity for residents, so that people are able to live and work in good family-wage jobs in the same community. It has created a series of dynamic commercial areas, including a Downtown that is one of the chief Urban Centers in the region, several other concentrations of regional employment, and local centers providing goods and services to Bellevue residents. These economic activity
areas are described in the Land Use Element of this Plan. Bellevue’s economic
development has also created an extraordinary tax base for this community; the
“development dividend” from commercial development has helped keep taxes lower
and service levels higher than they otherwise would be.

In past years the city’s direct economic development efforts have been somewhat
dispersed. The city has focused chiefly on creating a positive business climate, and
on planning for and developing the infrastructure to support the type and level of
growth envisioned in the Comprehensive Plan. These strategies worked well in the
past, and were sufficient to propel Bellevue to its current position as the Eastside’s
economic hub. However, these efforts alone are not sufficient to meet the economic
development challenges of the city’s future.

Today the city finds itself in a more competitive development environment, with
a number of daunting challenges to continued economic growth, as described
below in the Economic Profile. To remain successful in its economic development
efforts, Bellevue must become more focused about the roles and strategies it will
undertake, and more effective in pursuing these approaches. This Element sets forth
a coordinated strategy for economic development, starting with an Economic Profile
of Bellevue that includes a discussion of the city’s economic development strengths
and challenges. Following the Profile are goals and policies in six critical areas of
economic focus.

**Economic Profile of Bellevue**

**Employment Trends**

In the last few decades, Bellevue has been transformed from a bedroom community
to a major regional economic and employment center. As shown Table ED.1 below,
while population growth in the city has been vigorous during the past few decades
(with growth approaching or exceeding 20 percent per decade), employment growth
has been even more so.

<table>
<thead>
<tr>
<th></th>
<th>1970</th>
<th>1980</th>
<th>1990</th>
<th>2000</th>
<th>% Chg 70-80</th>
<th>% Chg 80-90</th>
<th>%Chg 90-00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs</td>
<td>21,000</td>
<td>42,000</td>
<td>79,920</td>
<td>118,690</td>
<td>100%</td>
<td>90%</td>
<td>49%</td>
</tr>
<tr>
<td>Population</td>
<td>61,196</td>
<td>73,903</td>
<td>86,874</td>
<td>109,827</td>
<td>21%</td>
<td>18%</td>
<td>26%</td>
</tr>
</tbody>
</table>

*Sources: United States Census Bureau, Puget Sound Regional Council, Washington state
Employment Security Department. Employment numbers for 1970 and 1980 are estimates; 1990
and 2000 employment numbers are covered employment.*
Bellevue went from having a population of 61,196 persons and approximately 21,000 jobs (or 1 job for every 3 persons) in 1970 to having more jobs than persons in 2000. This makes Bellevue an importer of workers from other parts of the region. Employment trends in Bellevue mirror trends in East King County as a whole during the last few decades. In 1980, 13 percent of all King County jobs were in East King County; in 2000, about 25 percent of all county jobs were in East King County.

Today, Bellevue has a diversified mix of businesses, with the service and retail sectors being the largest. Automobile dealers, department stores and electronic/computer stores lead the retail sector. The service sector has a large concentration of software companies, engineering firms, financial institutions, and accounting firms. Food distribution, manufacturing and wholesaling businesses have also located in Bellevue.

The distribution of Bellevue’s covered employment is indicated in Figure ED.1 "Covered Jobs in Bellevue 2002," based on estimates from 2002, the most recent year available (sources: PSRC and Washington state Employment Security Department). Covered employment refers to jobs that are covered by state unemployment insurance. This number does not include corporate officers or sole proprietors, meaning that Bellevue’s total employment is likely 10 to 15 percent higher. In 2002, Bellevue had 110,905 covered jobs (the estimate of total jobs is approximately 125,000). Bellevue has the second highest number of jobs in the Puget Sound region after Seattle (other cities in the region with high numbers of jobs include Tacoma, Redmond, and Everett). Approximately 54,800, or just under half of covered jobs in Bellevue are in the FIRES sector (a sector which encompasses jobs in the Finance, Insurance, Real Estate, and professional services). This sector includes most, though not all, high tech jobs. Bellevue’s FIRES jobs represent 45 percent of all FIRES jobs on the Eastside. FIRES is a very important job sector not just in Bellevue but in the entire Central Puget Sound region; 37 percent of all jobs in the region are in this sector.
Bellevue’s other major employment sectors are Retail, with more than 19,000 jobs, and WTCU (Warehouse, Transportation, Communications, and Utilities), with almost 17,000 jobs. A large number of the WTCU jobs on the Eastside are in the communications field which includes telecommunications; this contrasts with WCTU jobs in South King County and other parts of the region, which are largely transportation/distribution-related.

With regard to high technology jobs (a definition that includes some jobs in FIRES and some in WTCU sectors), Bellevue had approximately 17,300 jobs in 2002. Almost two-thirds (64 percent) of all high tech jobs in King County (which is the high tech center of the region) were located on the Eastside in 2002. High tech jobs are increasingly important to the region and Bellevue, in that much of the rapid growth and diversification of the regional economy that occurred during the 1990s can be attributed to this sector. High tech jobs also typically offer higher wages than other sectors of the economy, and workers in these jobs help support the larger economy with the purchases and investments they make. Due to a national recession, there was a loss in jobs within Bellevue and region between 2001 and 2002, and the high tech sector was hit particularly hard due to the difficulties experienced by many “dot com” companies. Nonetheless, high tech is expected to continue to be an important part of the local economy in the future.

Corporate Headquarters and Major Employers in Bellevue

Many major regional companies have their headquarters in Bellevue. Table ED.2 shows Bellevue-based companies that are among the 100 largest companies (based on revenue) headquartered in Washington state. Each of these companies had revenues in excess of 35 million dollars in 2002; these companies are listed alphabetically, not in order of revenues.
**Table ED.2 Bellevue’s Corporate Headquarters**

<table>
<thead>
<tr>
<th>Company</th>
<th>Product or Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attachmate</td>
<td>Computer software</td>
</tr>
<tr>
<td>Bsquare</td>
<td>Software products, services</td>
</tr>
<tr>
<td>Captaris Inc.</td>
<td>Software development</td>
</tr>
<tr>
<td>Cellular One-Western Wireless</td>
<td>Wireless communication</td>
</tr>
<tr>
<td>Coinstar, Inc.</td>
<td>Coin counting and electronic services</td>
</tr>
<tr>
<td>Drugstore.com Inc.</td>
<td>Internet retailer</td>
</tr>
<tr>
<td>Esterline Technologies</td>
<td>Aerospace and electronic equipment manufacturing</td>
</tr>
<tr>
<td>Expedia Inc.</td>
<td>Internet travel site</td>
</tr>
<tr>
<td>First Mutual Bancshares</td>
<td>Financial services</td>
</tr>
<tr>
<td>GLY Construction, Inc.</td>
<td>General contractor</td>
</tr>
<tr>
<td>InfoSpace Inc.</td>
<td>Internet content provider</td>
</tr>
<tr>
<td>Leisure Care, Inc.</td>
<td>Manage retirement communities</td>
</tr>
<tr>
<td>North Coast Electric</td>
<td>Wholesale distribution of electric products</td>
</tr>
<tr>
<td>Onyx Software</td>
<td>Software development</td>
</tr>
<tr>
<td>PACCAR, Inc.</td>
<td>Truck manufacturing, leasing, and financing</td>
</tr>
<tr>
<td>Penford Corporation</td>
<td>Development of paper and textile products</td>
</tr>
<tr>
<td>Puget Sound Energy</td>
<td>Electric power and natural gas utility</td>
</tr>
<tr>
<td>Savers, Inc.</td>
<td>Retail thrift and discount stores</td>
</tr>
<tr>
<td>T-Mobile</td>
<td>Wireless communication</td>
</tr>
<tr>
<td>Verizon</td>
<td>Wired and wireless communication</td>
</tr>
</tbody>
</table>

*Source: Puget Sound Business Journal, 2004*

Several specific industries also have significant clusters of corporate headquarters in Bellevue. These industries include engineering, commercial real estate, general contracting, employment agencies, home builders, and software developers.

In addition to corporate headquarters located in Bellevue, there are a number of other private, public, and non-profit entities that are major employers in the city. Entities that employ over 1,000 persons in Bellevue include Boeing (providing support services to their aerospace group), Puget Sound Energy, Bellevue Community College, the Bellevue School District, Overlake Hospital Medical Center, and the City of Bellevue. The location of so many corporate headquarters and major employers across so many different sectors highlights the strength and diversity of the local Bellevue economy, and attractiveness of the community as a business location.
Bellevue’s Future Economic Development Prospects

As addressed more fully in the Land Use Element, Bellevue’s adopted employment target, the city’s share of regional job growth, is 40,000 new jobs over the next 20 years. Where will these jobs come from? In looking at the future, it is likely that Bellevue’s (and to a large extent the region’s) economic future will increasingly be tied to the success in attracting knowledge-based, new economy jobs. The two most rapidly expanding sectors of the economy in the decades ahead are likely to be professional services (the FIRES sector) and technology (including communications). In looking at the recent past, the chart below shows the importance of these sectors in the growth of Bellevue’s economy between 1995 and 2002.

*Figure ED.2 Change in Number of Covered Jobs by Sector
City of Bellevue, 1995-2002*

<table>
<thead>
<tr>
<th>Source Categories</th>
<th>Change in Number of Covered Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance, Insurance, Real Estate, and other Services</td>
<td>13,081</td>
</tr>
<tr>
<td>Warehousing, Transportation, Communications, and Utilities</td>
<td>1,781</td>
</tr>
<tr>
<td>High Tech Cluster</td>
<td>4,034</td>
</tr>
<tr>
<td>Education &amp; Government</td>
<td>1,858</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>715</td>
</tr>
<tr>
<td>Constr/Res</td>
<td>46</td>
</tr>
<tr>
<td>Retail</td>
<td>701</td>
</tr>
</tbody>
</table>

*Sources: Puget Sound Regional Council, Washington State Employment Security Department*

The FIRES sector created the most job growth between 1995 and 2002 with the addition of over 12,000 FIRES jobs to Bellevue’s employment base. While the FIRES sector added the most jobs between 1995 and 2002, most other sectors of Bellevue’s...
The economy also added jobs during this period. The sectors that added jobs included the WTCU sector, which in Bellevue is largely driven by the communications industry. The exception was the manufacturing sector, which lost about 700 jobs during this period.

The number of jobs in the high technology industry (the majority of which are FIRES sector jobs), increased by a prodigious rate in Bellevue between 1995 and the economic peak of 2001, then experienced a decrease between 2001 and 2002. Despite the 2001 downturn, Bellevue saw a large net gain of about 4,000 high technology jobs between 1995 and 2002. This represented a 30 percent growth rate.

Growth in the FIRES sector will continue to lead Bellevue’s economic future. Other sectors are expected to expand as well. Bellevue’s demographics and central location will continue to attract new retail businesses. Bellevue’s retail economy has been quite strong; on a statewide basis retail sales in Bellevue are second only to those in Seattle. Tacoma and Spokane, though larger cities than Bellevue, have historically had smaller retail sales totals.

Bellevue is also a regional leader in “producer” services — services that support businesses and government in areas ranging from computer services and engineering firms to temporary help. Nationwide, significant growth is predicted for these parts of the economy. Because Bellevue’s businesses have established a strong position in this part of the economy, it is likely that the businesses located here will expand as well, as long as Bellevue maintains its competitive edge.

In addition, as Downtown Bellevue has developed into a regional urban center, the entertainment and tourism industries (hotel, restaurants) have expanded in recent years. With the potential expansion of Meydenbauer Convention Center, these industries are expected to grow as well.

Bellevue has both strengths and challenges that will influence economic development prospects in the future. These are summarized below.
**Strengths**

Bellevue provides an attractive business location for a number of reasons. The appeal is a function of geography, demographics, and quality of life.

Bellevue is centrally located on the Eastside. It occupies the eastern end of the two Lake Washington bridges to Seattle, and is at the crossroads of the regional transportation network with excellent access to I-90, I-405, and SR-520. Bellevue’s geographic proximity to Seattle has been an incentive to locate jobs in Bellevue rather than other parts of the Eastside. For example, technology firms need geographic proximity to specialized lawyers, accountants and venture capital firms, because face-to-face interaction is important in these business exchanges. Most of these specialized service firms have located in downtown Seattle, so a Bellevue location with convenient transportation access provides a considerable benefit to companies that require these specialized services. In addition, many companies within the broader FIRES sector have mutual business connections to each other, and FIRES jobs within the county tend to be clustered in Seattle (particularly the Seattle CBD), Bellevue, and Overlake. This also gives Bellevue an advantage for continued growth in this sector.

Bellevue is becoming increasingly diverse. One-quarter of Bellevue’s population in 2000 was foreign born. Most foreign-born Bellevue residents who entered the United States in the 1990s were born in Asia, Eastern and Central Europe, and Mexico.

Many of these residents maintain ties with their country of origin, which can be built upon to increase international trade. Canada and Japan are Washington state’s two largest trading partners. Trading relationships with other countries in Asia and Europe are also extremely important to the state’s economy. Bellevue and the Eastside have the connections and the economic assets to advance relationships with the rest of the world, resulting in economic benefits for all.

With regard to demographics, Bellevue has historically drawn higher income, highly educated households. These households have a high degree of mobility and have chosen this community because of its high quality of life. These demographics make Bellevue the location of choice for higher end retail.

*The Crossroads Shopping Center successfully combines community amenities, gathering places, and shopping opportunities.*
Bellevue’s high quality of life and community amenities are one of its strongest assets to continued economic growth. The emphasis Bellevue places on superior urban design in both public and private development distinguishes this community in the region, and attracts firms seeking a premier location. The city’s urban amenities, increasing cultural attractions, and extensive parks system are major draws to the “creative class” that is leading economic growth in the region. As the economy evolves and knowledge-based and new economy job sectors become more important, these companies frequently cite overall livability and quality of life as major determinants of decisions on where to locate.

Bellevue also has a number of regional employment centers (including Downtown Bellevue, the Bel-Red/520 corridor, and the Factoria/Eastgate corridor) which offer a varied mix of businesses and development environments. In addition, a variety of neighborhood and community commercial areas in the city provide goods and services to local neighborhoods. The abundance of both regional and local economic centers in the city is another strength of the local economy.

In summary, Bellevue has a large number of assets that make it an attractive location for business:

- An increasingly diverse population with connections to the global economy;
- A reputation as a very livable place, with superior urban design and amenities, a growing recreational and cultural base, and excellent neighborhoods offering a range of housing choices;
- A “critical mass” as a major employment center, with more jobs than residents;
- A central location within the region, at the transportation center of the Eastside, with superior freeway, arterial and transit access to major commercial areas;
- A wide range of structures and locations to house businesses (small stand-alone offices to downtown high-rises for office firms and retail strip locations to major malls for retail shops);
- Excellent public and private infrastructure in place to support business development;
- An abundance of companies providing business and personal services;
- A climate that supports business growth in appropriate locations;

Overlake Hospital and Group Health Cooperative are partnering to create a major medical institution and campus.
• Well established business organizations;
• One of the most highly educated workforces in the nation, and a strong public school system;
• Connections to the high-tech industry;
• Overlake Hospital and Medical Center and its specialized medical services; and
• Bellevue Community College and its ability to provide specialized work force training.

Challenges
Despite Bellevue’s economic strengths and competitive advantages, there are also challenges the city must face in the years ahead. The economic downturn of 2001-2002 shows that the city is not immune from the effects of broader national and regional economic trends. In fact the decline in high tech and other “new economy” jobs in the region hit Bellevue harder than some other cities due to Bellevue’s concentration of jobs in these sectors. Some of the other economic challenges that the city faces include:

• Aging commercial areas: Some commercial areas are beginning to show their age, and may need some creative re-positioning to reach their potential. This includes some of the city’s older neighborhood shopping centers that are struggling to survive in an economic climate that has changed radically in the past fifty years. Parts of Bellevue’s warehousing, distribution, and manufacturing base, such as areas in the Bel-Red corridor, are also showing their age and may not be the best long-term uses given Bellevue’s place in today’s economy.

• Land and building types available to attract growing markets: Based on recent development trends on the Eastside and elsewhere, many new economy and information-based companies locate in mid-rise, three- to five-story office buildings. Bellevue has locations for higher density office in Downtown and low rise office elsewhere, but no locations dedicated to this intermediate scale of development.

• Marketing/visitor services: As competition intensifies within the region for convention business and visitor/tourism, Bellevue must find ways to position itself to attract visitors and build this sector of the local economy.

• Economic development roles and resources: While the city and its economic development partners have made some important strides, the city has not answered the question about what its future role in economic development should be. Moreover, a successful effort will likely require significantly greater resources from the city and its partners than have been made available in prior years.

• Region’s economic development strategy: Bellevue faces challenges that other cities around the region must contend with as well. The Puget Sound region does
not have a well formulated economic development strategy. Traffic congestion in the central Puget Sound region is frequently cited by business leaders and developers as having a negative impact on economic growth and development. And in Washington state, financial tools frequently used elsewhere in the country, like tax increment financing, are not available.

- **High cost of housing:** The proximity of housing and jobs can affect the potential labor pool. Providing affordable housing to all economic segments of the population is a challenge for Bellevue and other Eastside cities. The year 2000 Census showed that only four percent of owner-occupied houses in Bellevue were affordable to households with an income less than or equal to the countywide median income. In addition, lower income households have difficulty finding affordable rental units. The 2000 Census showed that a very high percentage of households with incomes below $35,000 paid 30 percent or more of their income for housing.

**Major Topics of the Economic Development Element**

This Element focuses on six key areas for concentrated city attention:

- Economic Climate
- Community Livability and Economic Growth
- Planning and Infrastructure
- Maintaining and Revitalizing Commercial Areas
- Business Marketing, Retention And Recruitment
- City Development Strategies

Policy guidance in these six areas will help the city realize its economic development potential.

**Economic Climate**

**Goal:**

To build and nurture a positive economic climate that will attract and retain high quality firms.

A positive economic climate is a major factor in business locational decisions, and is comprised of a number of factors that the city directly controls or influences:

- Reasonable, predictable, and stable land use regulations
- High quality public services and facilities
- Competitive tax rates
• Diverse and affordable workforce housing opportunities
• Excellent public education system, along with continuing education and job training opportunities
• A sense of innovation and openness to new businesses, people, and ideas

When these factors are aligned, a community has a powerful advantage in the marketplace. Bellevue is in a strong position on many of these fronts, and has undertaken conscious efforts to achieve this. For example, the Development Services Improvement project has been an intensive effort to shift the “culture” of the city departments that have a role in development review to become more customer-focused, more timely, and more integrated as a single organizational entity. Likewise, for years the city’s tax policy has been deliberately restrained, with a focus on maintaining excellent services within existing resources.

A positive economic climate cannot be accomplished without the sustained efforts of numerous parties. Many factors are beyond the city’s control, such as the educational resources allocated by the Bellevue School District, or the housing investment decisions made by the private sector. Given a community will to maintain a strong economy, the city can act in a leadership role to communicate the importance of a positive economic climate and work with others to achieve it.

**POLICIES**

**POLICY ED-1.** Maintain a business climate that supports the retention and expansion of the city’s economic base.

**POLICY ED-2.** Continue to provide high quality and cost efficient city services and facilities, and promote this as one of Bellevue’s outstanding economic development assets.

**POLICY ED-3.** Develop and maintain regulations that allow for continued economic growth while respecting the environment and quality of life of city neighborhoods.
POLICY ED-4. Maintain an efficient, timely, predictable and customer-focused permit process, conducted in a manner that integrates multiple city departments into a coordinated entity.

POLICY ED-5. Facilitate the collection, analysis and dissemination of information that contributes to economic activity.

POLICY ED-6. Consider the impacts of the city’s policies regarding taxes, fees and utility rates on Bellevue’s economic development goals, while recognizing the balance between economic development, the maintenance of high quality services, and the financial health of city government.

POLICY ED-7. Encourage an adequate supply of workforce housing that meets the needs of the city’s diverse employment base.

POLICY ED-8. Recognize and consider the economic and environmental impacts of proposed legislative actions prior to adoption.

POLICY ED-9. Encourage the provision of a high quality primary, secondary and post-secondary public education system in Bellevue.

POLICY ED-10. Facilitate efforts of businesses and institutions to train workers for today’s and tomorrow’s jobs, and support continuing education in the community.

POLICY ED-11. Build on the strengths of Bellevue’s diverse residents and businesses to increase connections and relationships with other countries.

POLICY ED-12. Develop an environment that fosters respect for all individuals and groups.

POLICY ED-13. Encourage and promote employment opportunities for all residents, including youth.

POLICY ED-14. Work with the business community and residential interests to promote community interests and to address differences in a manner that minimizes conflict.

POLICY ED-15. Cooperate and coordinate with local and regional government and economic agencies to implement the countywide economic development policies.

POLICY ED-16. Ensure that economic development strategies are reviewed regularly to be flexible and to respond to changes in the market.
Community Livability and Economic Growth

**Goal:**
To invest in making Bellevue more livable, recognizing that a high quality of life attracts the creative talent that propels economic growth, with the proper consideration of environmental impacts and community concerns.

Increasingly in today’s economy, community livability is a key factor that influences economic growth. Cities and regions that have done well in the information economy are the creative centers that have attracted educated, energetic and talented workers. This talent is the “human capital” propelling economic growth, especially for the worker firms that drive much of Bellevue’s economy. The innovations stemming from this talent are creating new high value products and services, generating jobs, start-up companies, and spending on business and personal services.

With today’s high-speed telecommunications, and the need to move information rather than goods, workers can locate just about anywhere on the planet. Their high education and income levels allow them to be very selective about where they choose to live, form new firms, or relocate existing operations.

To attract this talent and become a center of innovation, a community must deliver on a number of intangible factors, here grouped under the term “community livability:” This includes factors such as:

- Arts, entertainment and cultural attractions
- Parks, open space and recreational amenities
- A high quality built environment, with a sophistication of urban design and a level of urban amenities that create a strong sense of place

Bellevue’s parks and open spaces are key quality of life indicators that draw residents and businesses alike to locate here.
These livability factors have always been important to cities, and they should be pursued in their own right. But today it is also appropriate to recognize that livability plays a key role in determining the economic competitiveness of cities and regions. A complete economic development strategy will explicitly incorporate livability investments, recognizing that these are a key part of attracting the talented “human capital” that will sustain economic growth.

**Policies**

**POLICY ED-17.** Recognize the economic development benefits of city and private sector investments in urban amenities like arts and culture, open space and recreational facilities, and high quality urban design. Strengthen the city’s assets in these areas as an explicit component of the city’s economic development strategy.

**POLICY ED-18.** Encourage high quality design and urban amenities for public and private development, maintaining development standards to recognize that a quality built environment helps attract the talented workers who will sustain economic growth.

Bellevue’s community livability is enhanced with the presence of arts organizations like the Pacific Northwest Ballet.
Planners and Infrastructure

**GOAL:**

To develop the land uses and infrastructure to support the needs of the businesses Bellevue wants to retain, grow and attract, with the proper consideration of environmental impacts and community concerns.

One of the city’s critical economic development roles is to plan and prepare for the land uses, design features, and utility and transportation infrastructure that support the city’s continued development. By adopting a land use vision, implementing incentives and regulations to accomplish it, and investing in the necessary infrastructure to support this desired land use, the city lays the foundation upon which development can occur.

Bellevue is a leader in land use planning. In 1979, the city adopted a Downtown Plan to reduce commercial sprawl by focusing regional commercial growth in the city center. During the ensuing decades, subarea plans were adopted that support community and neighborhood level businesses in other designated areas of the city.

In the 1980s, the city developed one of Washington state’s first capital investment programs (CIP), so that it could identify and prioritize the city infrastructure, such as water and sewer, fire stations, and parks, needed to keep pace with growth. Every other year, Bellevue updates this CIP, and thus is able to respond to changing development pressures and needs. This allows the city to grow gracefully, to meet the needs of both existing neighborhoods and new development.

Likewise, the city encourages the deployment of private sector infrastructure, such as telephone, electricity, and natural gas distribution systems, to meet the needs of development. When new infrastructure needs emerge, such as broadband and wireless communication systems, the city encourages the extension of these services to residences and businesses.

As areas mature and market conditions change, new challenges and opportunities arise and the city undertakes planning activities to help areas adjust. By doing this basic task well, Bellevue is able to use planning and infrastructure development to help attract and retain the specific types of economic development desired, while protecting neighborhoods from the impacts of unplanned growth.

**POLICIES**

**POLICY ED-19.** Maintain and update integrated land use and transportation plans to guide the future of the city’s major commercial areas and help them respond to change.
POLICY ED-20. Encourage economic development in designated locations through a mix of incentives, regulations, and strategic investments that support the city’s adopted plans.

POLICY ED-21. Continue to identify, construct and maintain infrastructure systems and facilities required to promote and sustain a positive economic climate. Anticipate needs and coordinate city infrastructure investments with economic development opportunities.

POLICY ED-22. Provide a reliable source of high-quality water at a reasonable cost.

POLICY ED-23. Facilitate private sector efforts to implement state-of-the-art technology, including communication technology, throughout the community.

POLICY ED-24. Maintain land use development standards within the city’s commercial areas that promote high quality, aesthetically attractive development, in order to add economic value to these areas and to ensure they are good neighbors.

Maintaining and Revitalizing Commercial Areas

**Goal:**

To maintain the quality of older commercial areas, promoting redevelopment and revitalization as needed to maintain their vitality.

While most people think of it as a very young city, Bellevue was incorporated more than a half century ago. Some of its older commercial areas are beginning to show major signs of age, and are having a difficult time adjusting to market changes. As time passes, planning is sometimes necessary to re-vision new uses and urban forms that can breathe new life into these areas.

For example, by the late 1990s several of Bellevue’s older neighborhood shopping centers were in decline. Changing market forces were leading to high vacancies and low levels of private investment. These small centers were losing their ability to generate economic activity, they were no longer serving the needs of nearby residents, and their physical decline was beginning to impact the quality of surrounding neighborhoods. Nearby residents came to the city asking what could be done to revitalize these older centers. However, given the fully developed nature of the city, redevelopment of these centers to serve the surrounding local neighborhoods should be encouraged.
In other areas of the city, industrial, warehousing and distribution were the predominant uses anticipated decades ago. Today there is a question as to whether these uses still make sense in all of these areas, whether consuming close-in urban land for these sprawling, land-intensive uses is the “highest and best use,” and whether it is consistent with the city’s broader land use and economic development vision in an era of growth management. It is appropriate for the city to examine these older areas periodically to ensure that they continue to be vital and productive.

**POLICIES**

**POLICY ED-25.** Work with the private sector to evaluate economic trends, opportunities and needs of key industries, with the intention of anticipating issues and taking early action to avoid decline in the city’s commercial areas.

**POLICY ED-26.** Where commercial areas are in decline, work with businesses and other stakeholders to identify corrective actions, which may include:

1. Planning for new uses and new urban forms, leading to proposals for changes to the Comprehensive Plan and zoning
2. Developing incentives and other strategies to promote re-investment
3. Targeting investments in public infrastructure that may help catalyze new private sector investment

**POLICY ED-27.** Where a commercial revitalization effort involves significant changes to plans and regulations that may impact a residential neighborhood, develop strategies to avoid or minimize these impacts.

**POLICY ED-28.** Facilitate the redevelopment and re-invigation of older neighborhood shopping centers that are experiencing decline. Work with stakeholders to transform such centers into high quality and dynamic retail/mixed use commercial areas that also provide a gathering place and sense of community for the neighborhood.
Business Marketing, Retention and Recruitment

**Goal:**
To provide an effective, coordinated program in business marketing, retention and recruitment, with the leadership and level of resources needed to accomplish this mission.

For a community like Bellevue that has a large and dynamic economic base, the foundations for effective economic development are the firms that are already here and are likely to generate a large share of future employment growth. Retaining these firms, continuing to meet their needs and assisting them as they grow and expand, is of paramount importance. A second source of economic development is the recruitment of new firms. Recruitment runs the gamut from nurturing small business start-ups to attracting large national firms.

Bellevue is fortunate to have some very capable organizations that play major roles in marketing, retention and recruitment, including the Chamber of Commerce, the Meydenbauer Convention Center, the Bellevue Downtown Association, Meydenbauer Convention Center, and the Bellevue Entrepreneur Center. Other partners include regional entities like the Port of Seattle and the Economic Development Council, the federal Small Business Administration, and many involved individuals and businesses.

For continued success in retention and recruitment, Bellevue needs effective leadership that coordinates and promotes the best efforts of all the complementary players. It needs to focus its economic development efforts with a clear and coordinated strategy. It also needs adequate resources to accomplish this mission.

**Policies**

**Policy ED-29.** Provide city leadership and direction to maximize the business retention and recruitment efforts of Bellevue’s economic development partners.
POLICY ED-30. Monitor the city’s strengths and weaknesses for various economic sectors, and promote specific industries or industry clusters that capitalize on Bellevue’s strengths and create higher paying, family wage jobs. In particular, promote the retention and recruitment of high technology and other firms that are a good fit with Bellevue’s highly-educated workforce.

Discussion: The city and its partners will strive to understand the development requirements of newly developing business sectors. The Economic Development Element as a whole addresses the many factors that comprise specific implementation strategies to retain existing and attract new businesses.

POLICY ED-31. Create a vision that clearly communicates Bellevue’s future as the leading Eastside employment and activity center, as a visitor destination, and as a leading American city. Communicate this image within the Puget Sound region and beyond.

POLICY ED-32. Develop partnerships with other organizations, such as the Chamber of Commerce, the Bellevue Downtown Association, King County Economic Development Commission, the Port of Seattle, and others, to effectively market Bellevue’s economic assets.

POLICY ED-33. Promote and nurture entrepreneurial development in Bellevue, by supporting efforts such as the Bellevue Entrepreneur Center and exploring ways to retain or create areas where small or emerging businesses can develop and flourish.

POLICY ED-34. Seek ongoing private sector guidance for the city’s marketing and development efforts, to ensure this work is on target and well connected to the city’s private sector partners.

POLICY ED-35. Provide adequate resources to support a first-rate economic development program, while leveraging private sector contributions as appropriate.

POLICY ED-36. Recognizing that Bellevue is highly interrelated to the larger regional economy, foster collaboration with other cities on the Eastside, Seattle, and the larger region to meet common marketing, retention and recruitment interests.
City Development Strategies

**GOAL:**
To develop organizational and financial tools that allow the city to leverage private sector resources to accomplish Bellevue’s economic development goals.

Compared to many other parts of the nation, jurisdictions in Washington state are severely limited in their ability to use direct economic development tools. Financial incentives that are common elsewhere are very limited by the state Constitution. The benefit of such tools is that a public entity can leverage a much larger private sector investment consistent with an identified public objective.

While Washington state is very conservative in this regard, some tools are available. For example, the city can form a public development authority to accomplish an objective like building a convention center, as Bellevue did ten years ago to develop Meydenbauer Center. The city can work with property owners to develop Business Improvement Districts, resulting in owners’ willingness to pay special assessments that can provide major economic development benefits to a commercial area. The city can assemble land, develop a new vision for it, and make it competitively available to the developer that can best meet the city’s objectives. The city can make use of limited financial incentives, such as the state-authorized multifamily tax exemption program.

These types of tools give the city an ability to be more direct in pursuing its economic development objectives. While they may be appropriate and even necessary in certain instances, these tools should be used with great care and with a clearly defined public purpose.

**POLICIES**

**POLICY ED-37.** Consider the use of organizational and financial tools to leverage private sector resources in accomplishing the city’s economic development and land use vision.

**POLICY ED-38.** Facilitate economic development in commercial areas through public/private partnerships if the activity is consistent with the city’s adopted policies, if there is a compelling public benefit, and if there is an acceptable level of risk.
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