

photo by Stanton J Stephens

# Economic Development

## VISION

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**Bellevue is a hub for global business and innovation.**

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Bellevue's economic strength is built on the creativity, innovation and hard work of its people. Bellevue works to attract, build and support innovative and entrepreneurial businesses, including small businesses, start-ups and mature businesses, through ensuring that our neighborhoods, cultural amenities, public schools, digital infrastructure, workforce and business climate are among the nation's best.

### **ECONOMIC DEVELOPMENT SCOPE**

The Economic Development element is about how the city supports existing businesses and attracts new businesses to the city.

## INTRODUCTION

Bellevue is the second largest employment center in King County, the economic hub of the Eastside and one of the most livable communities in the Northwest. The city's strong local economy is a tremendous asset. It provides economic opportunity for residents, who are able to hold good family-wage jobs in the same community where they live. It has created a series of dynamic commercial areas, a concentration of regional employment and an extraordinary tax base. Bellevue's stable commercial and office base, combined with the highest per-capita taxable retail sales in King County, have allowed the city to deliver high-quality services while keeping taxes low. Bellevue has been able to weather economic downturns, such as the 2009 "Great Recession" and COVID-19 pandemic in part due to its strong and diverse local economy.

To preserve and strengthen the city's position, in 2020 the City Council adopted an updated economic development plan. The economic plan has five desired outcomes:

1. A resilient local economy
2. A strong regional economy
3. Employment opportunities and paths to prosperity for a wide range of residents and workers
4. A supportive and attractive place to do business
5. A sustainable and equitable city

The Economic Development element provides the overall direction to achieve the City's goals for the economy. There are several activities the city engages in to achieve these goals including, fostering a positive business climate, planning for and developing infrastructure to support the economic growth, provide for quality of life and amenities to attract and develop the talent and capitalize on the strengths of an increasingly diverse population to connect Bellevue to the global economy. The city is strategic and focused

## ECONOMIC DEVELOPMENT PLAN

The Economic Development Plan contains strategies and actions to help the city achieve its vision of being a vibrant and inclusive global innovation hub fueled by a highly educated, entrepreneurial and diverse workforce. The plan is updated about every five years at the direction of the City Council.

in utilizing limited resources to achieve the highest impact results.

Success will require collaboration with a wide variety of partners to leverage Bellevue's strengths and opportunities, and achieve better outcomes than the city could accomplish alone. Bellevue is a leader and collaborator with others in promoting a sustainable economy that benefits the Eastside and the entire Puget Sound region.

The Economic Development element guides efforts to market the city, offer services to businesses of all sizes and inform citizens and city leaders of the trends and strengths of the local economy. The element also guides decision-making in land use, infrastructure, capital budgeting, regional collaboration, local partnerships and other areas that impact the success of businesses, employees and related services.



# TODAY'S CONDITIONS AND TOMORROW'S PROJECTIONS

## Economic Development Today and Tomorrow

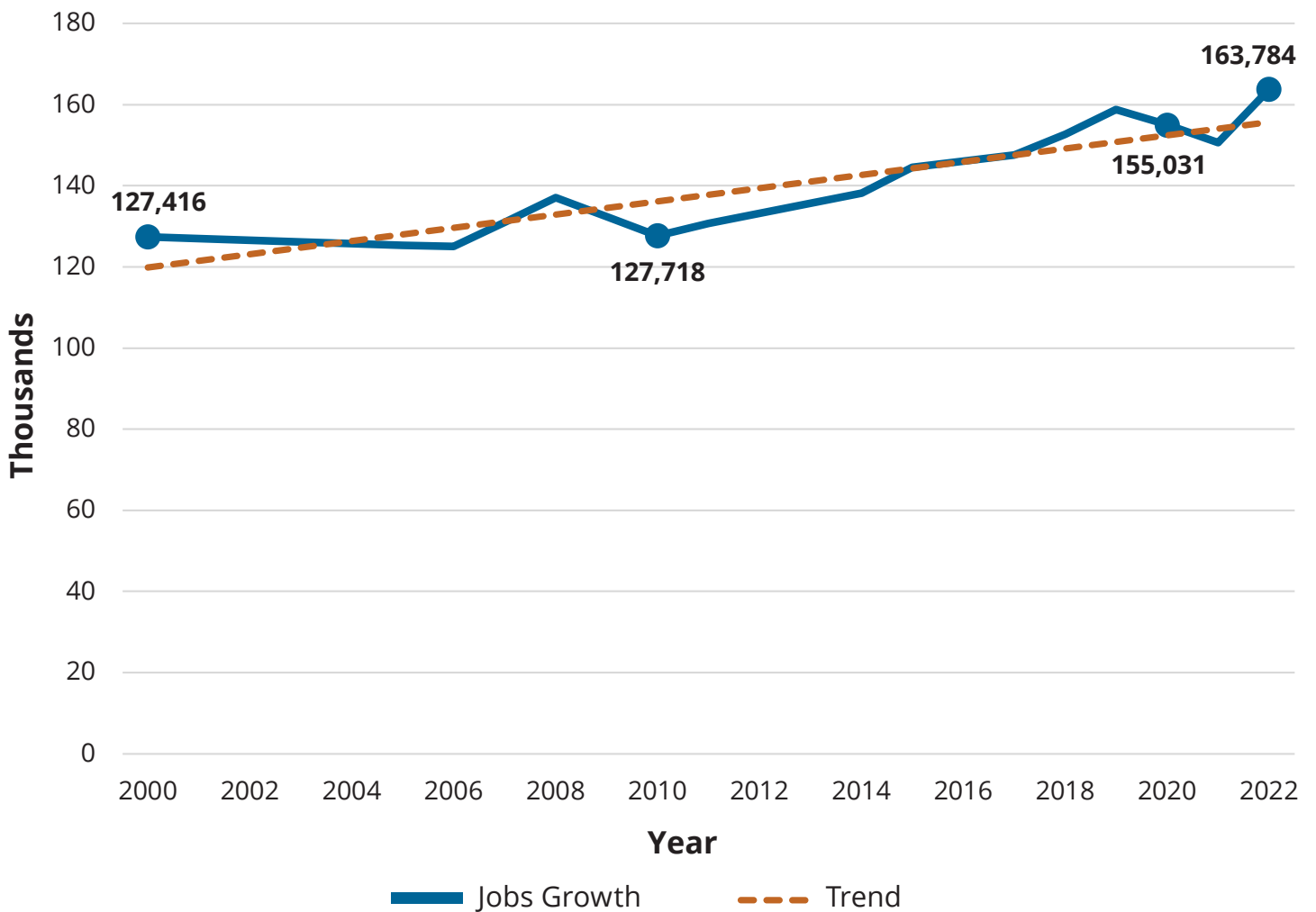
### Trends in Jobs and Business Openings

Bellevue's overall economy has grown rapidly, with an annual employment growth of 2.6 percent between 2012 and 2022 despite the impacts of the COVID-19 pandemic. (see Figure ED-1). Proportionally, Bellevue has outpaced the US average and has created more jobs than our peer benchmarked cities on an absolute basis. It is the major employment center on the Eastside.



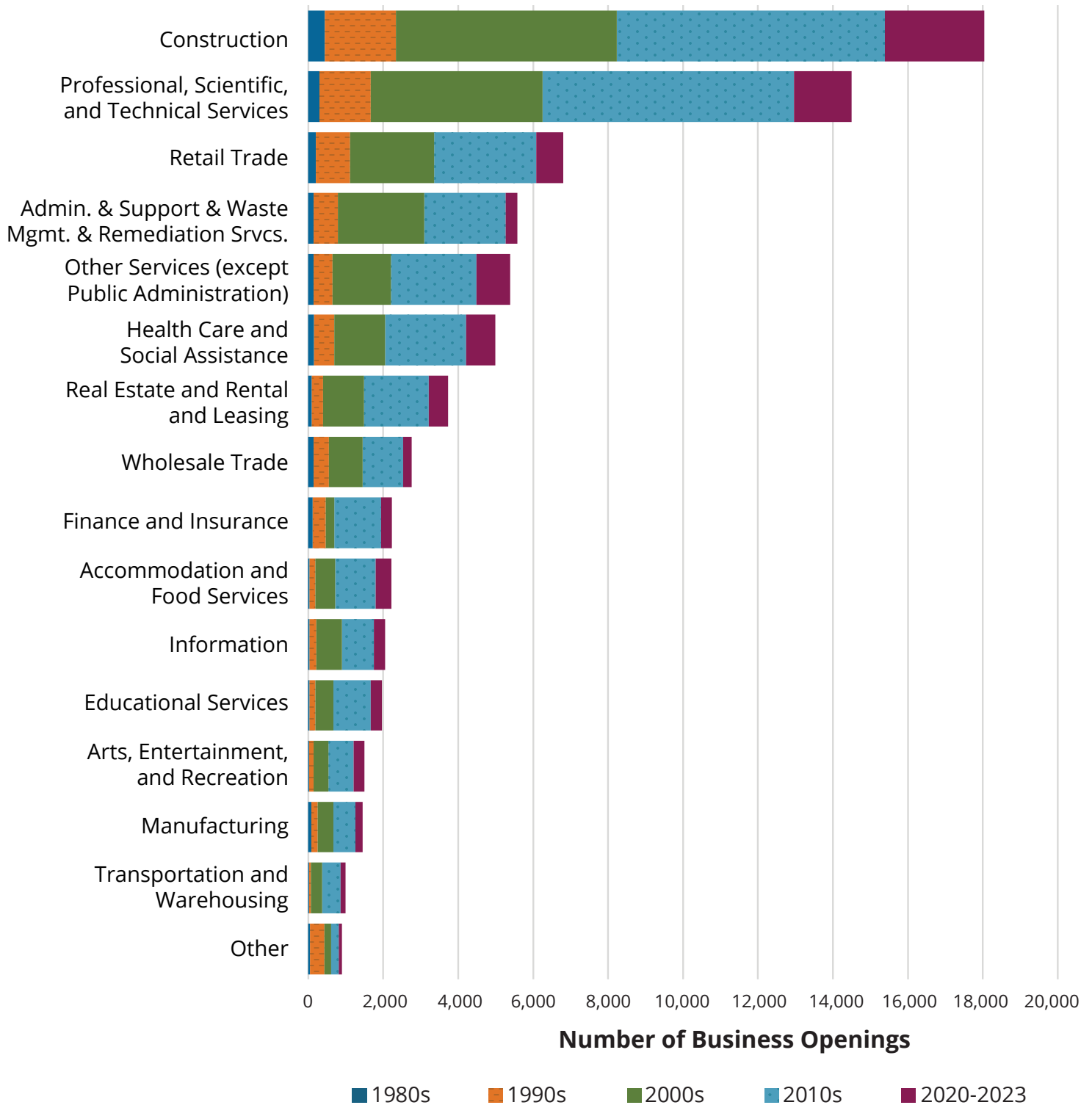
photo credit: Visit Bellevue, courtesy of Bake's Place

**Figure ED-1. Bellevue Total Employment, 2000 to 2022**



Source: Puget Sound Regional Council. Total Employment.

**Figure ED-2. Past and Projected Business Openings in Bellevue by Decade, 1980-2020**





## Key Industry Sectors

Understanding the major drivers of the local economy will help ensure the city's economic development policies build from local strengths. Five major sectors drive Bellevue's economy: Information Technology, Business Services, Retail, Creative Economy and Tourism. The first two are knowledge-based industries, with particularly strong national and international reaches. As Bellevue grows, diversifying this industry base is a key focus of the city.

### Information Technology

The city's largest industry cluster is Information Technology, which employed 17,193 workers in Bellevue in 2012 and 30,511 in 2020, a growth of approximately 76 percent. This sector is expected to continue to grow, and benefits from a well-educated workforce with professional expertise and cultural diversity. This cluster also had the most business openings of any sector in the last three decades, a trend which is expected to continue.

### Business Services

In the Business Services sector, Finance is the largest sub-cluster, followed by Management Services and Architecture and Engineering. Most sub-clusters were stable in the 2010s. Management Services includes corporate headquarters functions and shows some growth. Bellevue is home to the headquarters for companies such as Paccar, Bungie, Valve, T-Mobile US and Puget Sound Energy.

### Retail

Bellevue is a premier high-end retail destination in the Puget Sound region, generating substantial retail sales from outside the city. This is evidenced by Bellevue's Taxable Retail Sales per capita, which was the highest of any major city in King County in 2022 and nearly twice as high as Seattle's.

### Tourism and Visitors

The local Tourism sector benefits from Bellevue's reputation as a safe, clean city, with excellent high-end shopping, nightlife and restaurants, as well as its central location within the Puget Sound region. Initiatives such as the Grand Connection and Tourism Promotion Area, and landmark



artworks such as Downtown Park's "Piloti" all aim to strengthen Bellevue's status as a destination.

### Creative Economy

The Creative Economy is a driving factor in the continued growth of Bellevue's overall economy and is intertwined with the retention and attraction of innovative companies and a talented workforce. This sector is composed of businesses across the spectrum from digital creative workers and multinational businesses to individual artists and cultural non-profit organizations. Bellevue's creative economy is multifaceted, although heavily concentrated in gaming and technology sectors.

## Challenges and Opportunities

Bellevue is strongly positioned for continued economic vitality but should not take success for granted. The city will need to face key challenges and opportunities as it continues to expand as a regionally and globally competitive city.

### Promoting Innovation and Entrepreneurial Development

Innovation and entrepreneurialism are keys to success in the evolving economy, and Bellevue is well positioned to attract and retain the talent that thrives on innovation. The city and community can do more to cultivate an environment that supports entrepreneurialism, to build from the excellent local education system and expand the higher education presence, to recruit innovative companies that are a good fit for Bellevue and to promote affordable and flexible workspaces that attract innovative talent.

### The Built Environment

Bellevue needs diverse business districts and building types to attract new development, adjust to market trends and remain attractive to key industry sectors. The Land Use element, zoning and development regulations work in concert with the Economic Development element to provide for the land use and building types necessary to achieve the city's economic development strategy, within the context of the city's overall land use vision. Moreover, the city will need to ensure the necessary infrastructure is planned, funded and built to support these commercial centers.

### Mobility Challenges

Population, employment and tourism growth have increased the demand for more people moving from place to place. Economic success in Bellevue will require a range of multimodal transportation options that maintain mobility for people and goods. A complete multimodal transportation network requires both local and regional resources to ensure the entire transportation system supports a world-class economy.

### Tourism and Visitor Experiences

While the city has a strong corporate convention market, the city lacks the facilities necessary to host major national or international events. Additionally, while Bellevue is becoming more appealing to leisure travelers, some see it as lacking in unique and memorable visitor experiences.

### Diversity and International Connections

Bellevue has an increasingly diverse population and workforce that mirror the world and attracts some of the best employers in the world. This diversity is a tremendous advantage, giving Bellevue businesses access to worldwide markets and a global workforce. More can be done to build off this advantage and even better position Bellevue as an international gateway.

### Affordable Housing Options and Startup Spaces

Bellevue's shortage of housing options, particularly affordable ones, is widely cited by employers, prospective employees and self-employed business owners like artists as a deterrent to locating in Bellevue. To support a thriving economy, there is a need for housing that serves all income levels with a range of housing options that meet their needs. Promoting housing affordability will continue to be a challenge as the economy grows. Affordable housing is also addressed in the Housing element.

Affordable start-up space, particularly for arts non-profits and creative economy startups, is an ongoing challenge. Rapid development will continue in many of the centers where rents for these uses have been historically lower, like BelRed. The lack of affordable spaces will continue to push these uses out of Bellevue to more affordable cities in the region, impacting the livability and attractiveness of Bellevue and the potential of its residents and businesses.





## ECONOMIC DEVELOPMENT POLICY SUMMARY

### Business Climate

Nurturing a solid business climate to support the future economy requires an array of efforts. These include the conventional focus on high quality city services and facilities, a timely and predictable permit process, and a thoughtful tax and fee structure. It also includes efforts to recognize and leverage Bellevue's demographic diversity as a pathway for further development as a global business center; to communicate a solid vision of Bellevue as a leading regional and increasingly global city; and efforts to promote a welcoming climate for entrepreneurs.

### Community Livability

"Livability" – the quality, character and richness of place – has become a key driver of the economic competitiveness of cities and regions. High-speed telecommunications allow talented workers and businesses to locate anywhere, increasing the importance of livability factors such as cultural attractions, entertainment, recreational amenities and a high quality built environment.

Creative centers with energetic and talented workers have performed well in the information

economy. Bellevue's Downtown has a culture of creativity and innovation, and is a regional destination that attracts visitors, businesses and residents. These policies also inform the planning for the BelRed Arts district and regional tourism outside of Downtown as well.

### Planning and Infrastructure

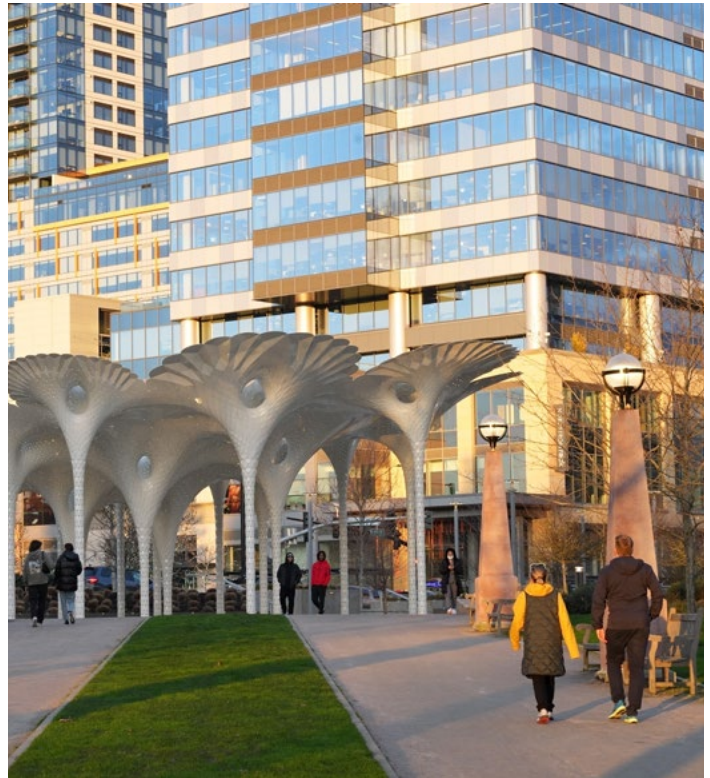
The city helps provide the physical foundation for development by establishing a vision for land use driven by residents and businesses, and by implementing regulations and incentives to help move the vision forward. The city also makes the necessary public infrastructure investments to support the desired land use and prepare the way for economic activity. Thus, the city's infrastructure funding and development efforts are directly linked to and are a critical part of economic development. Likewise, the city encourages private sector investment in infrastructure, encouraging leading edge technologies in rapidly evolving functions such as telecommunications. The city can also help areas adjust to changing market conditions. By doing this well, Bellevue is able to attract and retain desired types of economic development while protecting neighborhoods from the impacts of unplanned growth.

## Education

Education plays a huge role in the Bellevue economy, which is heavily driven by information technology and technical and professional services. Bellevue schools are known as some of the best in the country, and are a strong attractor for local businesses and talent. Exceptional education for Bellevue's children benefits families today and also prepares the next generation of workers to build and maintain a vibrant, innovative and creative economy.

Economic policies also recognize the opportunities created by strengthening Bellevue's higher education sector. A strong higher education sector has the potential for direct economic stimulus in the form of education jobs and funding for research and development. More importantly, growth in higher education will help catalyze Bellevue as a center for research and innovation.

A commitment to lifelong learning also drives innovation and makes it possible to strengthen and diversify the existing workforce while attracting talented new workers. By promoting educational opportunities for residents and workers of all ages and backgrounds, the city lays the foundation for a resilient local economy that continues to attract and nurture outstanding talent.



## Implementation of Economic Development Strategies

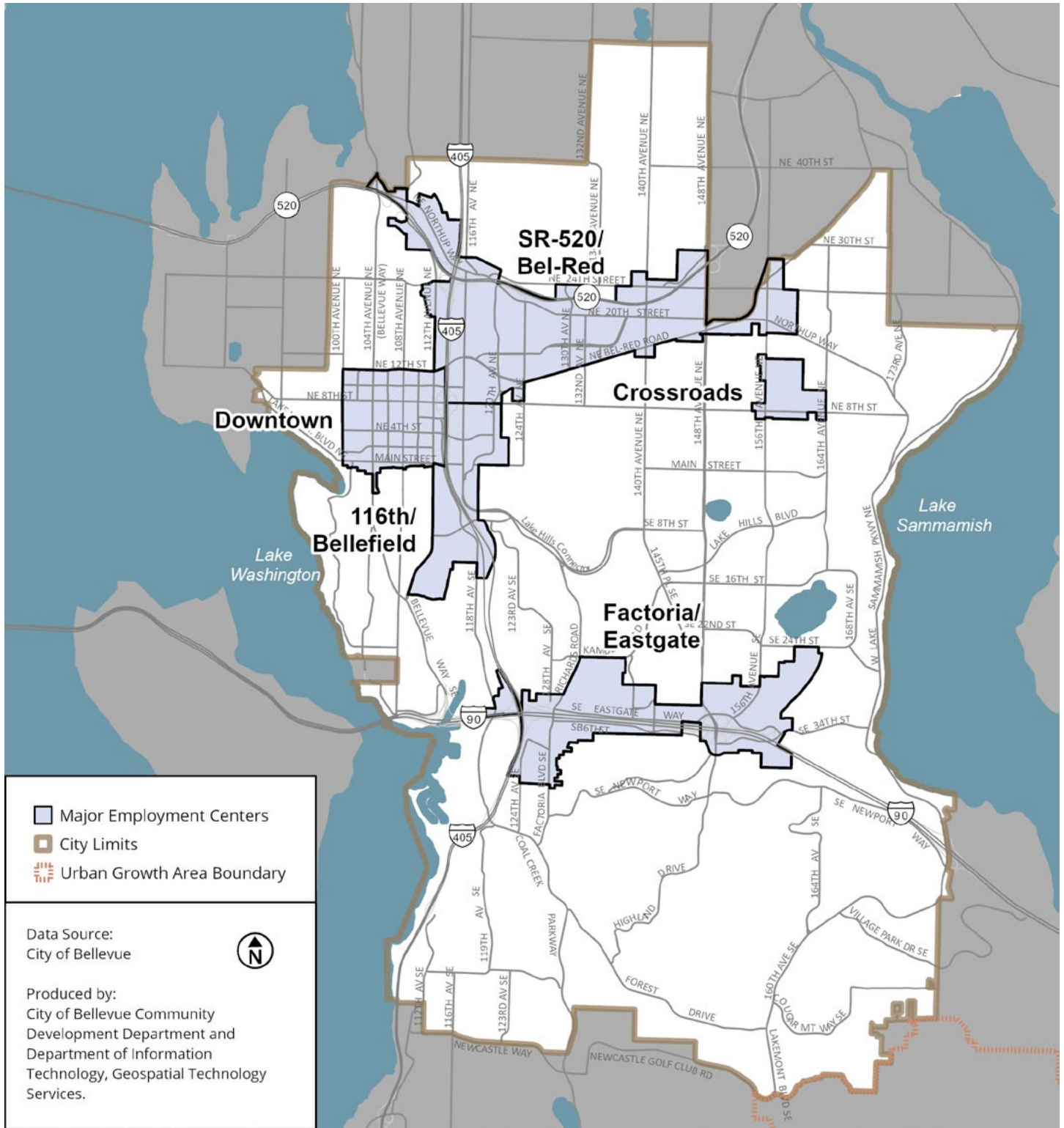
Economic development is a dynamic field, and to remain competitive Bellevue needs to stay ahead of change. Policies call for the city to regularly update the Economic Development Plan to ensure it is forward-looking and focused, and that the city monitor its effectiveness and make adjustments as needed. Policies further call for the city to use a full array of approaches, including regulations, incentives, information, business assistance services and strategic infrastructure investments to support the city's adopted plans.

This element also places an emphasis on coordination and collaboration with local and regional bodies, as well as economic agencies, to achieve shared outcomes. Many issues that are critical to economic development will require regional, state or national solutions and collaboration will produce greater outcomes than could be achieved by working alone.



# Map ED-1. Major Employment Centers

Bellevue’s Major Employment Centers are the centers of commercial activity. They also are centers for an increasing number of housing units as well.



## GOAL & POLICIES

### Goal

To support a strong local economy with opportunities for all to prosper consistent with a high quality of life and a sustainable natural environment.

### Policies

#### Business Climate

- ED-1.** Maintain a business climate that supports the retention and expansion of the city's economic base.
- ED-2.** Promote local businesses and locally-produced goods and services.
- ED-3.** Continue to provide high quality and cost efficient city services and facilities consistent with the community's priorities and growth, and promote these as one of Bellevue's outstanding economic development assets.
- ED-4.** Maintain Bellevue's competitive advantage and attraction as a highly connected community.
- ED-5.** Foster business innovation through business development strategies and promoting digital infrastructure.
- ED-6.** Develop and maintain regulations that support continued equitable, environmentally sustainable economic growth.
- ED-7.** Provide an efficient, streamlined, timely, predictable and customer-focused permit process, conducted in a manner that integrates multiple city departments into a coordinated entity.
- ED-8.** Balance the impacts of the city's policies regarding taxes, fees and utility rates on Bellevue's economic development goals with the maintenance of high quality services, and the financial health of city government.
- ED-9.** Recognize and consider the economic and environmental impacts of proposed legislative actions prior to adoption.
- ED-10.** Work with the business community and residential interests to promote community interests and to address differences in a manner that minimizes conflict.
- ED-11.** Build on the strengths of Bellevue's diverse residents and businesses to increase connections and relationships with other countries as Bellevue develops into an increasingly global business center.
- ED-12.** Provide city leadership and direction to maximize the business retention and recruitment efforts in partnership with Bellevue's economic development partners.
- ED-13.** Communicate Bellevue's vision as a leading regional employment and activity center, as a visitor destination and as a leading global city. Communicate this image within the region, nationally and internationally.

- ED-14.** Communicate on an on-going basis with the private sector to help guide the City's marketing and development efforts.
- ED-15.** Inventory, evaluate and strengthen capacity-building programs to support Bellevue based cultural organizations and artists.

## Community Livability

- ED-16.** Strengthen the city's assets in urban amenities such as arts and culture venues, open space and recreational facilities, and high quality urban design as an explicit component of the city's economic development strategy.
- ED-17.** 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.
- ED-18.** Facilitate development of a range of housing opportunities to accommodate Bellevue's growing workforce.
- ED-19.** Develop an environment that fosters equity and accessibility for all.
- ED-20.** Promote opportunities for all Bellevue residents by encouraging employers to hire people with disabilities.
- ED-21.** Emphasize economic development of Downtown as a major regional economic center, retail and visitor destination.
- ED-22.** Strengthen destination retail as an engine of economic activity and a magnet for visitors.
- ED-23.** Support economic development in the city's commercial areas.
- ED-24.** Support efforts that promote tourism, hotel, retail and arts businesses.
- ED-25.** Emphasize the value of a range of commercial centers to provide opportunities for a diverse range of businesses.
- ED-26.** Cultivate development of diverse, distinctive, well-defined places that invite community activity, gathering and connection. Allow for flexibility to repurpose and re-use a variety of building types to accommodate new uses.
- ED-27.** Target investments in public infrastructure that may help catalyze new private sector investment, prioritizing investments that increase economic resilience.
- ED-28.** Where a commercial revitalization effort involves significant changes to plans and regulations that may impact a residential neighborhood, develop strategies to balance impacts with benefits.

See also the Housing element for policies related to housing.

## Education

- ED-29.** Encourage the continued investment in higher education and training at institutions such as Bellevue College that benefits local businesses, residents and workforce.



- ED-30.** Support a high-quality primary, secondary and post-secondary public education system in Bellevue.
- ED-31.** Encourage life-long learning opportunities for all.
- ED-32.** Facilitate connections between businesses and institutions to train workers for current and future workforce demands.
- ED-33.** Support continuing education via educational opportunities, apprenticeships, internships, certifications and other methods of upskilling and reskilling.
- ED-34.** Work with education providers and private industry to create a permanent presence for a four-year research institution in Bellevue.

## Planning and Infrastructure

- ED-35.** 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.
- ED-36.** 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.
- ED-37.** Maintain and improve communications, electric utility and other infrastructure needed to support the city's economic needs and growth.
- ED-38.** Facilitate private sector efforts to implement leading edge technology, including communication technology, throughout the community.
- ED-39.** Promote and nurture entrepreneurial development in Bellevue by retaining and creating areas where small or emerging businesses can develop and flourish.

See also Utilities policies related to non city-managed utilities, [UT-44](#) to [UT-95](#).

## Economic Implementation

- ED-40.** Maintain and regularly update the Economic Development Plan to ensure the city's focus areas and goals are forward-looking and targeted while being flexible enough to be able to respond to market changes.
- ED-41.** Use a variety of tools and partnerships to catalyze private sector investment in line with the city's economic development and land use vision.
- ED-42.** Facilitate economic development through public-private partnerships consistent with the city's adopted policies and balancing public benefits with an acceptable level of risk.
- ED-43.** Use economic monitoring to assist the city and businesses to advance the city's economic development objectives.
- ED-44.** Coordinate with local and regional partners to develop and implement shared economic development policies.
- ED-45.** Collect, analyze and disseminate information to identify and manage economic trends.

- ED-46.** Support new, relocating or expanding businesses in finding and securing space within the city.
- ED-47.** Identify areas at risk of business displacement and the space needs of those businesses and work to find or develop alternative space within the city.