

CITY COUNCIL STUDY SESSION ITEM

SUBJECT

Progress Report: Economic Development Strategic Plan.

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POLICY ISSUES

Comprehensive Plan:

The development of an Economic Development Strategic Plan furthers the goal of the Economic Development Element of the Comprehensive Plan:

To pursue a strong local economy 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.*

DIRECTION NEEDED FROM COUNCIL

<input type="checkbox"/>	Action
<input checked="" type="checkbox"/>	Discussion
<input checked="" type="checkbox"/>	Information

Tonight's presentation is a status report, with opportunities for Council discussion and feedback on this work in progress. No action is requested.

BACKGROUND/ANALYSIS

On June 17, 2013, the City Council endorsed the idea of creating a Strategic Plan to guide the City's economic development efforts. A cross-departmental staff committee was convened to oversee the process. Berk Consulting was hired in July to assist staff in undertaking this work. A progress report was delivered to the City Council on October 17, 2013.

At tonight's Study Session, staff and the consultant will provide a second progress report and share the ideas for a strategic plan from the work underway. The focus will be on identification of strategic options and possible priorities for City strategies and actions.

The adoption of a Final Plan is targeted for the first quarter of 2014 (see Attachment 1, Project Schedule). This plan will inform and guide the City's economic development efforts in the coming three to five years, with a strong focus on priorities, tools, communications, and cross-departmental efforts. It will also identify the basis for performance measurements.

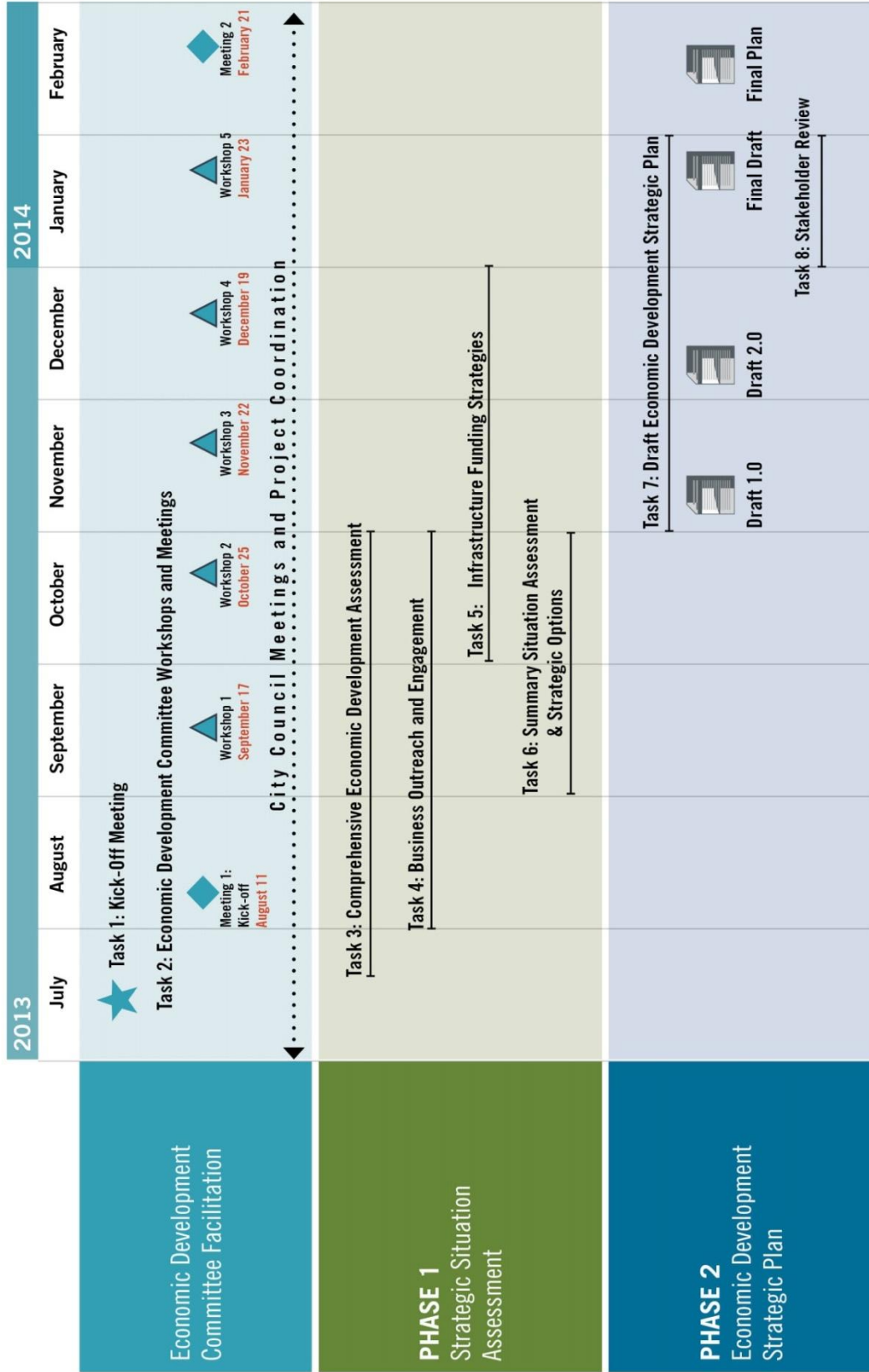
The attached documents will inform the Council about the work underway. Staff and the consultant will present and elaborate on this material at the Council Study Session. Included are the following:

- Updated Situation Assessment. This report summarizes Bellevue's current economy, economic development strengths, and opportunities; an earlier version of this was presented to Council in October.
- Summary Report on Stakeholder Interviews. In the Fall of 2013, Berk Consulting conducted interviews with a diverse set of stakeholders to inform this economic development planning effort. Interviews included local and regional partners, businesses, real estate representatives, community leaders, and others. This report summarizes the extensive feedback received, which is helping to inform the emerging plan.

ATTACHMENTS

1. Economic Development Strategic Plan: Project Schedule
2. Draft Bellevue Situation Assessment
3. Summary Report on Stakeholder Interviews

City of Bellevue Economic Development Strategic Plan: Project Schedule



Economic Development Committee Facilitation

PHASE 1
Strategic Situation Assessment

PHASE 2
Economic Development Strategic Plan

CITY OF BELLEVUE ECONOMIC DEVELOPMENT PLANNING SITUATION ASSESSMENT – DRAFT 11/18/13

ABOUT THIS DOCUMENT

This document summarizes key findings from analysis and stakeholder interviews.

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BELLEVUE'S OVERARCHING STRENGTHS AND CHALLENGES

		Strengths	Challenges
Geography		<ul style="list-style-type: none"> ▪ Good proximity to Seattle; heart of the Eastside ▪ Proximity to China and Canada (direct flights to China) ▪ Proximity to MSFT HQ and other tech companies 	
Transportation		<ul style="list-style-type: none"> ▪ Excellent access to I-90, 520, I-405 ▪ New light rail system will connect neighborhoods within Bellevue and Bellevue with Seattle and other Eastside cities 	<ul style="list-style-type: none"> ▪ Traffic congestion: Bellevue stretch of I-405 is one of the busiest in the country ▪ Hard to use mass transit unless you are in downtown corridor
Housing		<ul style="list-style-type: none"> ▪ Increasing residential development downtown ▪ Diversity of housing stock 	<ul style="list-style-type: none"> ▪ Lack of affordable housing options except for higher income earners (tech companies and executives); many employees and students commute from other communities
Demographics and Workforce		<ul style="list-style-type: none"> ▪ City's increasing ethnic and cultural diversity helps feed entrepreneurial spirit and connections to global economy ▪ Good access to educated workforce ▪ MSFT serves as talent incubator – many tech start up entrepreneurs have tenure there ▪ Many executives live in Bellevue or on the Eastside 	<ul style="list-style-type: none"> ▪ Much of the talent is not homegrown; most people got their degrees somewhere else ▪ There are some workforce gaps for lower-wage earners
Education		<ul style="list-style-type: none"> ▪ Public school system is perceived to be excellent 	<ul style="list-style-type: none"> ▪ There is a need for college graduates with computer science degrees, other STEM fields. Other than UW there is no other local college that offers these degrees
Public Safety and Civility		<ul style="list-style-type: none"> ▪ Safe, clean, and unthreatening streets 	
Economic Drivers		<ul style="list-style-type: none"> ▪ Knowledge based industries: IT; business and financial services ▪ Retail, including high end and auto ▪ Tourism and visitors (both leisure and business travelers) ▪ Bellevue's economy operates on local, regional, and global levels 	

	Strengths	Challenges
Real Estate	<ul style="list-style-type: none"> ▪ Downtown Bellevue is an extremely attractive market akin to only a few other markets on the West Coast ▪ Excellent new class A office space downtown 	<ul style="list-style-type: none"> ▪ Downtown Bellevue is mostly expensive Class A space; difficult to afford for smaller/non-profit businesses ▪ Office space demand in the City is driven by large tech companies; this presents a challenge for mix and blend of businesses ▪ Limited parking options for office tenants downtown ▪ Success of downtown may come at expense of other subareas
Business Climate	<ul style="list-style-type: none"> ▪ Not overly burdened from regulatory standpoint ▪ Low tax rates 	<ul style="list-style-type: none"> ▪ Some challenges with permitting processes – may benefit from further streamlining; moving too slow for tech sector ▪ While the low tax structure is favorable to businesses, some feel the City may not be making enough infrastructure investments
Quality of Life Amenities and Image	<ul style="list-style-type: none"> ▪ Excellent general quality of life: strong neighborhoods, quality schools, excellent parks, etc. ▪ Excellent access to the outdoors, both within and near to Bellevue ▪ Downtown is becoming more of an urban center that is walkable and has amenities for daytime employees. Good amenities for employees located in downtown: restaurants, shops. ▪ The community is attractive to a diverse international community, some of whom come to the US for their children’s education and are drawn to the Bellevue community 	<ul style="list-style-type: none"> ▪ Some say authentic urban experience is still missing; lack of diverse urban environments ▪ For some, downtown is “too clean and new” – lacks character older neighborhoods have ▪ Downtown retail amenities are good for older demographic (major chains), but are not appealing to young, techy types ▪ Downtown is well suited for working professionals, but not as much for students or lower wage earners ▪ Desire for more diverse dining experiences, including food trucks, especially outside of downtown ▪ Some perceive that the City is focused only on downtown, at the expense of neighborhood business districts that can serve local residents (quality of life) and diversify the City’s economy ▪ Need to strengthen the connective tissues between neighborhoods

Representative Quotes

Transportation

- Transportation is a challenge, including mass transit. This stretch of I-405 is the 7th busiest stretch in the country. Having this through downtown is a big congestion point. Transportation challenges make it that much harder to attract workers with lower wages.
- On the East coast we call it the 2 county rule: everyone lives two counties away from where they work because they can't afford it. We need transportation infrastructure including light rail.
- The city is in danger of falling behind in infrastructure. Taxes could be higher – especially if to support infrastructure. The City should leverage the investments made by the region and state. Make the connection between Seattle and Bellevue even stronger.
- We heard from one of the largest consumers of office demand in Bellevue – they are concerned that congestion is becoming a problem, and wonder how long they can continue to stay here. Need to solve this soon.

Urban Amenities

- If you are looking for an urban environment, it's not quite there yet. One of Bellevue's greatest strengths is also a weakness – it has a terrific suburban environment and good school district, but what missing is authentic urban experience. It's too new, pristine, etc. From an ED standpoint, Bellevue needs to be mindful of the fact that employers in particular are looking for a range of built environments.
- A lot of our workers are young and many want to live in an urban environment. One of the challenges of being in Redmond is a challenge to recruit workers to suburbs. People are more willing to go to Bellevue. We would like to encourage the City to become even more urban.
- Some people call it "Blahville" – a big, fancy mall with a city around it. Many standard chain restaurants, but that's not where our workforce wants to go to eat for lunch. People in their 20s are not looking to go to McCormick & Schmick's. It would be great to have more independent restaurants, mobile food trucks.
- We are paying food trucks from Seattle to come to business parks to offer that diversity to suburban environment. Bellevue should be food truck friendly, especially in the suburban areas outside of downtown.

Quality of Life

- We're here because of the same reasons you'd want to live here: Bellevue is the crossroads of north and south on 405. Seattle and the mountains are close. It's a big city, but safer than others, with lots of amenities. It boils down to transportation and quality of life.
- We relocate people from around the world to Bellevue (e.g. San Francisco, London), so ensuring there are clear benefits to living in this area helps when recruiting great talent. I would encourage the city to provide benefits and favorable tax rates that encourage people to call the city home, vs. living somewhere else.

Business Climate

- Bellevue is not overly burdened from regulatory standpoint. It's pretty easy to get things done with the city; easier than Seattle.
- With exception of few items like B&O tax, I have not had the City's business climate be a top 10 issue. You see it with other cities if there is a draconian measure like Redmond's limit to 3 parking stalls per 1,000 sqft. Business climate is not the issue for Bellevue. Developers have those issues, but not your average tenant.
- The B&O tax isn't an issue. Most probably look at it as a rounding issue. I don't think it's an issue for start-ups: we have very respectable vacancy rates in the spaces for small firms along the 520 and Bel-Red corridors.
- Bellevue has more hurdles than other cities; Seattle and Bellevue vie for who is more challenging to work with. They have done a lot to streamline processes, but the underlying requirements themselves are too onerous.
- For small business permits, over the counter permits, they are a leader in streamlining. For more complicated permitting they need to do more.
- The City is always trying to figure out middle ground between protecting quality of life and growing businesses. Neighborhoods aren't always supportive of infrastructure investments that support downtown (which in turn supports residential quality of life).
- We were able to work through it, but the original responses were taking too long. The City wasn't taking into consideration that the tech world moves faster. We didn't find many incentives to move to Bellevue over Seattle. The City didn't say: "we are very intentional in attracting tech"; there are no targeted incentives.

- Extremely complex and time consuming to pay taxes - so many gray areas and unclear sections - if there was simplified way to do it to avoid take on time dealing with financial burdens. Two main taxes - sales tax and B&O tax. The burden on people who pay very little or nothing is very high - that's a mistake for business climate.

Workforce Housing

- While our leadership lives closer to traditional east side, there's nothing affordable unless you're a software engineer. The City should encourage workforce housing here for employees in their 20s and 30s.
- If a corporate tenant has a predominance of middle aged, upper middle class employee, they have lots of choices. But lower pay or highly educated/younger workers are very sensitive to housing.

Image and Communications

- The first effort in an ED strategy should be an inventory of assets and a coherent effort to communicate what we have. The City should spend money on this before creating new programs
- The City's website is poor. They have a lot of information but no aesthetics. The community has great parks, great businesses but they're not highlighting that, marketing that. If I were them, I would have a really cool visual website that highlights Bellevue's strengths. Expand that to info graphics, videos. They need to market themselves better rather than thinking it's all about policy, regulation.
- I would also encourage the city to be open to unique external event ideas companies develop. Our team has discussed some ideas in the past, but the city regulations around using public space and getting permits made it not feasible to move forward.

The City's Economic Development Organization

- The City's economic development organization is a little confusing. They don't have an ED person per se; he is in the planning department. They need more focus, structure, and capacity.
- The City should elevate economic development by tying it to a senior, tenured staff member.
- Our current economic development capacity is inadequate but very successful. We have no economic development director, no strategy, direction, or focus. Our resources are limited - 1 person - and focus too broad, embracing quality of life generally. Our success has had nothing to

do with us, but because 1) education is valued by the community; and 2) the Microsoft ecosystem produces talent and money. The City provides a good climate for business, with good infrastructure, a low tax rate, and a collaborative culture. These are indirect economic development supports. The world has changed and we now are in a global market and have to compete more. We need to be more proactive and more focused in direct economic development efforts.

Bellevue's Economic Development Strategy

- Bellevue's strengths are in ICEE – intellectual capital, energy, and education – the new FIRES. This is characterized by an under 30 workforce with people who want to know what a company will do for them. They want to rent not own, and they want to be in place with a high collision with other companies.
- Bellevue should take a broad strategy. It's ok to pick sectors, but the world evolves too rapidly – in 1900 who would have foreseen the aerospace industry? They should aim to be a good environment for start-ups in general without trying to predict specific sectors. To do this you add to the capital base and support research. I don't see firms limited by lack of access to workforce. Big and medium companies focus on things like housing, transportation, and education. But for start-ups the biggest issue is cash – funding to keep the doors open. The bulk of jobs are in small and mid-sized firms which aren't VC-fundable. They get their money when they can from elbow grease, home mortgages, and angel networks. An eastside angel network might be an idea, but networks tend to be sector focused rather than geographically focused.
- Bellevue shouldn't worry about competing with other cities, but working together – at least in key areas – to compete with other regions.
- We need to be focused in our strategy, not greedy: a few doable, actionable efforts plus the process to bring us together. We should emulate business and adopt a business plan, with a clear implementation plan, including timelines and roles and responsibilities. We need a few low hanging fruit to get us going. We should borrow something that is already happening and capitalize on it. We also need to build the organizational culture to be successful - accountability, transparency, and a safe environment in which people can feel comfortable and feel ownership.

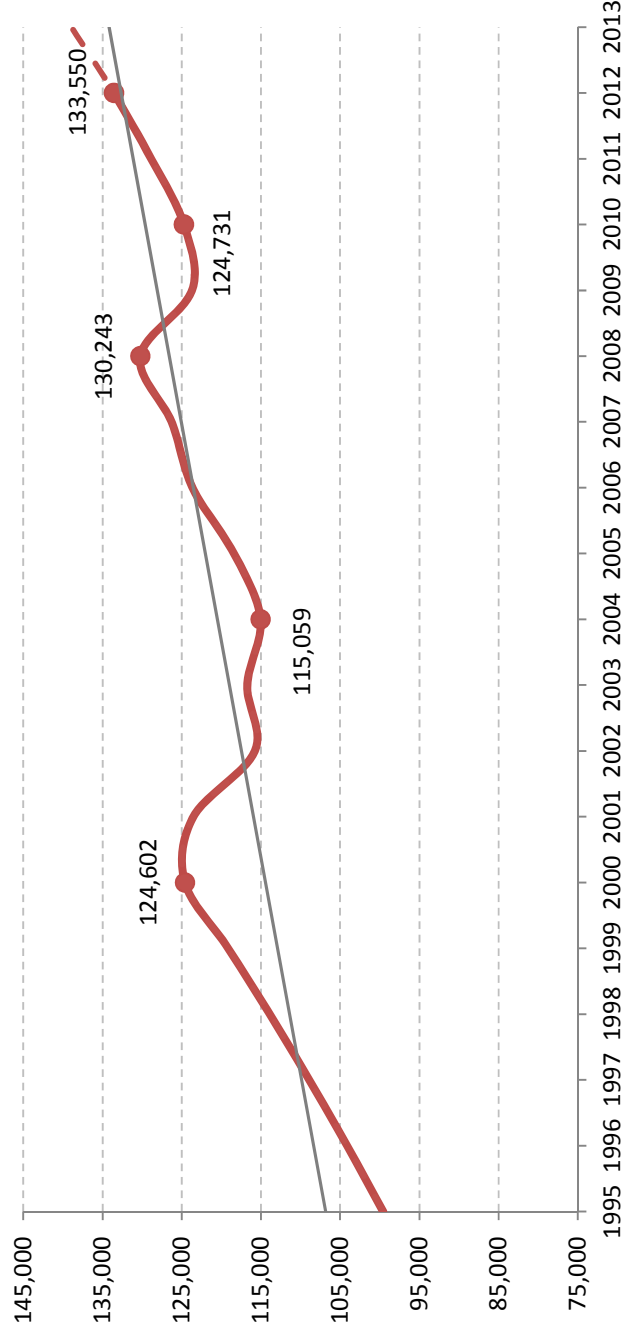
CITYWIDE EMPLOYMENT PATTERNS

Citywide Employment Trends

The magnitude of Bellevue’s workforce is an important indicator of the City’s economic health. **Exhibit 1** below shows total employment in Bellevue between 1995 and 2012. As discussed below, despite significant fluctuations that correlate with the most recent economic recessions, overall Bellevue’s workforce has grown at an average annual growth rate of 1.6% over the last 17 years.

- Between 1995 and 2000 total employment in Bellevue (excluding construction) increased at an average annual growth rate of 4.6%, steadily rising from 99,600 to over 124,000.
- Between 2000 and 2012, employment numbers trended slightly upward, although there were significant peaks and lulls that correlated with the early and late 2000s recessions, respectively. After a significant drop-off to begin the 2000s, between 2004 and 2012 employment increased from 115,000 to nearly 134,000.

Exhibit 1
Bellevue Total Employment, 1995 – 2012



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

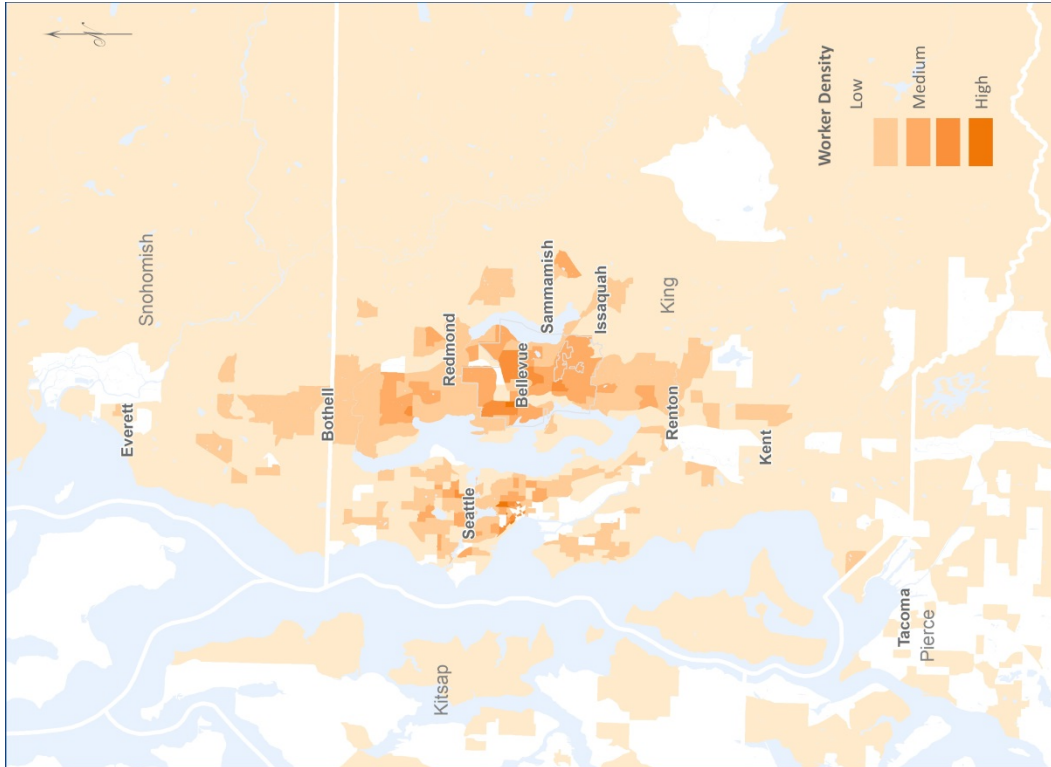
Commute Patterns

Examining commute patterns provides insight into Bellevue's reach and magnitude as a regional employment center, as well as a better understanding of where Bellevue residents are commuting for their jobs. The Census Transportation Planning Products (CTPP) program provides data on commute patterns that allow analysis of where a city's workers live and where a city's residents go to work. Based on this data, **Exhibit 2** and **Exhibit 3** provide a map and list of top places where Bellevue workers live. **Exhibit 4** and **Exhibit 5** provide a map and list of top places where Bellevue residents go to work.

Overall, the data shows that Bellevue is a major, far-reaching regional employment center, with workers travelling from throughout the Puget Sound region to their jobs in Bellevue. In contrast, the majority of Bellevue residents work in a limited number of concentrated employment centers (Seattle, Bellevue, and Redmond).

Workshed: Where Bellevue Workers Live

Exhibit 2
Where Bellevue Workers Live, 2011



Source: Census Transportation Planning Products Program, Transportation Analysis Zone-level 2006-2010 five-year averages

Note: Worker data are missing in Transportation analysis zones with no population. This data gap is expected to be corrected by the CTPP program in January.

Exhibit 3
Top Places where Bellevue Workers Live, 2013

	Estimate	Percent	Percent
Bellevue	24,220	22.1%	
Seattle	15,955	14.6%	
Renton	5,525	5.0%	
Kirkland	5,165	4.7%	
Redmond	4,500	4.1%	
Unincorporated/non CDP	3,809	3.5%	
Sammamish	2,870	2.6%	
Issaquah	2,650	2.4%	
Ingleswood-Finn Hill	2,065	1.9%	
Bothell	1,710	1.6%	
Kent	1,650	1.5%	
All other places	39,370	36.0%	
Total	109,489	100%	

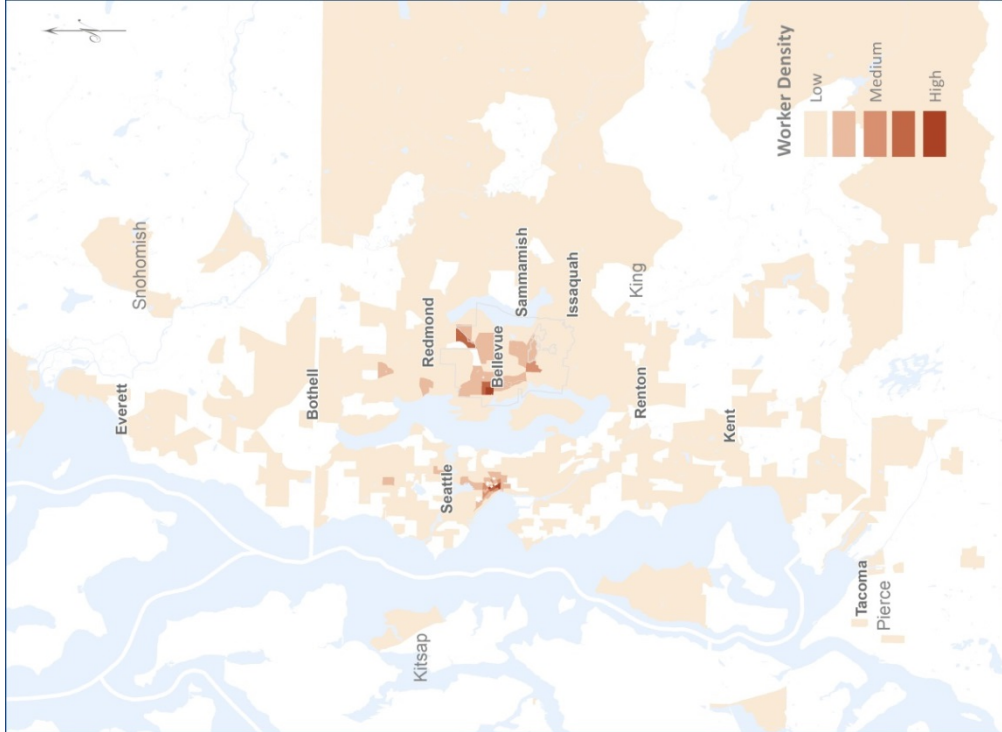
Source: Census Transportation Planning Products Program, 2006-2010 five-year averages

Note: Locations represent Census Designated Places (CDPs)

- Bellevue is a major regional employment center, with workers commuting to their jobs from throughout the Puget Sound region.
- Approximately 22% of Bellevue workers live in Bellevue. 14.6% of workers live in Seattle, while the remainder of Bellevue workers are spread throughout the region, with relatively strong concentrations in other Eastside cities and South King County.

Commuted: Where Bellevue Residents Work

Exhibit 4
Where Bellevue Residents Work, 2011



Source: Census Transportation Planning Products Program, Transportation Analysis Zone-level 2006-2010 five-year averages

Note: Worker data are missing in Transportation analysis zones (TAZ) with no population. One TAZ in the Bel-Red corridor and one TAZ at the Microsoft Campus currently shaded white should have medium-high worker density instead. This data gap is expected to be corrected by the CTPP program in January.

Exhibit 5
Top Places Where Bellevue Residents Work, 2013

	Estimate	Percent	Percent
Bellevue	24,220	40.0%	
Seattle	12,600	20.8%	
Redmond	8,785	14.5%	
Kirkland	2,415	4.0%	
Renton	1,580	2.6%	
Issaquah	1,320	2.2%	
Unincorporated/non CDP	1,171	1.9%	
Bothell	865	1.4%	
Tukwila	775	1.3%	
Everett	740	1.2%	
Kent	710	1.2%	
All other places	5,430	9.0%	
Total	60,611	100%	

Source: Census Transportation Planning Products Program, 2006-2010 five-year averages

Note: Locations represent Census Designated Places (CDPs)

- About 75% of Bellevue residents work in Bellevue (40%), Seattle (21%), or Redmond (15%). The remainder of residents work in other Eastside communities, South King County, and other cities across the region.
- Downtown Seattle, Downtown Bellevue, the Bel-Red Corridor, Factoria/Eastgate, and Microsoft in Redmond have the highest concentrations of workers who live in Bellevue.

INDUSTRY CLUSTER ASSESSMENT

Overview

Bellevue's economy is driven primarily by four major industry sectors, including Information Technology, Business Services, Retail, and Tourism/Visitors. **Exhibit 6** below shows graphic representation of these sectors and their connection to each other and within the larger economy.

These major sectors and other key industries are analyzed to show the relative size of each industry, employment growth trends, and location quotients (the relative concentration of the industry compared to the regional average).

In addition, an analysis of business openings and taxable retail sales (TRS) in Bellevue provides good measures for understanding the magnitude of Bellevue's industry clusters in different ways. Looking at business openings by industry highlight where new business owners see the most opportunity. Not surprisingly, IT and Retail are where the most openings have occurred and are projected to occur.

- In terms of IT, Bellevue has a strong, educated workforce with significant expertise in software development and other IT-related fields.
- In terms of retail, Bellevue has quickly become a regional destination for high-end and other types of retail. This is also reflected in the TRS analysis, where retail captures over 50% of the City's total TRS.

Exhibit 6 – Conceptual Map of Bellevue’s Economy

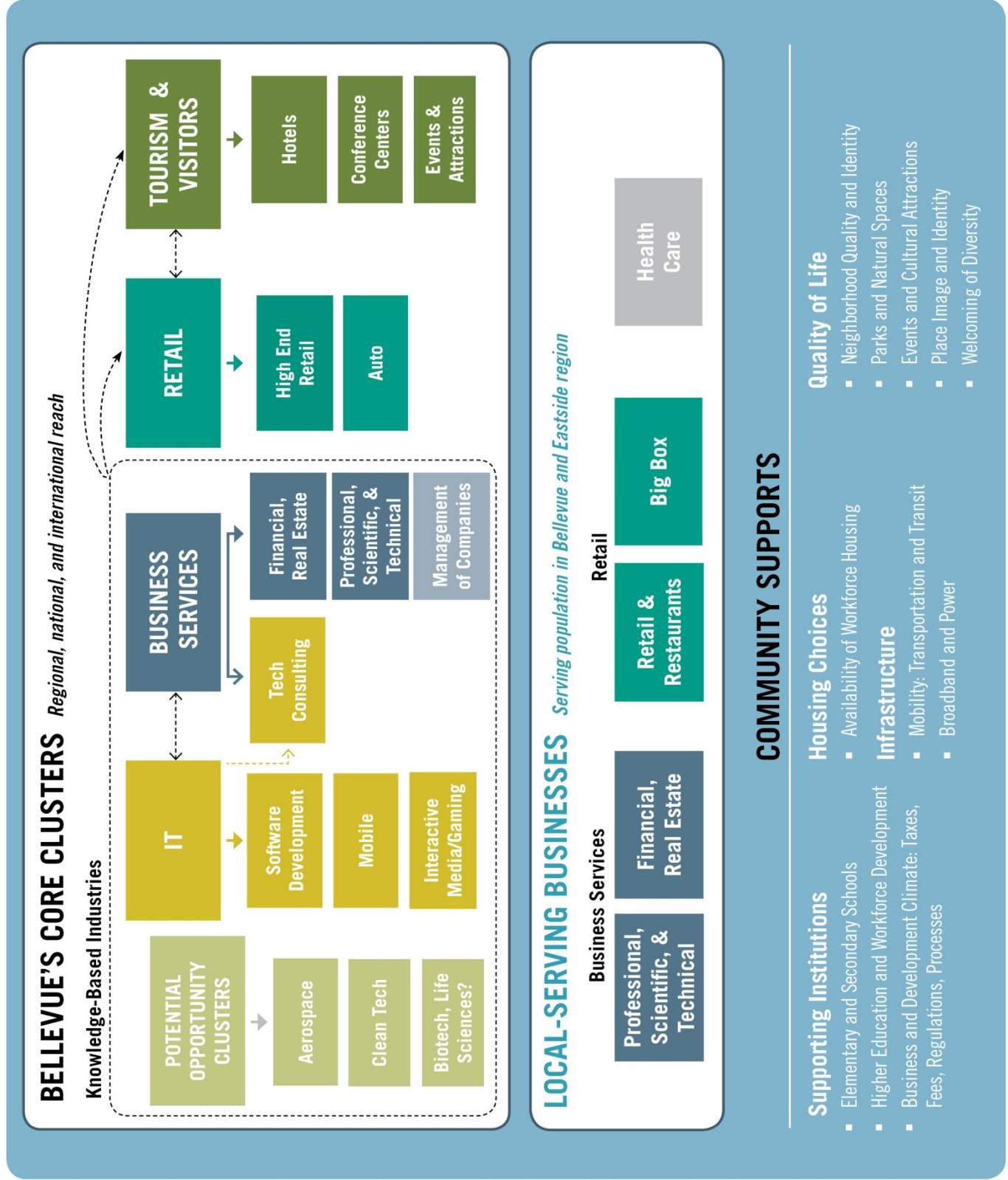
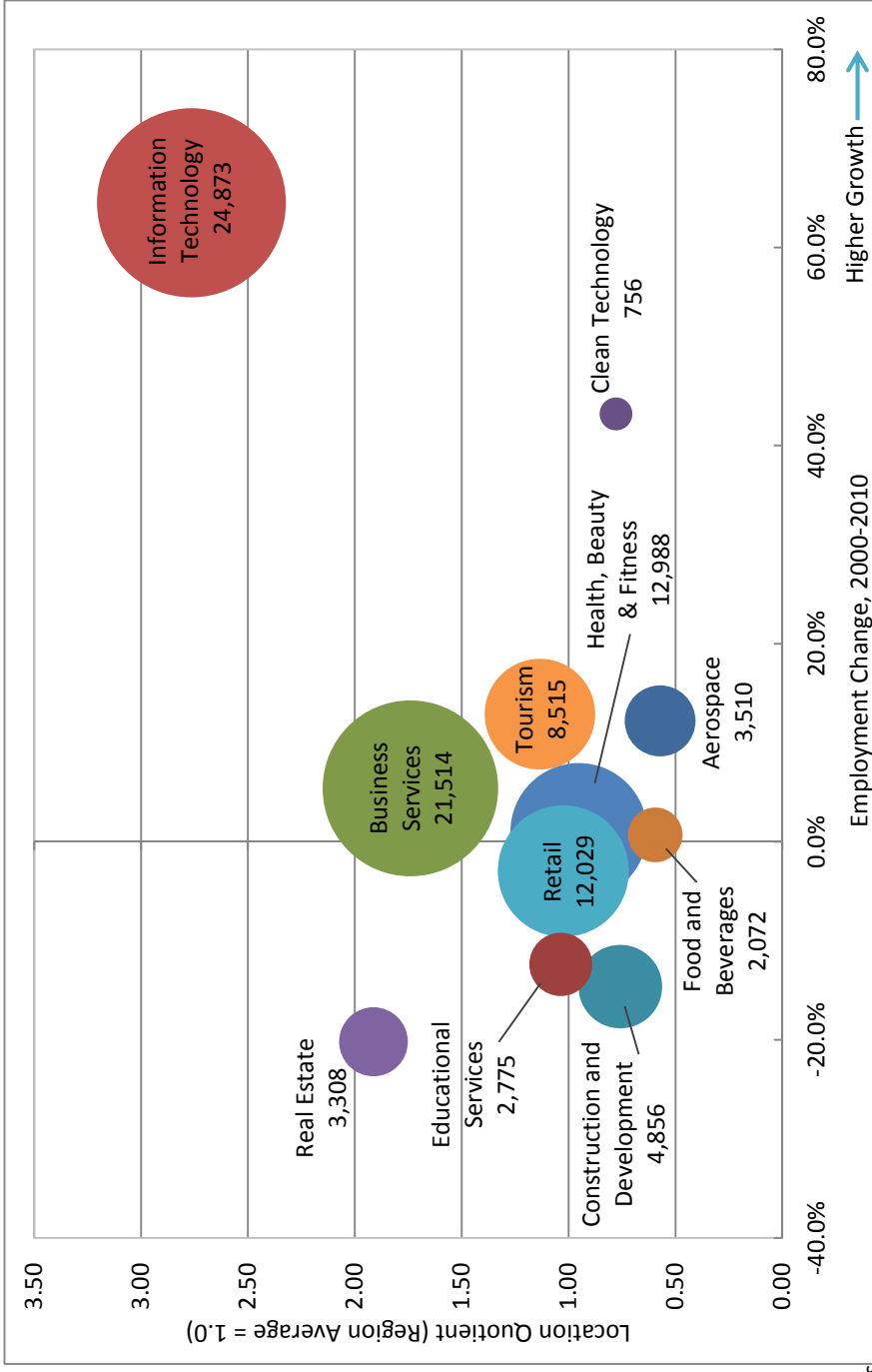


Exhibit 7
Bellevue Major Industry Clusters by Size, Employment Change, and Concentration



Source: Puget Sound Regional Council and BERK, 2013
 Note: Employment growth rates are lower during the 2000-2010 time period because 2000 was a high point and 2010 was a low point in the economic cycle.

Citywide Business Openings in All Industries

Exhibit 8 below shows business openings in Bellevue between 1980 and 2009 grouped by decade, as well as a projection for the 2010s (based on available data from 2010 to 2013). Business closings between 2009 and 2013 are also included. The table is categorized by 2-digit NAICS codes, highlighting which

industries have seen the most openings in recent decades. The '% Change' column indicates the projected percent increase for an industry between the 2000s and 2010s.

**Exhibit 8
Past and Projected Business Openings/Closings in Bellevue, 1980 – 2019**

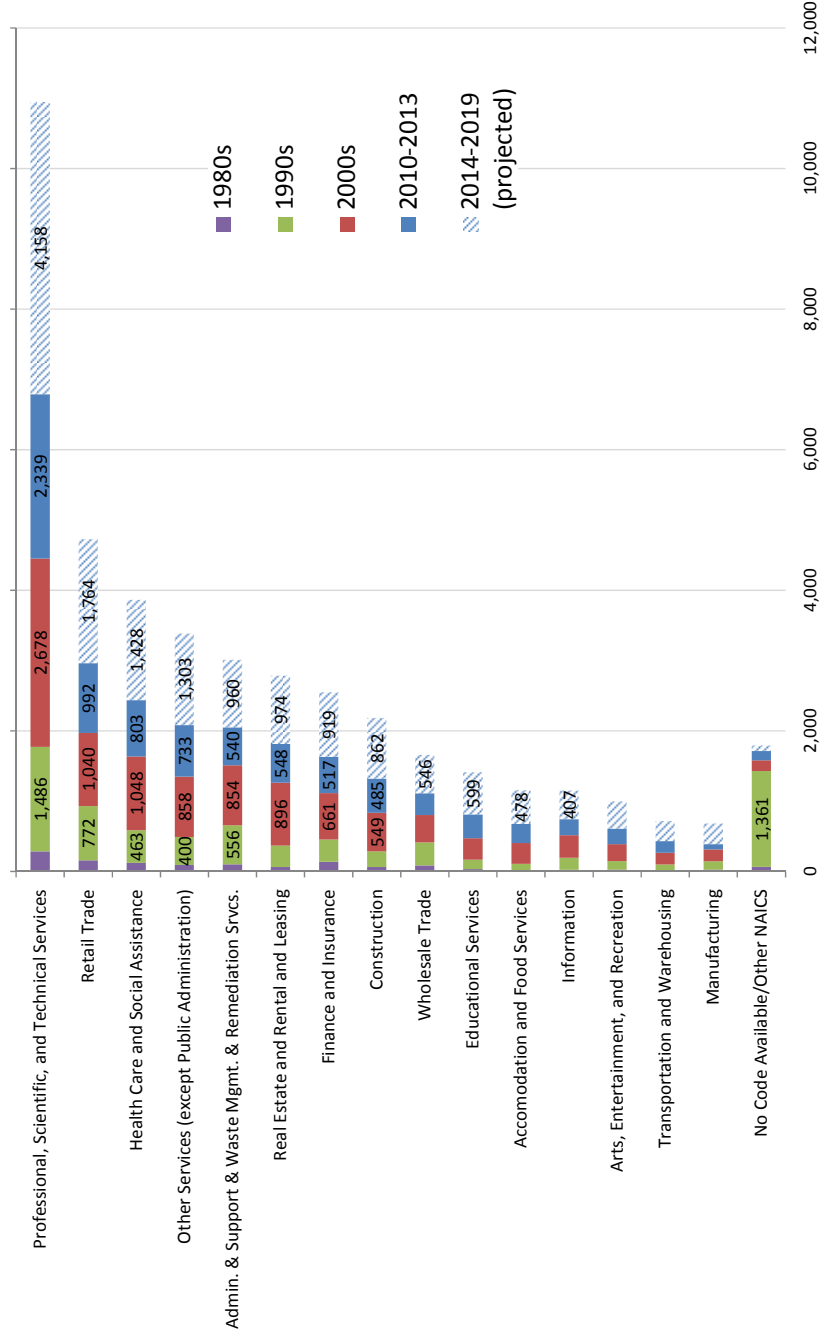
Code	Description	# of Business Openings					Total	% Change (2000s to 2010s)	# of Business Closings
		1980s	1990s	2000s	2010- 2013	2010s (projected)			
54	Professional, Scientific, and Technical Services	286	1,486	2,678	2,339	6,497	10,947	143%	920
44-45	Retail Trade	159	772	1,040	992	2,756	4,727	165%	352
62	Health Care and Social Assistance	123	463	1,048	803	2,231	3,865	113%	320
81	Other Services (except Public Administration)	91	400	858	733	2,036	3,385	137%	261
56	Admin. & Support & Waste Mgmt. & Remediation Svcs.	101	556	854	540	1,500	3,011	76%	213
53	Real Estate and Rental and Leasing	62	306	896	548	1,522	2,786	70%	212
52	Finance and Insurance	139	314	661	517	1,436	2,550	117%	233
23	Construction	64	223	549	485	1,347	2,183	145%	179
42	Wholesale Trade	87	327	390	307	853	1,657	119%	113
61	Educational Services	33	134	307	337	936	1,410	205%	79
72	Accommodation and Food Services	17	91	298	269	747	1,153	151%	73
51	Information	24	170	322	229	636	1,152	98%	106
71	Arts, Entertainment, and Recreation	26	121	241	219	608	996	152%	80
48-49	Transportation and Warehousing	20	80	168	162	450	718	168%	48
31-33	Manufacturing	27	117	170	75	367	681	116%	45
0	No Code Available/Other NAICS	67	1,361	154	132	208	1,790	35%	28
Total		1,326	6,921	10,634	8,687	24,131	43,012	127%	3,262

Source: Washington State Department of Revenue, 2013; BERK, 2013
Note: 2014-2019 business openings projected based on rate of business openings between 2010 and 2013.

Exhibit 9 below is a chart visualizing business openings by decade.

- While all NAICS-defined industries saw significant growth in the number of business openings between the 1980s and the 2000s, early data from 2000-2013 projects a dramatic spike in openings virtually across the board in the current decade.
- Professional, Scientific, and Technical Services** (i.e. Information Technology), **Retail Trade**, and **Health Care & Social Assistance** are the three industries projected to experience the most growth in terms of business openings during the 2010s. They were also the three industries with the most openings during the 2000s.
- In the 2010s, there are projected to be nearly 6,500 business openings in the Professional, Scientific, and Technical Services industry, which is two and a half to three times more than the next two industries, Retail Trade (~2,750) and Health Care & Social Assistance (~2,230).
- The industries expected to see the greatest percent change in terms of openings between the 2000s and 2010s are Educational Services (205% increase); Transportation & Warehousing (168%); Retail Trade (165%); Art, Entertainment, & Recreation (152%); and Accommodation and Food Services (151%).

Exhibit 9 – Past and Projected Business Openings in Bellevue by Decade, 1980 – 2019



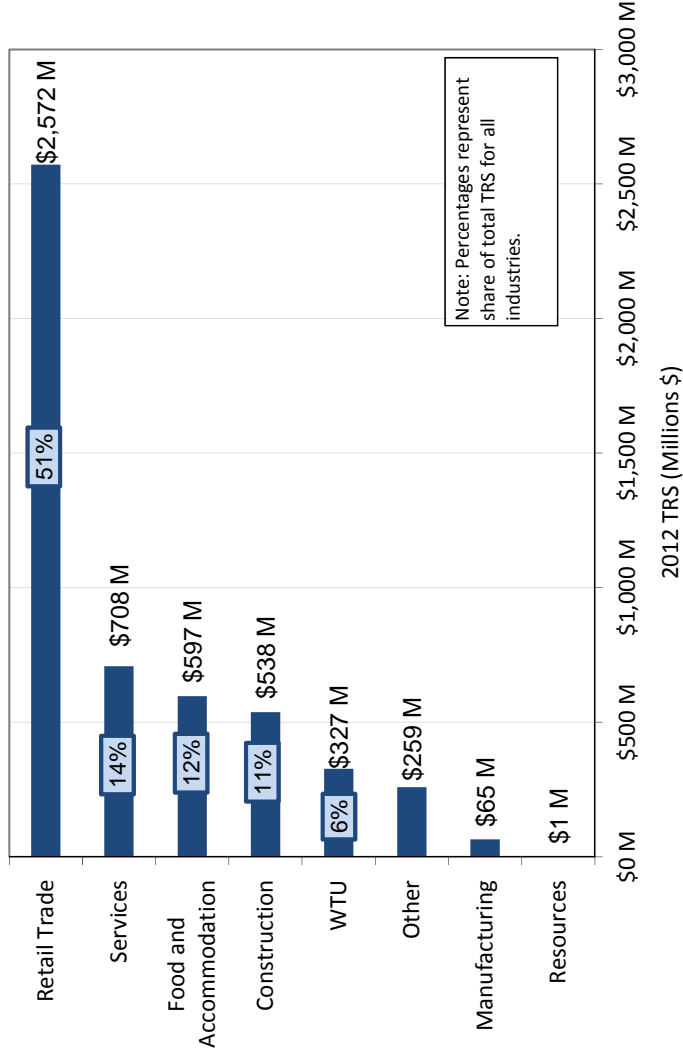
Source: Washington State Department of Revenue, 2013; BERK, 2013
Note: The 1990s has a large number of records without valid NAICS industry codes. This is likely due to the transition from the previous SIC industry classification system to NAICS during this period.

Citywide Taxable Retail Sales Analysis

Because of the tax structure in Washington State, taxable retail sales (TRS) is a critical component of fiscal sustainability for cities. Cities whose competitive position provides higher TRS per capita will generally have more resources to meet their community’s service needs. In addition, because sales taxes apply on a wide range of goods and services, TRS analysis provides valuable insight into the economic composition of a community (although, it should be noted that TRS does not measure the full magnitude of business revenue for industries that do not rely on retail sales for revenue). **Exhibit 10** shows the total TRS by Industry for Bellevue in 2012.

- Retail Trade makes up more than 50% of total TRS for all industries, which is far higher than the average share for most cities. This highlights the strength of the retail market in Bellevue, as well as its importance to the City’s economy.
- The three industries with the next highest share of total TRS (each holding between 10%-15%, respectively), in order, are: Services, Food & Accommodation, and Construction.

Exhibit 10
City of Bellevue Total TRS by Industry, 2012



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

Business Openings within Professional, Scientific, & Technical Services

The Information Technology (IT) industry is a particularly strong cluster in Bellevue. Given the large number of business openings in IT projected to occur in the current decade, it is worthwhile to take a closer look at which types of IT businesses are most popular. Many of the sub-clusters in the Information Technology industry cluster are included in NAICS category 54 (representing Professional, Scientific, and Technical Services). **Exhibit 11** below provides a breakdown of past and projected business openings by decade by the 4-digit

NAICS codes associated with category 54, highlighting which sub-sectors have seen and are projected to see the most activity. **Exhibit 12** is a chart visualizing business openings by decade. Overall, Management, Scientific, & Technical Consulting Services and Computer Systems Design & Related Services are the sub-clusters projected to have the most openings in the 2010s, at over 1,900 and over 1,800, respectively.

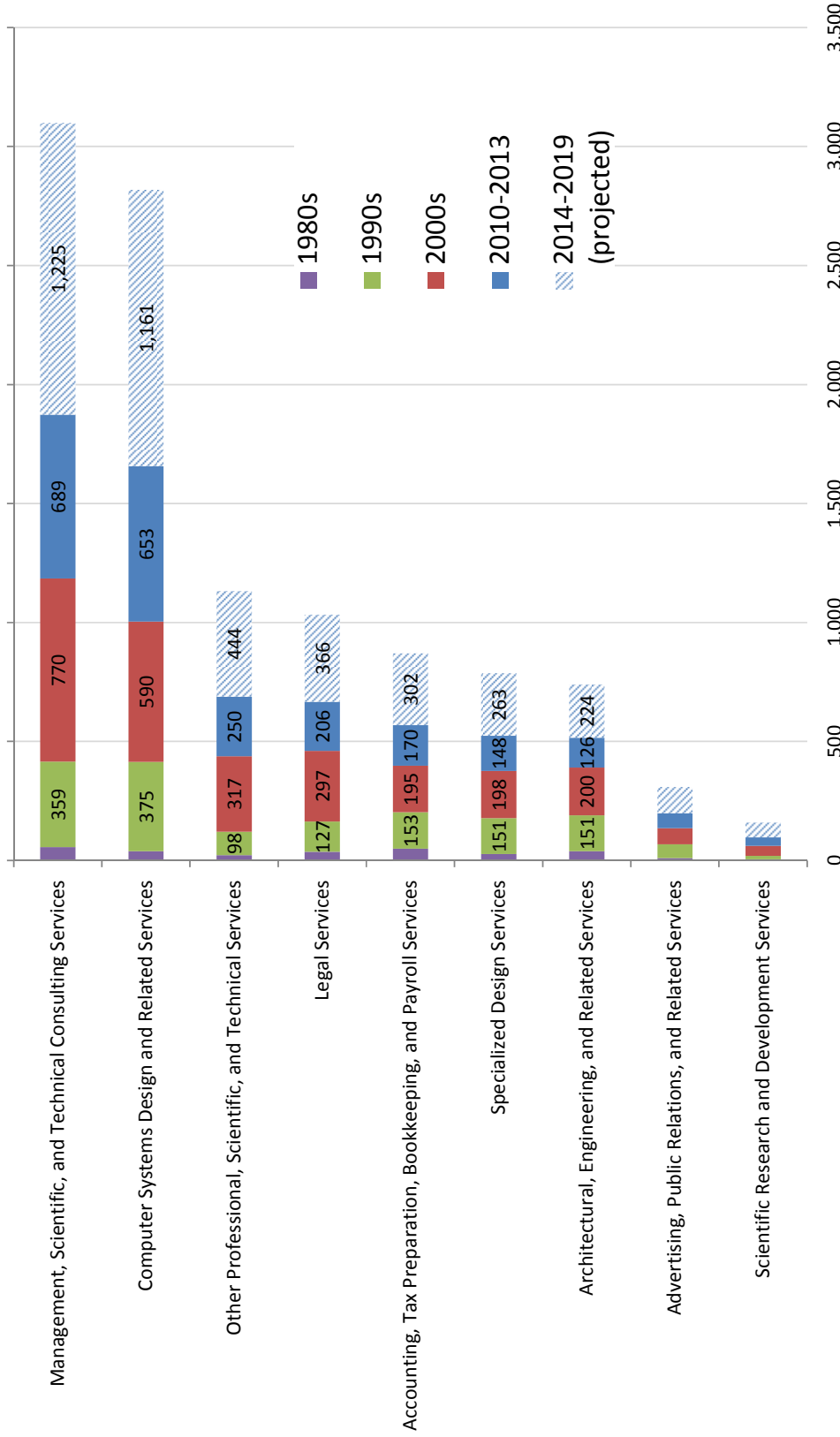
**Exhibit 11
Past and Projected Business Openings within Professional, Scientific, & Technical Services, 1980 - 2019**

Code	Description	# of Business Openings					% Change (2000s to 2010s)	# of Business Closings
		1980s	1990s	2000s	2010-2013 (projected)	2010s (projected)		
5416	Management, Scientific, and Technical Consulting Services	56	359	770	689	1,914	3,099	258
5415	Computer Systems Design and Related Services	39	375	590	653	1,814	2,818	240
5419	Other Professional, Scientific, and Technical Services	23	98	317	250	694	1,132	76
5411	Legal Services	37	127	297	206	572	1,033	120
5412	Accounting, Tax Preparation, Bookkeeping, and Payroll Services	50	153	195	170	472	870	63
5414	Specialized Design Services	27	151	198	148	411	787	74
5413	Architectural, Engineering, and Related Services	39	151	200	126	350	740	60
5418	Advertising, Public Relations, and Related Services	10	58	68	62	172	308	19
5417	Scientific Research and Development Services	5	14	43	35	97	159	10
Total		286	1,486	2,678	2,339	6,497	10,947	920
								143%

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

Note: 2014-2019 business openings projected based on rate of business openings between 2010 and 2013. Business closing data are only available for the years 2009-2013 so it was not possible to calculate net business openings (openings minus closings) for any of the decades.

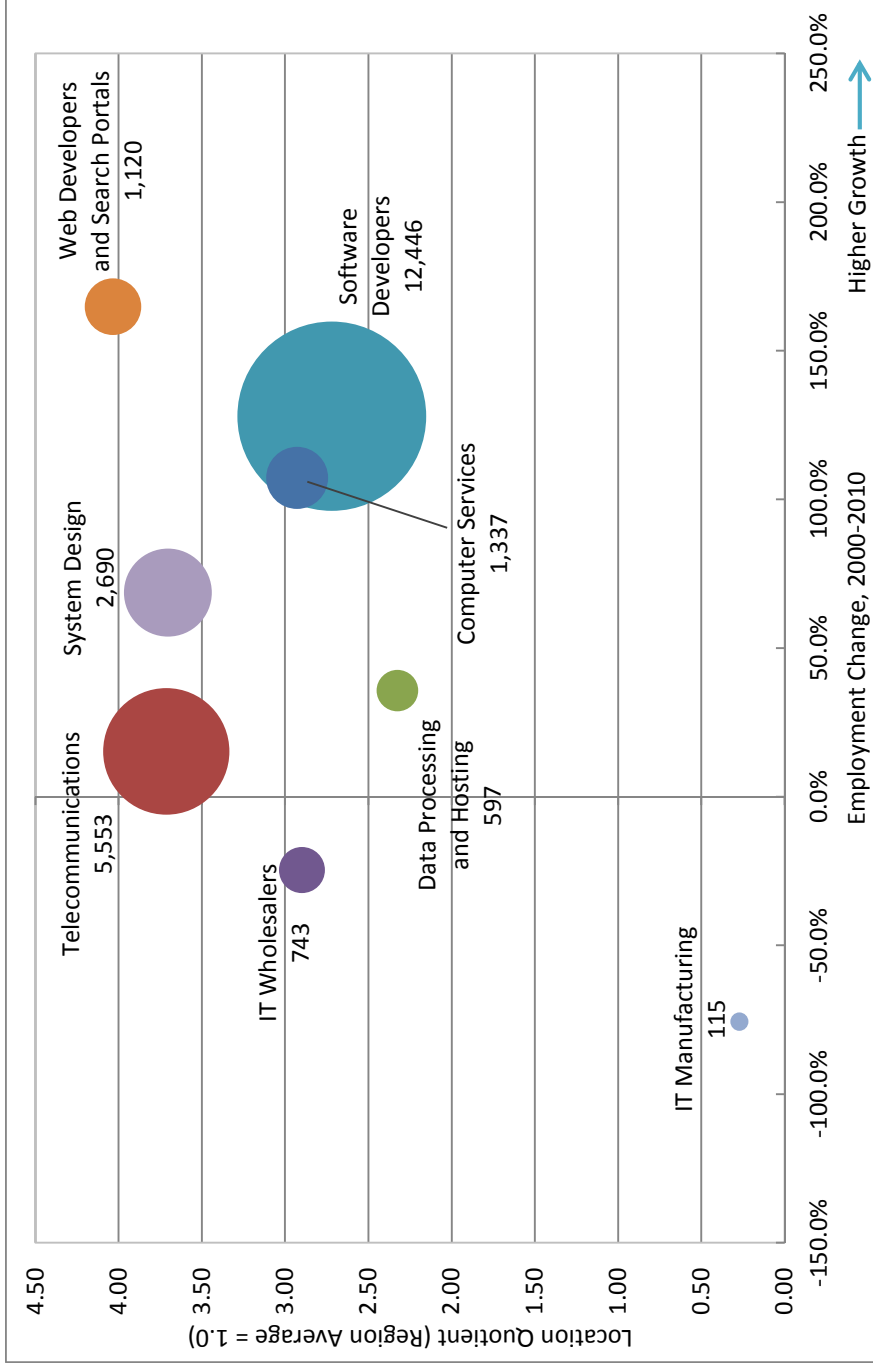
Exhibit 12 – Past and Projected Business Openings within Professional, Scientific, & Technical Services, 1980 - 2019



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

- While all sub-industries saw significant growth in number of business openings between the 1980s and the 2010s, early data from the 2010s projects a dramatic spike in openings virtually across the board during the current decade.
- Management, Scientific, & Technical Consulting Services and Computer Systems Design & Related Services** are projected to have the most openings in the 2010s, at over 1,900 and over 1,800, respectively.
- The sub-industries expected to see the greatest percent change in terms of openings between the 2000s and 2010s are Computer Systems Design and Related Services (207%); Advertising, Public Relations, and Related Services (153%); Management, Scientific, & Technical Consulting Services (149%); and Accounting, Tax Preparation, Bookkeeping, and Payroll Services (142%).

Exhibit 13
Information Technology Sub-Clusters by Size, Employment Change, and Concentration



Source: Puget Sound Regional Council and BERK, 2013
 Note: Employment growth rates are lower during the 2000-2010 time period because 2000 was a high point and 2010 was a low point in the economic cycle.

- **Exhibit 13** shows the Information Technology sub-clusters in the same format as the overall economy cluster chart shown earlier in **Exhibit 7**.
- Software Developers is the largest IT subcluster, followed by Telecommunications, and System Design.
- Aside from IT Manufacturing, all of the IT subclusters are over twice as concentrated as the regional average, with location quotients above 2.0.
- IT Manufacturing in Bellevue includes companies such as Printed Circuits Assembly, Intel, and eMagin. These companies assemble various IT components like circuit boards and microdisplays.
- Gaming companies fall within different subclusters, depending on the type of gaming activity, and can be found in the System Design, Web Developers, and Software Developers categories.

Information Technology Competitive Summary

	Systems, Software	Mobile Technology	Interactive Media/Gaming
Representative Major Players	<ul style="list-style-type: none"> Microsoft (6,300 people downtown, 2M sf) Expedia (HQ in Bellevue; 2,300 employees) Concur (HQ in Bellevue, 620 people downtown, 122,000 sf) 	<ul style="list-style-type: none"> T-Mobile (HQs in Bellevue: about 3,500 employees) HTC 	<ul style="list-style-type: none"> Bungie Valve Corporation Sucker Punch (owned by Sony) Others
Strengths	<ul style="list-style-type: none"> Location quotient: 2.76 for Information Technology overall Large number of IT start-ups (large share of business starts in technical services) 		
Challenges	<ul style="list-style-type: none"> MSFT leases a lot of space vs. owned space in region; threat of consolidation outside of Bellevue 	<ul style="list-style-type: none"> Industry consolidations (used to be 6 major carriers headquartered here, now only 1) 	<ul style="list-style-type: none"> Volatile industry: difficult to generate start-up capital
Characteristics	<ul style="list-style-type: none"> Younger demographic that prefers hip, urban environments; doesn't like to drive Fun company culture is critical to attracting talent Talent is hired from around the world Companies value being in close proximity to other tech companies to draw on talent and collaborate with partners 		
Cluster Needs	<ul style="list-style-type: none"> Top labor needs are software engineers and programmers More urban environment and food places/events/etc. that appeal to young demographic; develop downtown character and uniqueness Better transit choices: many people want to live in Seattle, or else can't afford to live in downtown Bellevue Workforce housing that is affordable for lower paid employees (may be in support role, but critical to company) Start-up incubator space; financing High speed internet – fiber-optic cables 		
Linkages to other sectors	<ul style="list-style-type: none"> Business services: consulting, finance, real estate, accounting (these industries grow by being tied to MSFT) 	<ul style="list-style-type: none"> Device manufacturers, working with T-Mobile: HTC located their north American HQ in Bellevue; Nokia has an office in a building nearby 	<ul style="list-style-type: none"> Software engineering

lot of people who understand the business yet. There is a lot of opportunity right now for financial investments. There is a lot of incredible talent that's hugely underfunded.

- There's need for a high tech incubator and the City has existing space at the Lincoln Center land that could be used until the road gets punched through. It's a modest proposal that could happen relatively easily.

Tax Incentives

- There is great demand for us to locate in different places - Louisiana, North Carolina, Montreal, British Columbia, RI, MI, etc. - lots of places asking us to move or expand there - lure us with tax breaks. Montreal will actually pay you for every employee you hire for 10 years. The competition for us to relocate or expand elsewhere is pretty fierce. This area is good because of talent base - but is falling behind in terms of tax incentives. The odds of us moving everyone to Rhode Island is very low but if we decide to add 20 people, we might add 20 people in Rhode Island.

Access to Talent

- Companies are generally not making their location decisions based on real estate costs, especially in technology. It's all about retaining and attracting talent. Space for an employee might cost \$3-5K/year. But the cost of that talent is probably \$200K. So space costs don't matter as much.
- The Eastside is one of the most highly educated areas at the moment, but most people got their degrees somewhere else.
- Much of this talent is not homegrown. How do we keep them here if they can go anywhere in the world?
- Talent drives everything and limits to talent will limit growth. The City has zero relationship with Bellevue College. That's a huge untapped potential.
- Renton partners very effectively with Renton Technical College; RTC completely tied in to cranking out people to work at Boeing. I'm not sure the level of partnership is the same between Bellevue College, the City, and Microsoft. At the very least the City should help BC grow.

Workforce & Student Housing

- The cost of housing is the greatest challenge to our business. Of our 250 employees, only 40-50 are in Bellevue. Others are from all over: Renton, Federal way, Tacoma, a few in Seattle, a few in Issaquah, some in Edmonds, even 1-2 from Tumwater. While it's partly true that knowledge workers can afford to live here, tech businesses have lots of support workers who may take home \$30K/year rather than \$100+. Our business is dependent on all of them.

Representative Quotes

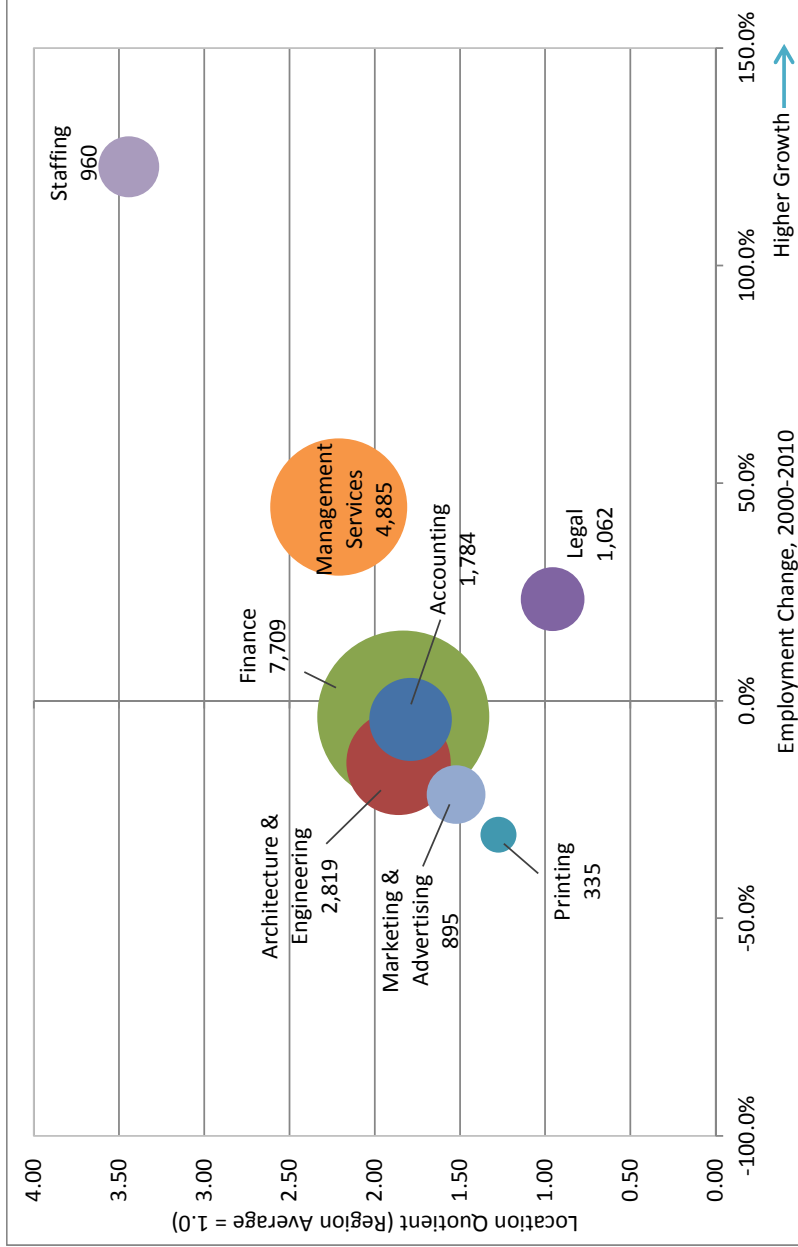
Proximity to and Retention of Microsoft and other Anchors

- You see a cluster of firms across the street from Microsoft, across the street from Intel. Even in this day and age, physical proximity matters for the work we do because it's very interactive.
- What attracted us to downtown was the great corridor, food amenities, walkability. We also wanted to be close to Expedia, Google, and Microsoft for partnerships and to attract talent.
- Cloud services are still growing, there are opportunities. More businesses moving here to take advantage of cloud services platform (MSFT).
- Microsoft just commenced a major analysis of restacking people on Redmond campus, looking at going from 250 sf/employee to 150. If they decide to do this, it will free up thousands of square feet. They will clearly look at relocating people from downtown Bellevue – much cheaper in owned vs. leased space. Someone needs to be staying very attuned to real estate department at Microsoft through quarterly meetings. You may not be able to change their decision process, but it gives you a heads up!
- Bellevue has some major interactive media players - Fifth Cell, Bungie Studios (halo), Valve, distribution system steam, HTML 5; mobile players – T-mobile, HTC - seeing games and mobile talent combined is very valuable in this industry. Industry moving towards games for mobile. More game companies in Seattle region (in 20 mile radius) than anywhere else in the US. CA is bigger than us but our concentration is stronger.
- A lot of development is going into online games that you start playing for free but then have to pay money to get certain objects/levels/bonuses. Particularly under these emerging business models, game companies are not needing just content developers - they will involve a lot of business, marketing, and financing people - a whole business infrastructure to support these games

Start-ups

- The challenge for startups is there is a lack of critical mass, especially compared to Seattle.
- To attract more startups, City leadership needs to do a better job of showcasing the businesses and talent pool that currently exist.
- Interactive Media reactor incubator in Seattle and Reactor East in Redmond - would have been happy to put in Bellevue if had been economical. Redmond was able to work a deal. Would be happy to do a reactor Bellevue if there was space.
- There's not a community of game investors (like there's a community of biotech investors) - even though our hit rates are similar, there are not a

Exhibit 14
Business Services Sub-Clusters by Size, Employment Change, and Concentration



Source: Puget Sound Regional Council and BERK, 2013

Note: Employment growth rates are lower during the 2000-2010 time period because 2000 was a high point and 2010 was a low point in the economic cycle.

- **Exhibit 14** shows the Business Services sub-clusters in the same format as the overall economy cluster chart shown earlier in **Exhibit 7**.
- Finance is the largest Business Services subcluster, followed by Management Services, and Architecture & Engineering. Large insurance companies such as Symetra are included in the Finance category.
- Management Services includes headquarters for companies such as Puget Sound Energy, Eddie Bauer, and Paccar as well as regional managing offices for companies such as QFC, Safeway, and Esterline.
- Aside from Legal services, all of the other subclusters are more concentrated than the regional average.
- In terms of growth, most of the clusters have been fairly stable in the 2000s, with Management Services showing some growth.
- The Staffing services subcluster stands out with a high growth rate, but it has been a very volatile subcluster, growing from 431 jobs in 2000 to 1,663 jobs in 2005, and back down to 960 jobs in 2010.

Business Services Competitive Summary

	Professional, Scientific & Technical Services (includes architecture, engineering, legal, accounting, staffing)	Real Estate, Banking & Finance	IT Business Services
Representative Major Players	<ul style="list-style-type: none"> Architecture and Engineering: Mulvanny G2 Architecture, CH2M Hill Waggener Edstrom 	<ul style="list-style-type: none"> Banking/Financial: Symetra (~880 employees in Bellevue), East West Bank, Clark Nuber Real Estate: Kemper Development, Wallace Properties 	<ul style="list-style-type: none"> Fresh Consulting, Affirma Consulting, Akvelon, Inc, Inspirage LLC, AIM Consulting
Strengths	<ul style="list-style-type: none"> Location quotient: Between 1.6 and 1.8 		
Challenges	<ul style="list-style-type: none"> Availability of reasonably-priced space Need for workforce housing for employees (many commute from outside the City) Transportation: traffic and availability of public transportation 	<ul style="list-style-type: none"> High rents downtown Lack of critical mass of financial services related companies Some perceive permitting process as being onerous (time and paperwork burden) Higher cost of construction due to onerous building inspections 	<ul style="list-style-type: none"> High rents downtown Traffic
Characteristics	<ul style="list-style-type: none"> Firms may national, regional, or local market Characteristics of the business vary by scale and market served 	<ul style="list-style-type: none"> Firms may national, regional, or local market Characteristics of the business vary by scale and market served 	<ul style="list-style-type: none"> A number of companies were on Eastside's fastest growing private companies list in 2013
Cluster Needs	<ul style="list-style-type: none"> Workforce housing More affordable office space for local-serving business services 	<ul style="list-style-type: none"> Workforce housing 	<ul style="list-style-type: none"> Workforce housing Continued strength of the IT sector, particularly a few anchor businesses such as Microsoft
Linkages to other sectors			<ul style="list-style-type: none"> Many firms support the region's strong IT industry

Representative Quotes

Opportunities

- Could Bellevue be the regional center for banking and finance?
- Don't minimize their chances in finance! Symetra is here and will be for a long time.
- The banking industry is looking hard at the super-regional cities with people coming from all over the world – this sector may be an opportunity to expand. Also big law firms.
- A conscious effort to attract other financial services companies to Bellevue. They would need to do a targeted outreach to get financial services companies to re-locate or set up a satellite or regional hub in the Puget Sound (industry sector is more prominent in Portland, SF, Midwest, East Coast).

Challenges

- One big challenge is there are very few financial services related companies on the Eastside or the regional in general. Makes it more difficult to be able to draw from the local community for the expertise we need in our business. Even Seattle (which has more than the Eastside) isn't a big financial center compared to SF, Chicago, etc.
- A Downtown-specific challenge is rents and upkeep are higher in Downtown Bellevue than many other places on the Eastside or even other districts in Bellevue.

Retention

- Rent sensitivity varies greatly by industry. I could see significant future displacement from downtown in businesses such as banking, insurance, and finance. The City should retain them elsewhere in Bellevue or lose them to Redmond, Kirkland!

RETAIL

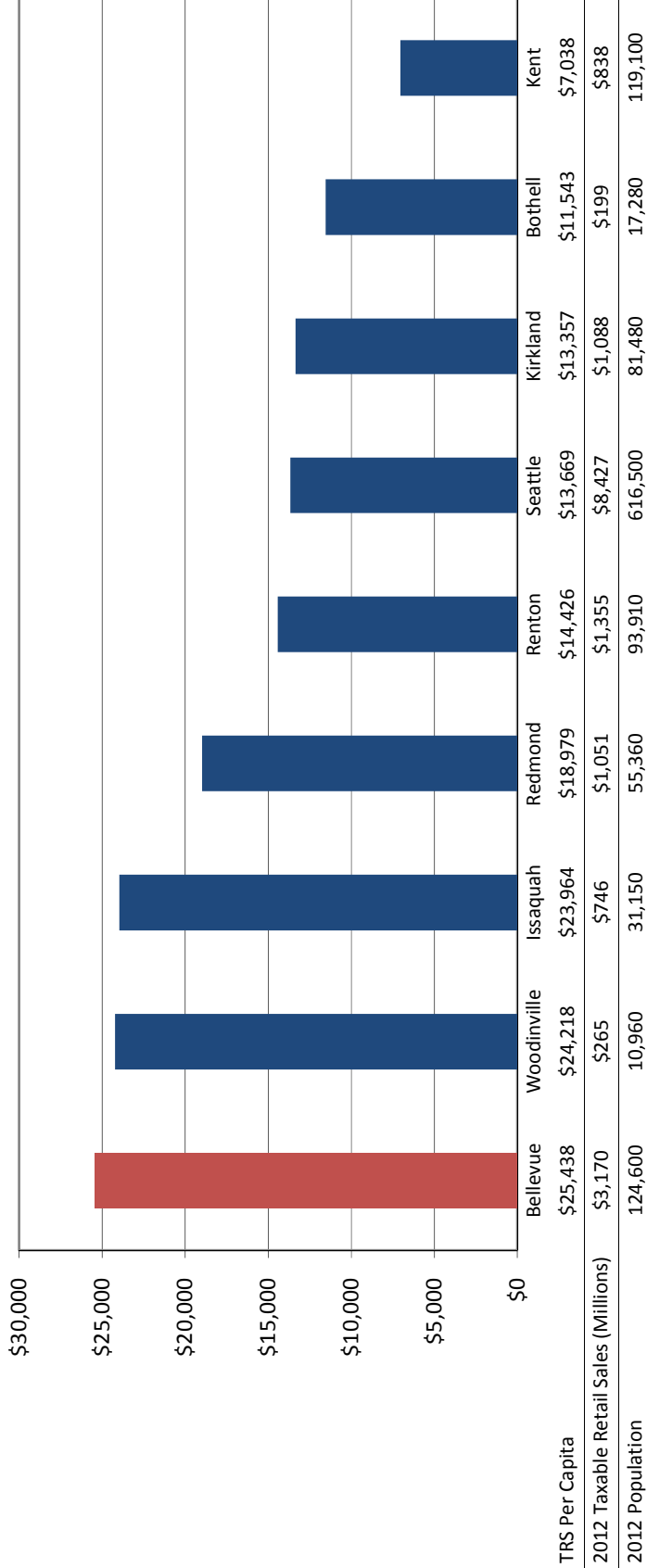
The Retail sector is also one of Bellevue's greatest strengths, as it has become of the region's premiere high-end retail destinations. Provided below is an analysis of the strengths of the retail market looking at TRS per capita, person expenditures, and a breakdown of retail TRS by sub-category.

While it is important to understand the magnitude of total TRS contributions, when looking to compare one community to another or when trying to understand the relative productivity of a city's retail base, TRS per capita is a more useful metric. By accounting for cities' populations, it is possible to see

how Bellevue's retail base is in line with those of neighboring communities. **Exhibit 15** shows total TRS per capita in Bellevue during 2012 compared to other selected cities in King County.

- At nearly \$25,438 per person, Bellevue had the highest TRS per capita of any major city in King County in 2012. This is likely due to the presence of several large regional shopping centers, as well as a relatively strong hotel and restaurant market.
- Bellevue's TRS per capita was nearly twice as high as Seattle's in 2012.

**Exhibit 15
Retail, Food, and Accommodations TRS Per Capita by City, 2012**



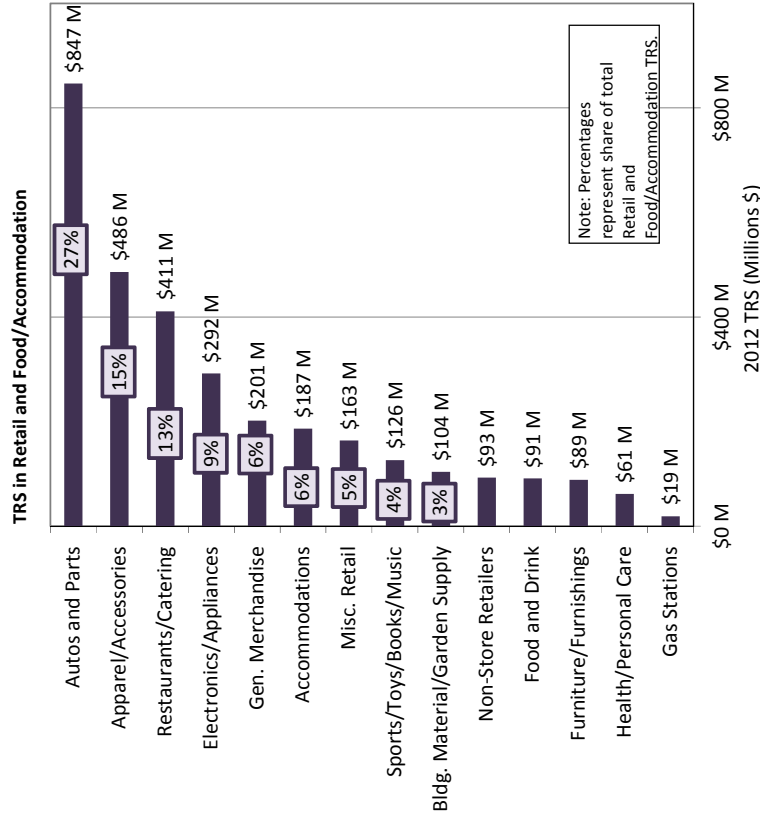
Source: Washington State Department of Revenue, 2013; BERK, 2013

Notes: The chart is based on TRS totals for NAICS industries 44, 45, and 72. The Bellevue population does not reflect recent annexations. Based on the 2013 population of 132,100, TRS per capita for Bellevue would be closer to \$24,000.

TRS Retail Breakdown

Exhibit 16 shows the share of total retail and food/accommodation TRS by sub-sectors. Autos and Parts (27%), Apparel/Accessories (15%), and Restaurants/Catering (13%) make up the largest percentages of the total Retail and Food/Accommodation TRS in Bellevue.

Exhibit 16
TRS in Retail and Food/Accommodation by Sub-sector, 2012



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

Person Expenditures

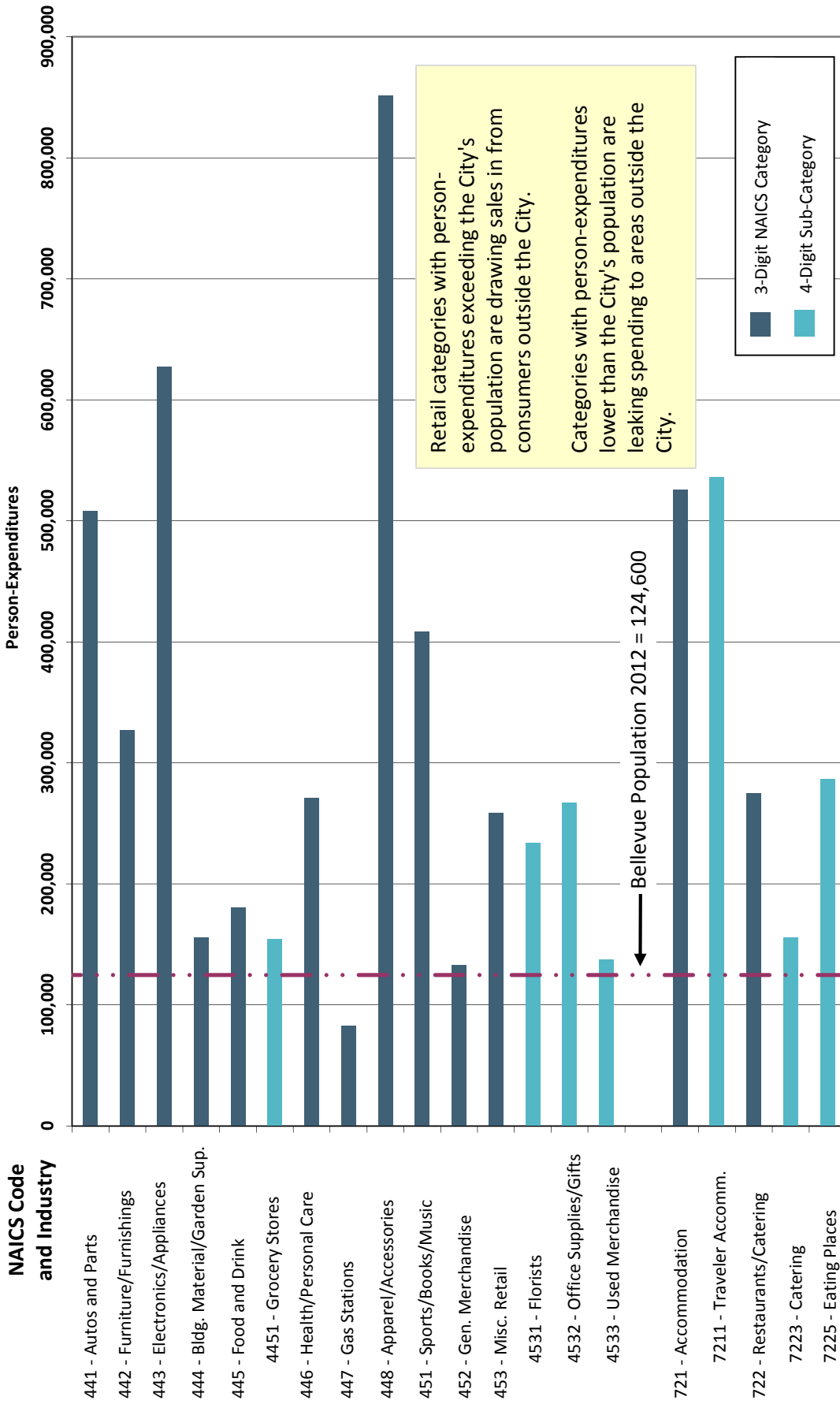
One way to assess the relative strength of a city's retail sector is in terms of "person-expenditures." This measure is calculated by taking the total TRS in a retail category in a year and dividing it by the average amount spent in that same category by a Washington resident in a year.

For example, if a typical household in Washington spends \$1,000 annually on grocery store purchases, and if grocery stores in Bellevue take in \$10 million in grocery sales per year, then Bellevue stores are taking in the equivalent of 10,000 people's expenditures (\$10 million of expenditures divided by \$1,000 per person = 10,000 person-expenditures).

Person-expenditures are essentially a measure that estimates the market size being served by a particular retail sector. High-performing retail sectors will typically draw in more person-expenditures than the surrounding population because they capture retail sales from persons outside the immediate community. Inversely, less successful retail sectors will have fewer person-expenditures than the surrounding population because trade area residents are "leaking" elsewhere to do their shopping. **Exhibit 17** shows the person expenditures for all retail categories, as well as food and accommodation (which are relevant to the Tourism/Visitors industry discussed later).

- Bellevue's person expenditures indicate that a substantial portion of its retail sales are being captured from persons outside the immediate community. Nearly every industry is performing well on this measure (with the only exception being "gas stations"), highlighting Bellevue's role as a regional retail destination across many different retail categories.
- The industries with the highest person-expenditures, in order, are: **Apparel/Accessories, Electronics/Appliances, Accommodation, Autos and Parts,** and **Sports/Books/Music.** Apparel/Accessories is particularly high, reflecting the numerous department stores and high-end clothing and accessory stores in Bellevue.

Exhibit 17
Person-Expenditures in Bellevue by Industry, 2012



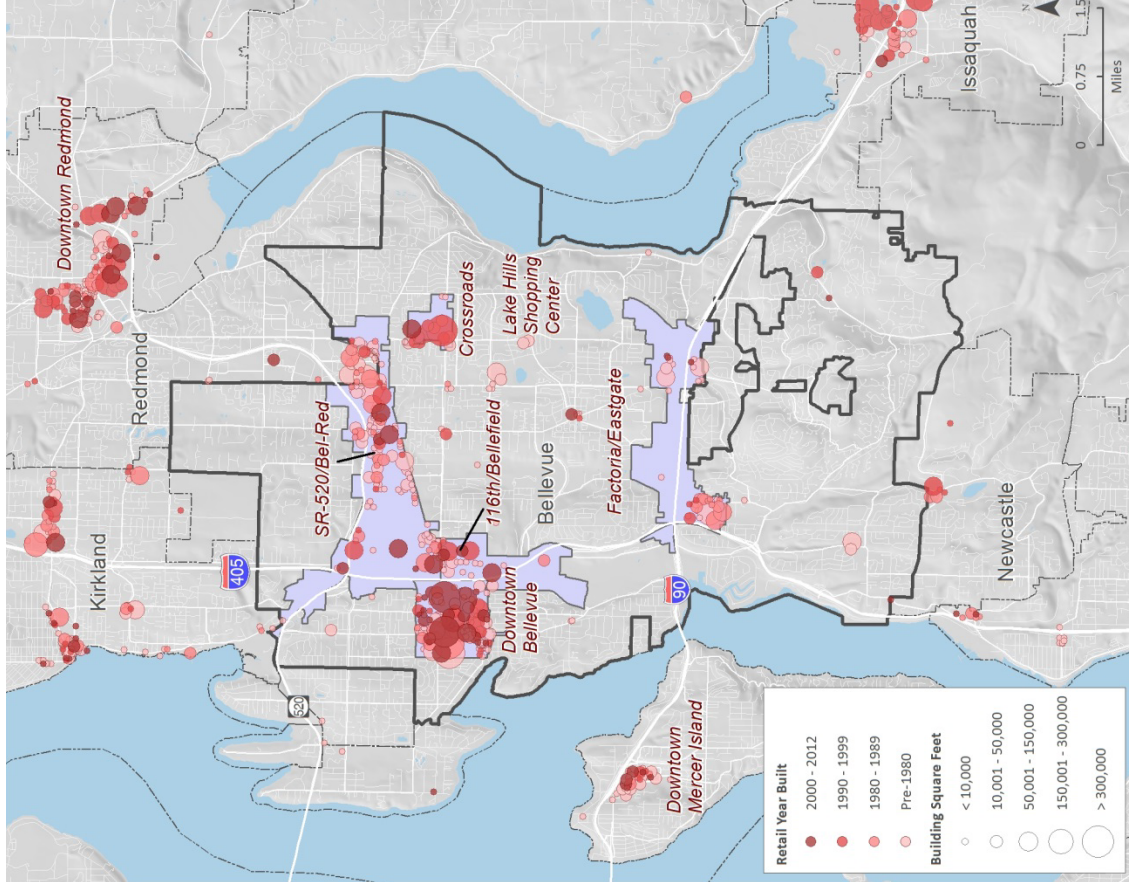
Source: Washington State Department of Revenue, 2013; BERK, 2013

Retail Square Footage

Exhibit 18 shows concentrations of retail building square footage by year built across Bellevue, with the City's five Major Employment Centers (MECs) shaded in light purple. As expected, Downtown has the densest concentration of retail square footage, with SR-520/Bel-Red and 116th/Bellefield also showing significant clusters of retail buildings. The Crossroads and Factoria MECs have smaller, but still notable, clusters as well. In comparison to the rest of the City, much of the retail space in Downtown is newer (2000 or later).

Major neighboring retail concentrations can be seen in Redmond, Issaquah, and Kirkland.

Exhibit 18
Retail Building Square Footage, 2012



Source: King County Assessor's Office and BERK, 2012

Retail Competitive Summary

	High End	Dealerships	Big Box Stores	Local-serving Retail
Representative Major Players	<ul style="list-style-type: none"> The Bellevue Collection: Bellevue Square, Bellevue Place, and Lincoln Square The Bravern Neiman Marcus, Nordstrom 	<ul style="list-style-type: none"> Auto dealerships (mostly new car dealers) Boat dealerships 	<ul style="list-style-type: none"> Walmart, Target BevMo! and Total Wine & More Home Depot, Lowe's 	<ul style="list-style-type: none"> Neighborhood malls (Crossroads Shopping Center, Lake Hills Shopping Center) QFC, Uwajimaya, Safeway Other distributed retail
Strengths	<ul style="list-style-type: none"> Apparel/Accessories Growing number of retailers Very high sales numbers for top performing stores on national scale 	<ul style="list-style-type: none"> Historical strength in high end autos: luxury vehicles, luxury boats, high quality used cars 		
Challenges	<ul style="list-style-type: none"> Transportation challenges for people coming outside Bellevue 	<ul style="list-style-type: none"> Displacements (from infrastructure and market dynamics) 	<ul style="list-style-type: none"> Generate traffic Concerns about the availability of land that is zoned for automobile dealership use 	<ul style="list-style-type: none"> Desire for more local (non-chain) retail Neighborhood shopping centers are struggling Affordable housing and turnover High land value and redevelopment costs
Characteristics	<ul style="list-style-type: none"> Target "Bellevue demographic": ethnic, well-educated, younger 	<ul style="list-style-type: none"> Distinct concentrations of dealers in the City Draw regional shoppers Generate about 14% of TRS 	<ul style="list-style-type: none"> Draw regional shoppers 	<ul style="list-style-type: none"> Supports local residents
Cluster Needs	<ul style="list-style-type: none"> Better transportation infrastructure (roads and mass transit) to continue to draw people in 	<ul style="list-style-type: none"> Better transportation infrastructure (roads) 	<ul style="list-style-type: none"> Better transportation infrastructure (roads) Appropriate locations for additional stores 	<ul style="list-style-type: none"> Quality retailers for basic goods and services Expedited review process
Linkages to other sectors	<ul style="list-style-type: none"> Closely connected to visitor/tourism cluster: people stay in Bellevue, shop, dine 		<ul style="list-style-type: none"> May compete with local serving retail 	<ul style="list-style-type: none"> May compete with big box stores

Representative Quotes

Strengths

- Bellevue's strength in retail is destination retail, drawing people from Canada. Bellevue has a better package, more to offer than Seattle: people can stay close and eat close.
- 23M people per year visit the Bellevue Collection – projected to go up to 30M in three years.

Opportunities and Challenges

- The City should consider having less high-end retailers if it wants to grow its base long-term. There are a number of high-end stores which is fantastic, but a large number of people can't afford these shops. Diversifying the stores that come to Bellevue could help spur more growth and attract a diverse range of customers and residents over the long-term.
- The gaming industry and other emerging sectors are bringing a younger, more "hip" demographic into Bellevue than what was here previously. There is an opportunity for alternative or independent retail businesses to try and capture that market by offering something different from the corporate chain or big-box model.
- From the surveys that we do, we hear that people would like to come to Bellevue even more frequently than today, but they don't because of the transportation challenges.

Local Serving Retail

- The neighborhood shopping centers currently can't compete with Downtown or other major shopping areas. Even though they serve the neighborhoods, the neighborhoods have abandoned them. Unfortunately, increasing land value, redevelopment costs, and burdensome city requirements make redevelopment of these shopping centers expensive and difficult. More city involvement (like in Lake Hills) and expedited administrative processes would go a long way in making redevelopment more feasible.
- The types of businesses that would likely be most successful in the neighborhood shopping centers are "nuts and bolts" with a twist. Grocery stores and other businesses providing basic but quality goods and services (not too low end but not too fancy) would have the best chance of drawing neighborhood shoppers away from the larger centers.

2013 Bellevue Auto Opportunity Study

Relevant Key Findings

- Most auto dealerships in Bellevue would like to continue doing business in the City, however are concerned about the availability of land that is zoned for automobile dealership use.
- The City should identify preferred locations that can support dealerships and consider amending zoning in these areas to allow for new or relocating dealerships.

Tourism/Visitors Competitive Summary

	Corporate Conferences and Retreats	Leisure Travelers
Representative Major Players	<ul style="list-style-type: none"> Meydenbauer Center: Nearly half (47%) of revenue is generated from the corporate market Hyatt Conference Center Bellevue Club 	<ul style="list-style-type: none"> High end hotels: Hilton, Westin, Hyatt, Sheraton Visit Bellevue Washington: recently activated marketing program targeting leisure travelers with these characteristics: age: 35+, HHI: \$80K, college educated, couples with or without children, living within a 5-hour driving distance from Bellevue (=regional tourism))
Strengths	<ul style="list-style-type: none"> Meydenbauer Center – Greater Seattle’s second largest convention facility Growing hotel/conference space 	<ul style="list-style-type: none"> Upscale shopping, urban experience, restaurants, and hotels Clean and safe, beautiful setting Central location: Seattle’s culture, Kirkland’s waterfront, Woodinville’s Wine Country, and Cascade Mountains are nearby Strong list of amenities (in and outside Bellevue) Repeat visitors
Challenges	<ul style="list-style-type: none"> Lack of hotel next to the Meydenbauer Center At times, there is a challenge filling hotel rooms on weekends 	<ul style="list-style-type: none"> Lack of name recognition Highly competitive market creates - weakness in attracting first-time visitors Traffic/ease of getting around Perception that Bellevue is unaffordable Perception that Bellevue is “sterile and boring” compared to “hip” Seattle
Characteristics	<ul style="list-style-type: none"> Meydenbauer Center is primarily a corporate convention center now High rates of hotel bookings during the week; mid-week prices are higher than Seattle 	<ul style="list-style-type: none"> Cheaper hotel rooms on the weekends than midweek; cheaper than Seattle
Cluster Needs	<ul style="list-style-type: none"> Reports of excess demand for facilities at all sizes, perhaps particularly for large events 	<ul style="list-style-type: none"> Waterfront access (including bringing tour boats in) More unique shopping experiences (besides chain stores) - Old Bellevue (Main St) could be an opportunity.
Linkages to other sectors	<ul style="list-style-type: none"> MSFT, Expedia, and other large companies use much of the capacity for conferences, corporate retreats, etc. Tech startups are using meeting rooms as well 	<ul style="list-style-type: none"> Strong connection with retail, especially high-end retail, restaurants

Representative Quotes

Convention Market

- Meydenbauer is primarily a corporate convention center now as Microsoft and other large companies bring people into town.
- The corporate convention market “handles itself.” There are so many businesses here, including Microsoft and Expedia, that it’s usually no problem to fill out hotels during the week.
- Meydenbauer Center is not able to serve corporate market as well as they could. Their main room is currently 36K sf, the largest on the eastside, but there are groups that need a lot more space. There is an extension parcel nearby so they could expand. They could double their size to 72K sf and put a hotel on top. A hotel that close to the convention center is one of the best packages you can have and would really strengthen their market.
- There is a shortage of hotels/conference space. Bellevue has the Hyatt and Hilton, but we’d like to have more events that could bring in more foreign direct investment. We are losing conventions at all scales as a region because there is literally nowhere to hold them.

Leisure Travelers

- Bellevue is seen as clean and safe destination, but some people perceive the City as sterile and boring.
- Bellevue lacks unique experiences: there are many chain stores and restaurants, but few unique boutique places. Din Tai Fung is an exception and draws from around the region. Hotels tend to be either high end or motels, with not much in between.
- Out of state visitors don’t know who Bellevue is. We need to think about developing a destination by adding things that are interesting such as waterfront access).

International Travelers

- The Westin Hotel on normal night has 38 countries represented in 337 rooms. 15%-20% of customers are coming from completely outside the market.

Meydenbauer Center

Meydenbauer Center was created with the purpose of providing economic stimulation to the community through the creation of jobs, tax revenues, and commercial activity. The Center has three key business activities:

- **Meydenbauer Center** - hosts regional and national conventions, corporate and community events
- **Theatre at Meydenbauer Center** - provides a home for community performing arts events.
- **Visit Bellevue Washington** - serves as the official destination marketing organization to attract convention and leisure travelers to Bellevue.

2012 Bellevue Washington Annual Visitor Impact Model

- 1.3 million visitors
- Total direct spending in Bellevue: **\$620M**
 - Hotel segment: ~\$460M (75%)
 - Visiting friends and relatives: ~\$115M (19%)
 - Day trips (leisure): ~\$45M (7%)
- Combined city’s sales + B&O taxes generated from tourism: approximately \$6M
- Approximately 9,800 tourism-related jobs

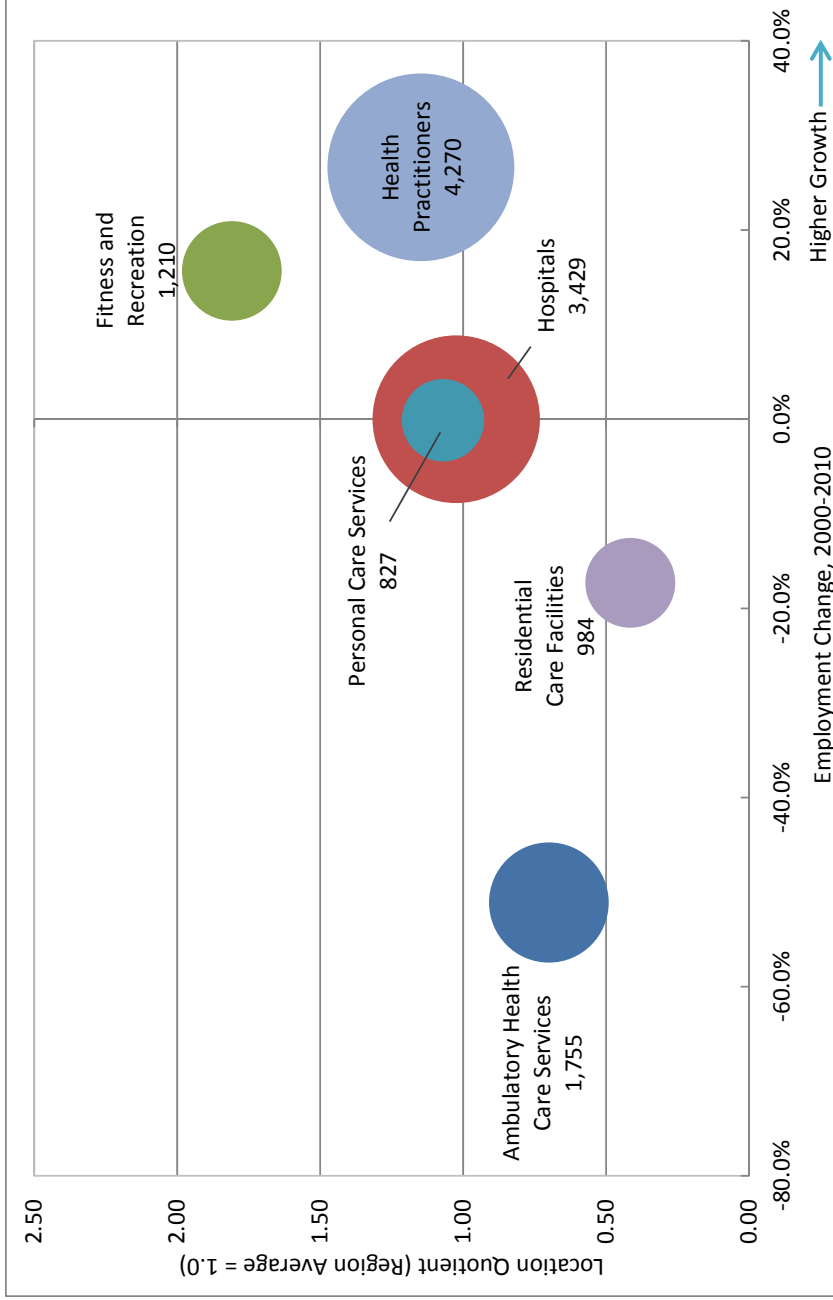
Source: Meydenbauer Center, visitbellevuewashington.com, 2013

Primary Bellevue Attractions

- **Arts and Culture:** Bellevue Arts Museum, the Theatre at Meydenbauer Center, KidsQuest Children’s Museum, Eastside Heritage Center
- **Outdoor Recreation:** Bellevue Botanical Gardens, Golf courses, Public Parks
- **Attractions:** Bake’s Place, Bellevue Skate Park, Lake Hills Farm Fresh Produce Stand, Larsen Lake Blueberry Farm, The Crag Climbing Wall
- **Spas and higher end stores** at The Bellevue Collection, and The Shops at The Bravern
- **Events:** ARTSfair, Fashion Week, Bellevue Farmers Market, Strawberry Festival

OTHER CLUSTERS OF INTEREST

Exhibit 19
Health, Beauty, & Fitness Sub-Clusters by Size, Employment Change, and Concentration



Source: Puget Sound Regional Council and BERK, 2013
 Note: Employment growth data was not available for the Hospitals subsector, so it was placed at the midpoint of the employment growth scale.
 Note: Employment growth rates are lower during the 2000-2010 time period because 2000 was a high point and 2010 was a low point in the economic cycle.

- **Exhibit 19** shows the Business Services sub-clusters in the same format as the overall economy cluster chart shown earlier in **Exhibit 7**.
- Health Practitioners (e.g. doctor, dentist, chiropractor offices) is the largest and fastest growing Health, Beauty & Fitness subcluster. It is fairly concentrated with a location quotient of 1.15.
- Hospitals are the second largest subcluster, with a concentration close to the regional average (LQ=1.02)
- Ambulatory Health Care Services (e.g. outpatient care centers) is a fairly large subcluster that is one of two subclusters less concentrated than the regional average (LQ=0.70).
- The subcluster with the highest location quotient is Fitness and Recreation (LQ=1.81).

HEALTH CARE

HEALTH CARE INFORMATICS

<p>Representative Major Players</p>	<ul style="list-style-type: none"> ▪ Overlake Hospital (~2,500 employees), Group Health Co-op (~500 employees in Bellevue), Children’s Hospital
<p>Strengths</p>	<ul style="list-style-type: none"> ▪ Defined “medical district” - geographical proximity of major players and independent medical clinics along 116th Street ▪ Overlake is a highly respected, non-profit center with deep roots in the community
<p>Challenges/ Cluster Needs</p>	<ul style="list-style-type: none"> ▪ Transportation in one of the biggest challenges: patients don’t want to come during rush hour time; commute challenges make it harder to attract workers with lower wages. ▪ Affordable housing: employees at different income levels; many have to commute from far away ▪ Availability of smaller specialized spaces ▪ Health care reform is redefining the industry (may affect demand and supply)
<p>Characteristics</p>	<ul style="list-style-type: none"> ▪ Serving local community, as well as Eastside in general
<p>Linkages to other sectors</p>	<ul style="list-style-type: none"> ▪ IT: Health Care Informatics ▪ Biotech or Life Sciences

Representative Quotes

- Traffic is one of the biggest challenges. People try not to get on I-405. Patients don’t want to come during rush hour time.
- Real estate is very expensive and certain types of spaces are unavailable. One example is a rehab company that was looking around the market to see what’s available. It was very hard to find a one story place that would accommodate patients.

- **Health care informatics** is the science of managing electronic health records and coordinating the computer information systems used by hospitals, clinics, health care professionals and insurance companies.
- The Bureau for Labor Statistics predicts that demand for HIT specialists will increase by 21 percent between 2010 and 2020.
- Bellevue College offers Bachelors of Applied Science Degree Concentration in Healthcare Information Technology, and Healthcare Informatics certificate. Bellevue College was named by the Department of Labor as one of 5 community and technical colleges to comprise the National Center for the Biotechnology Workforce; got a \$6.3 M grant. BC is the Life Science Informatics Center of Excellence.
- There are currently no major firms in Bellevue specializing in health informatics.
- Linkages to other sectors: IT, Health Care

Representative Quotes

- Health care informatics is one of the very fast growing areas. There is a tremendous lag between health care records and mining the data. There’s no common platform. The business is a combination of collecting loads of data in multiple formats and then assuming you could get it all clean, how do you analyze it, represent it, and use to inform the decision.

AEROSPACE

<p>Representative Major Players</p>	<ul style="list-style-type: none"> ▪ Boeing (~4,000 employees – professional positions), ▪ Esterline (corporate headquarters) ▪ Eaton Aerospace (manufacturing with 100+ employees) ▪ Aero Law Group (8 professional staff plus support staff) ▪ Planetary Resources
<p>Strengths</p>	<ul style="list-style-type: none"> ▪ Established firms ▪ Strength in IT and software ▪ Opportunity to target specific niches ▪ Relatively close to manufacturing areas to the north and south
<p>Characteristics</p>	<ul style="list-style-type: none"> ▪ Manufacturing requires appropriate space ▪ Workforce in niches where Bellevue has opportunity has similar characteristics of IT workers
<p>Challenges/ Cluster Needs</p>	<ul style="list-style-type: none"> ▪ Workforce development ▪ <i>Additional interviews needed to determine specific needs</i>
<p>Linkages to other sectors</p>	<ul style="list-style-type: none"> ▪ Advanced Manufacturing ▪ Business Services and Corporate Offices ▪ IT

Representative Quotes

- Bellevue definitely has a cluster there, but I don't know what they've done to cultivate and nurture it. Kent, Auburn, even Redmond and Kirkland have been very interested in growing their aerospace base.
- A lot of aerospace blurs with advanced manufacturing. There is crossover in skills. Bellevue has Bellevue College and might be well positioned to cultivate workforce for aerospace and advanced manufacturing. But you have to ask: will manufacturers stay long-term? Are they getting squeezed? Esterline moved their production to Snohomish in 2009 but has its headquarters in Bellevue.

- Bellevue's potential in aerospace is potentially significant, especially as aerospace companies need to be more high tech, blending computer and aerospace technologies. Bellevue's strengths are in areas of design, engineering, and software development, not in manufacturing.
 - Bellevue's aerospace play would have to focus on niches like next gen air traffic control which will be more reliant on GIS, satellites, and big data. It's an opportunity for Washington, but we are trying to figure out who is doing the work.
 - Another niche opportunity is in commercial space exploration. Bellevue already has Planetary Resources; perhaps a computer space cluster could be built around them.
 - Other niches include areas where Bellevue already has companies: corporate headquarters like Esterline and business services like the Aero Law Group.
- Boeing doesn't do any production or manufacturing in Bellevue. We own the land and the buildings – we stay there because there are lots of sunk costs. It doesn't matter otherwise that we're there. Location is not important for attracting IT staff; we are a global operation and recruit globally. There are no detriments or big positives from being in Bellevue.
- Bellevue doesn't have the land associated with aerospace manufacturing. They made a decision with downtown – and more recently with Bel-Red – to go after high wage jobs, which is fine. They may have an opportunity in aerospace-related engineering and design.
- We have a lot of employees who live in Bellevue, live on eastside. What the City of Bellevue and cities on eastside should care about is not our cluster, but business health in general. The City has not participated much in regional issues. They should be a part of the larger regional economy, a force that impacts regional issues that impact regional and statewide economy like transportation, unemployment comp reform, energy costs, and regulatory burdens. They could also work with educational institutions to support talent development.
- Bellevue should go out and talk to existing businesses: what can we do to help you? What are your expansion needs? They will likely hear about workforce, and regulation. More actively, they could try to link companies up with other sectors and Airbus to help them diversify their markets.

CLEAN TECH

<p>Representative Major Players</p>	<ul style="list-style-type: none"> ▪ Of the 15 Bellevue businesses listed as members of the Washington Clean Tech Alliance members, only three appear to meet a more stringent definition of clean tech, including Earth Solutions NW (a geotechnical engineering firm, PSE, and Romero Park (a law firm)). ▪ Other Bellevue firms, particularly in the strong Business Services sector, very likely participate in the clean tech/green building economy, particularly in the architecture/engineering and construction sectors. Microsoft and other large IT firms also have internal initiatives and products focused on energy efficiency. ▪ Bellevue’s existing clean tech businesses appear to be more in the business services realm than in product development or light manufacturing. ▪ Bellevue’s strengths in software development may create growth opportunities in areas such as software controls for building efficiency or smart grid development. ▪ The Puget Sound region is particularly strong in the building efficiency arena, which may create opportunities for Bellevue given its strength in architecture and engineering.
<p>Characteristics</p>	<ul style="list-style-type: none"> ▪ The clean tech market generally is evolving and disorganized. Lower energy prices and economic volatility have reduced business financing for clean tech businesses.
<p>Challenges/ Cluster Needs</p>	<ul style="list-style-type: none"> ▪ It may be difficult for light industrial clean tech businesses to find locations in Bellevue. ▪ New businesses may benefit significantly from the stimulus of local demand. There is much the City and regional partners could do, for example, to promote demand for energy efficiency.
<p>Linkages to other sectors</p>	<ul style="list-style-type: none"> ▪ IT, particularly software development ▪ Manufacturing

Representative Quotes

- Three or five years ago, clean tech focused on solar, wind, etc. With the decreased cost of fossil fuels, there’s no investment money in these areas. In general there are few start-ups, with most activity being done by established firms, including 100+ year old utilities like PSE.
- Washington’s definition of clean tech is broader now, with activity in four sub-sectors. Most firms are involved in building efficiency. We also have firms in biofuels and the software, devices, and diagnostics behind the smart grid. There is a new area, with lots of possibility: battery storage, which is an important enabling industry and likely to grow. Bellevue probably has plenty of construction and building efficiency companies, but probably not much in biofuels and smart grid. A battery firm entrepreneur lives in Bellevue but located his firm in Mukiteo. Another firm was in Kirkland but moved to North Lake Union.
- There might be an opportunity for Bellevue software’s strength to get leveraged into smart grid companies, but you don’t see a lot of small firms in this space. It may be early and those firms may be the tip of the iceberg. Or perhaps this is a core competency bigger corporations will want to build in house.

2013 Bellevue Energy Efficiency Market Transformation Strategy

Summary of High Level Recommended Strategies

- Lead by example in City buildings*
 - Set community-wide targets*
 - Expand business engagement programs*
 - Enact policies that drive energy investments*
 - Support innovative project financing mechanisms*
 - Support entrepreneurship in the energy sector
 - Invest in workforce and professional development
- * strategies that seek to support energy efficiency businesses by stimulating local demand for related services and products.
- The study’s focus was on increasing energy efficiency within existing building stock; parallel strategies may be considered to stimulate local demand in new construction.

COMPANY MANAGEMENT/HQ

Representative Major Players	<ul style="list-style-type: none"> IT: T-Mobile, Concur, Symetra, Expedia Headquarters of firms active in other clusters: Eddie Bauer, PACCAR, Esterline, Puget Sound Energy
Strengths	<ul style="list-style-type: none"> High quality of life that fits corporate culture An emerging constellation of HQs in the City
Challenges	<ul style="list-style-type: none"> Potentially high operating costs (office space)
Characteristics	<ul style="list-style-type: none"> A number of large HQs located in Bellevue also originated here (PACCAR, T-Mobile, Symetra, Expedia)
Cluster Needs	<ul style="list-style-type: none"> Most important factors are dense concentrations of business services, good airline connections, urban amenities, and high quality of life
Linkages to other sectors	<ul style="list-style-type: none"> Tied to specific industries

Corporate Headquarters

- Bellevue is the shortest distance by air to China and a short distance to Canada. With the growing relationship and business opportunities between the US, Canada, and China, Bellevue is a very strategic location for any business headquarters.

Range of Reasons for Relocating Headquarters

- Mergers and acquisitions
- Gain access to government policy makers
- Better access to an emerging market or business partner
- Ability to radically effect change
- Send a message to stockholders and customers
- Lower operating costs
- Enhance ability to attract talent
- Personal preference of senior executives

Characteristics of a Headquarters City

- Reputation and overall image
- Co-location with other headquarters
- Specific industry presence
- Air access
- Professional/collegiate sports and cultural
- University presence
- Reasonable operating costs
- Quality of life for attracting and retaining top talent
- Minimization of risk
- Culture that welcomes and quickly assimilates executives and their families

Source: Moran, Stahl & Boyer, 2009

GLOBAL CONNECTIONS

Bellevue’s economy and economic development opportunities are directly and indirectly tied to the global economy.

Diverse Workforce

- Businesses are attracted to Bellevue because of the diversity of the workforce; they compete internationally and desire language skills and cultural diversity in their workforce to be able to create and tailor products for an international marketplace. See Export of Goods, below.
- Companies recruit talent from all around the world – driving the diversity of Bellevue, and bringing in a population that is generally high income and well-educated.
- This workforce diversity generates energy and ripple effects, including:
 - Local serving ethnic businesses that meet the needs of people from other cultures – food, video, etc.
 - Potential for start-up businesses, U.S. offices of international firms, and real estate investment. See Foreign Direct Investment, below.

Foreign Direct Investment

Characteristics	<ul style="list-style-type: none"> ■ Many foreign investors are introduced to Bellevue when their child or children come for school ■ Other entrepreneurs may come out of the international workforce recruited by more mature Eastside IT businesses
Strengths	<ul style="list-style-type: none"> ■ The Bellevue community is very attractive to many international visitors ■ Existing foreign-born population can perhaps be leveraged to attract others
Challenges/Needs	<ul style="list-style-type: none"> ■ Need support for foreign entrepreneurs navigating the U.S. business environment ■ Bellevue (and even Seattle) still have relatively low name recognition; international profile raising of the region is needed ■ Need more structure and capacity for welcoming reception of potential foreign investors (coming individually or in delegations)

Representative Quotes

Why Bellevue and Who is Here

- The Pacific Northwest is known for IT. Otherwise, despite being beautiful, it's remote from the rest of the country. It is close to Asia however, and has a strong culture of multiculturalism. Our connections to Asia have benefited from California's challenges. Asia is rising, China in particular. Chinese government policy requires businesses, both private and state-owned, to globalize and engage the rest of the world. There are also many rich individuals in China seeking security and diversification of their wealth.
- The Eastside is seeing much more growth in foreign investment than Seattle. We continue to see inflows of funds from mainland China, both via individuals and corporations.
- Bellevue is the city of choice for a lot of middle and upper income families coming to the northwest. It has a strong community with strong schools. China has a one child policy, so high net worth individuals invest in that child's education. Most come here because they know someone – the network effect is very important.
- People come to the Seattle area and choose to live in Bellevue because of the city environment, public safety and the strong school district. We need a more deliberate, top-down approach to be more attractive. Richmond BC has seen a lot of success because of targeted events like their very authentic night market.
- It used to be that the wife would come here with the children. Obviously they want good schools, a good community with a safe environment and good shopping. That's a cultural thing. Now we're starting to see that as the husbands fly back and forth, they decide to set up an office or invest in real estate here. Some start U.S. offices of an aerospace firm, and one natural gas company is moving its headquarters here. But most enterprises are real estate related. Many Chinese want to invest in real estate because that's how they made their money back home. All the new records for real estate purchase are made by Chinese because they see the potential in Bellevue.
- People like to live in Bellevue, but incorporate business elsewhere because of the City's B&O tax which is not attractive for small business. You can do business anywhere you want. Many chose Bothell because they don't have the same tax structure.
- My vision is that Bellevue will be the Singapore or Hong Kong of the Pacific Northwest, or of the United States. We need to be the world headquarters of a particular strength or asset - the best in the world. It may be our opportunity as software is in everything, including clean tech and green buildings.

Support for Foreign Entrepreneurs and Investors

- The international deals we've done to date have been small. We don't have the culture in place to get the really big deals. We need to prepare a welcoming culture, engaged local partners, a strong image, and suitable space. We have to build a culture for growing entrepreneurs.
- Through city planning they could extend the downtown corridor and shopping environment. Immigrants tend to like a vibrant, urban environment. Safe and clean is important, but more vibrant would be good. The city could also support business starts, making it easier for immigrants to understand how the U.S. system works.
- Many parents work while their kids are in school, but they don't have a clue about how to incorporate a company in the U.S. There should be business support services tailored to this population, tailored to individual language groups. These are people who are already successful – by definition. They're here in the U.S. because they want their children to go to school here. They have idle cash and want to put it to use, but many of them don't understand the laws. The City doesn't have to provide this support, but cultivate or support intermediaries who can work with the Hindu, Chinese, Korean, and other populations.
- Indian entrepreneurs have an advantage because they speak English. But they could use help with cultural understanding and relationship building.
- They are here as investment immigrants on the EB5 program. By definition they have disposable income; mostly are likely business owners. There should be a technology hub or incubator to support them. They have the business expertise, but need support and direction to navigate the US system.

Awareness Raising

- Around the world we are known by our biggest cities. We get people's attention through the Seattle brand. Within that we use different communities' strengths to strengthen message and land businesses. That's the way it is at this point; the assets of Bellevue are very brandable and maybe it will be different in 20 years.
- No one ever sees or knows the name of Bellevue. Their advantage is that they can leverage the Seattle brand. People come for Seattle and often end up interested in what Bellevue has to offer.
- There is an increasing awareness and interest in Seattle because of the movie "Beijing Meets Seattle." New York and LA are much better known. Washington is confusing because people think of DC.

- It's hard to sell Bellevue because people don't recognize it as the center of IT. They need to promote and market the City. Because no one knows Bellevue, I compare it to the Gangnam District of Seoul, with the best schools and most affluent people. It is a fashion maker and a strong office market.
- I know the City is very interested in the software and gaming industries, but other people don't know! They need to make their interest and brand a lot stronger to get attract more investment by Asian businesses.
- They should leverage international folks they have living there now. They have lots of high net worth individuals living in Bellevue: cultivate them and they could be your best ambassadors.

Celebrating Cultures and Being Welcoming

- The City of Seattle has a long history of celebrating other cultures. Bellevue could do much more, but doesn't need to do it alone.
- We also need more political representation in city government by people with international backgrounds. It's great that Mayor Lee is active, out

there speaking. It makes me think that the City understands my background.

- The City could do a lot more with cultural festivities and the performing arts. First they need to get to know who's here, building relationships and understanding. The Indian population is a very complex community with more than 25 languages; if you embrace only one you will alienate others. The City doesn't have to do it on its own, but with partners. They could host economic development conversations at Town Hall, making it a two-way learning opportunity.
- Bellevue can be marketed directly, as part of the region, by travel shows and the like. This will draw people to the area because the Korean social network is very strong. People will go places they have seen on TV, places they know others have gone. We should train restaurants and hotels here to be more accommodating, less intimidating to order. During the winter, they need a place to stay that is warm – the weather here is perfect. They need a place the kids could go to school for two weeks or a month.

Export of Goods and Services

Characteristics	<ul style="list-style-type: none"> ▪ Many of Bellevue’s IT and retail businesses export their products globally ▪ Some business services enterprises, such as architecture and engineering firms, sell their services nationally or internationally as well as regionally
Strengths	<ul style="list-style-type: none"> ▪ Access to a global market creates tremendous opportunities for growth ▪ Washington State is well-positioned for trade with Asia in particular, for which Bellevue’s international demographics are a clear asset
Challenges/Needs	<ul style="list-style-type: none"> ▪ Export sales are impacted by factors such as the international market and United States trade policies

Representative Quotes

- In Washington, 40% of the jobs are tied to international trade. In the Puget Sound it’s even greater, and Bellevue even more so, with Microsoft, PACCAR, Expedia and others.
- The City is already doing some things to promote export trade, including outreach to India, China, etc. Potentially opening an Indian Consulate here is very important. This would also help our HR department to figure out visas and other workforce issues.
- Bellevue should be regional in its approach, participating in business missions and delegations. They are on our board but could do more to influence our priorities. They could employ a more explicit division of labor with the Trade Development Alliance, with us or them taking the lead on different items in a more direct partnership. They can participate in branding efforts. We use Seattle as a brand name, but a lot of what we’re talking about is happening in Bellevue. They can also let businesses know about regional resources like the Export Financial Assistance Center.

MEC Employment by Industry

Comparing employment by industry for all MECs highlights key differences in workforce size and industry sector strength. **Exhibit 21** and **Exhibit 22** display MEC employment totals by broad industry categories. Since the “services” sector is a large portion of the employment base for each MEC. **Exhibit 23** and **Exhibit 24** break down employment by the sub-categories that make up that sector. It is important to note that these are high-level industry groupings (combinations of 2-digit NAICS industry codes) that do not match the more detailed industry cluster and subcluster categories presented in earlier exhibits.

- With nearly 43,000 employees, Downtown has the largest workforce of all the MECs. Crossroads has the smallest with only 2,350 employees.
- Services is by far the largest industry category in all of the MECs. Downtown and SR-520/Bel-Red are also strong in the Retail, Finance, Insurance, and Real Estate (FIRE), and Government/Education sectors.

Exhibit 22
MEC Employment Chart by PSRC Industry Sector, 2010

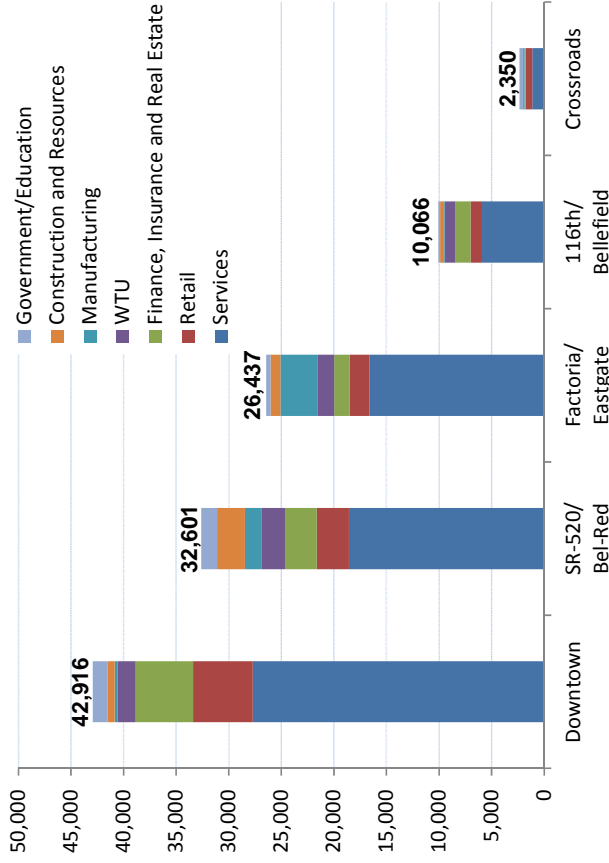


Exhibit 21
MEC Employment Table by PSRC Industry Sector, 2010

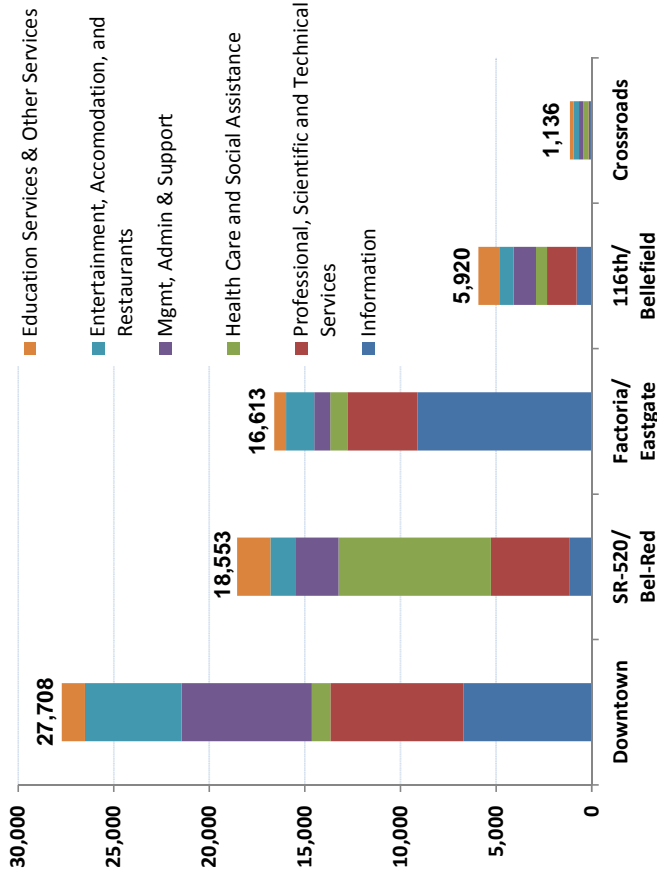
Industry Cluster	Downtown		SR-520/ Bel-Red		Factoria/ Eastgate		116th/ Bellefield		Crossroads		Total in all MECs	
Services	27,708	18,553	16,613	5,920	1,136	69,930						
Retail	5,676	3,074	1,898	1,086	620	12,354						
Finance, Insurance and Real Estate	5,460	3,016	1,455	1,413	110	11,454						
WTU	1,753	2,209	1,560	1,051	0	6,573						
Manufacturing	260	1,601	3,545	45	126	5,577						
Construction and Resources	639	2,649	947	384	24	4,643						
Government/Education	1,420	1,499	419	167	334	3,839						
TOTAL	42,916	32,601	26,437	10,066	2,350	114,370						

Source: Puget Sound Regional Council, 2013

*Major sector categories combine NAICS categories as follows:

Construction and Resources (Const/Res): 11, 21, 23; Finance, Insurance and Real Estate (FIRE): 52, 53; Manufacturing: 31-33; Retail: 44, 45; Services: 51, 54-56, 61 (private-sector portion), 62, 71, 72, 81; Wholesale Trade, Transportation, and Utilities (WTU): 22, 42, 48, 49; Government/Education: Public-sector employment, 61(public-sector portion)

Exhibit 24
MEC Employment Chart by Services Sub-Categories



Source: Puget Sound Regional Council, 2013

- Downtown has the most employees in the Services cluster, with nearly 28,000. Crossroads has the least, with nearly 1,150.
- Downtown is strong in most of the sub-categories in the Services cluster. SR-520/Bel-Red is strong in Health Care & Social Assistance and Professional, Scientific, & Technical Services, while Factoria/Eastgate is strong in Information and Professional, Scientific, & Technical Services.
- Within all MECs, the sub-categories Information and Professional, Scientific & Technical Services have the most employees.

Exhibit 23
MEC Employment Table by Services Sub-Categories

NAICS Codes	Services Sub-Category	Downtown	SR-520/ Bel-Red	Factoria/ Eastgate	116th/ Bellefield	Crossroads	Total in all MECs
51	Information	6,709	1,149	9,123	788	88	17,857
54	Professional, Scientific and Technical Services	6,959	4,134	3,662	1,547	78	16,380
62	Health Care and Social Assistance	962	7,957	897	573	288	10,677
55,56	Mgmt, Admin & Support	6,820	2,269	835	1,182	205	11,311
71, 72	Entertainment, Accommodation, and Restaurants	5,056	1,294	1,466	745	276	8,837
61 (part), 82	Education Services & Other Services	1,202	1,750	630	1,085	201	4,868
TOTAL		27,708	18,553	16,613	5,920	1,136	69,930

Source: Puget Sound Regional Council, 2013

MEC Employment Trends

Comparing historic employment data for MECs between 2000 and 2010 provides insight into which centers are experiencing relative employment growth and which are facing a decline. Since only three data points are available (2000, 2005, and 2010), these numbers do not show the complete picture of employment fluctuations in Bellevue (shown earlier in **Exhibit 1**), but they do provide a few snapshots of employment shifts in the MECs. It is worth noting that 2000 was at the height of an economic cycle and 2010 was a low point in the most recent economic downturn. As a result some of the employment trends show declines that have started to reverse as the economy recovers.

Exhibit 25 shows the total employment and percent change for each of the MECs between 2000 and 2005, and 2005 and 2010, respectively. While

recessions generally stymied employment growth throughout the decade, both Downtown and Factoria/Eastgate saw a significant increase in the latter part of the decade.

- Between 2000 and 2005, all MECs except Crossroads and Factoria/Eastgate (which remained static) saw a significant decline in employment. SR-520/Bel-Red saw the biggest decline, at nearly -17%.
- Between 2005 and 2010, employment in Downtown increased by over 33%. Factoria/Eastgate also saw a significant increase, with 11%. 116th/Bellefield saw the most significant decline, at -22.3%, while Crossroads decreased by over -13%.

Exhibit 25
MEC Employment Patterns, 2000 – 2010

	Total Employment			Total change		% Change	
	2000	2005	2010	'00 - 05	'05 - 10	'00 - 05	'05 - 10
Downtown	35,198	32,142	42,916	-3,056	10,774	-8.7%	33.5%
SR-520/Bel-Red	40,630	33,851	32,601	-6,779	-1,250	-16.7%	-3.7%
Factoria/Eastgate	23,899	23,860	26,437	-39	2,577	-0.2%	10.8%
116th/Bellefield	14,275	12,957	10,066	-1,318	-2,891	-9.2%	-22.3%
Crossroads	2,700	2,711	2,350	11	-361	0.4%	-13.3%
Total for all MECs	116,702	105,521	114,370	-11,181	8,849	-9.6%	8.4%

Source: Puget Sound Regional Council, 2013

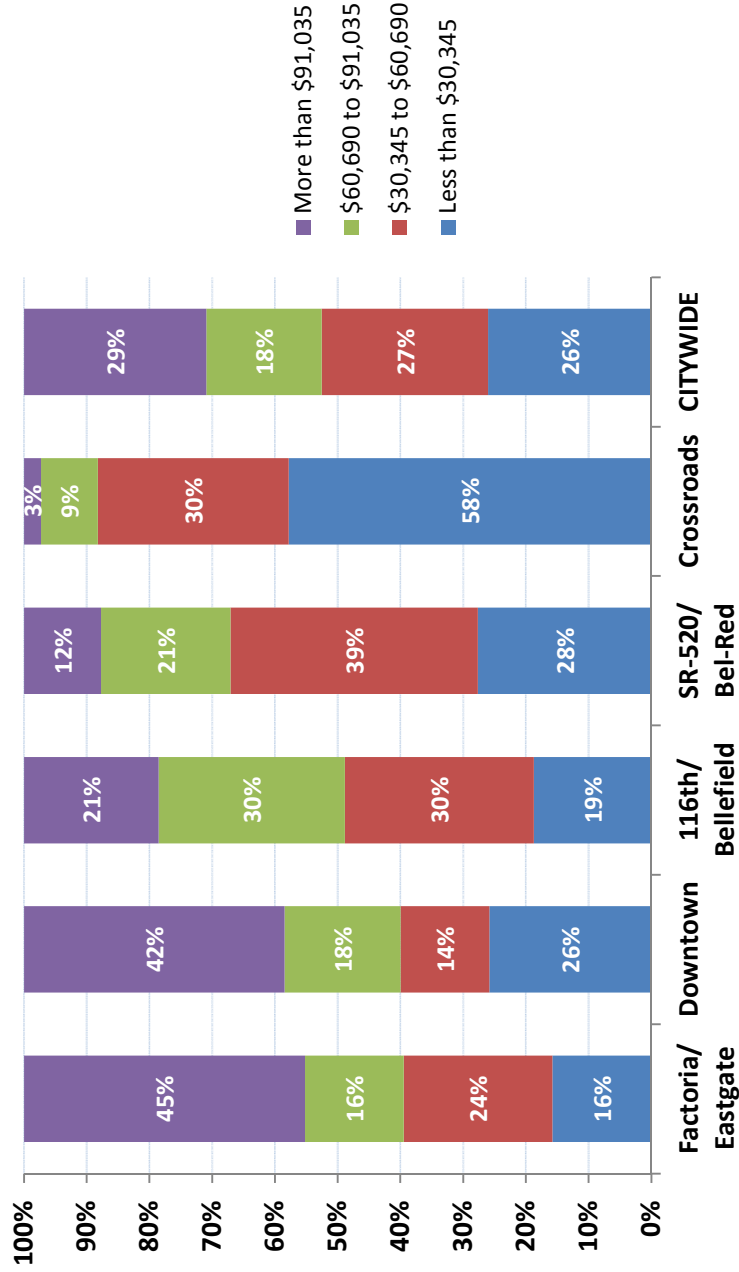
MEC Wage Comparisons

Comparing wage distributions highlights differences in the types of jobs and the range of incomes present in the workforce of each MEC. **Exhibit 26** shows wage distributions for each MEC broken out by four income categories.

- Employees in Factoria/Eastgate and Downtown have higher overall wages than the other MECs. Between 40% and 50% of employees in these MECs earn over \$90,000 per year, while 40% earn under \$61,000. However, Downtown also has a relatively high percentage of employees earning \$30,000 or under (26%).

- Employees in Crossroads earn far less than the other MECs, with nearly 60% of employees earning \$30,000 or less. Employees in SR-520/Bel-Red also earn relatively lower wages, with 67% of employees earning under \$61,000.

Exhibit 26
MEC Wage Distribution Comparisons, 2010

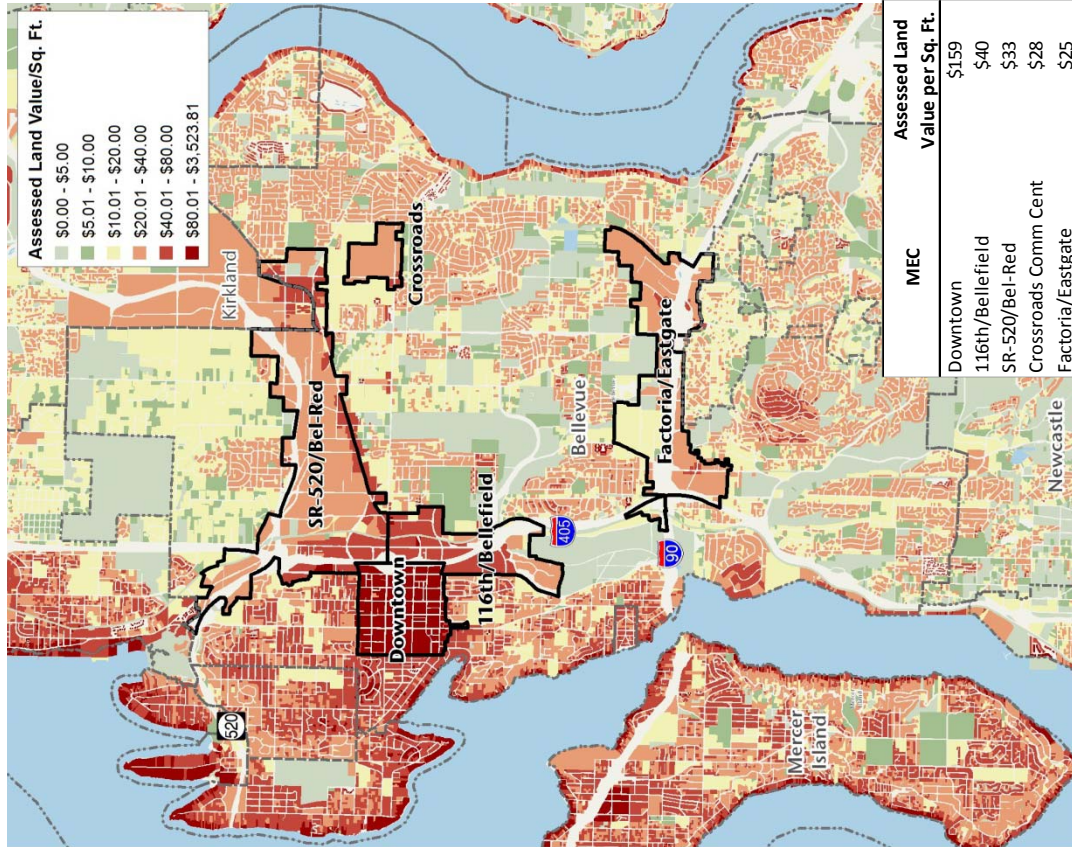


Source: Puget Sound Regional Council, 2013

MEC Assessed Land Value Comparisons

Exhibit 27 shows assessed land values per square foot across Bellevue, with MECs highlighted. At nearly \$160 per square foot, Downtown's assessed land value is far higher than any of the other MECs. The other four MECs' assessed land values range from \$25 - \$40 per square foot, with the MECs furthest from Downtown having the lowest values.

Exhibit 27
MEC Assessed Land Value Per Square Foot, 2013

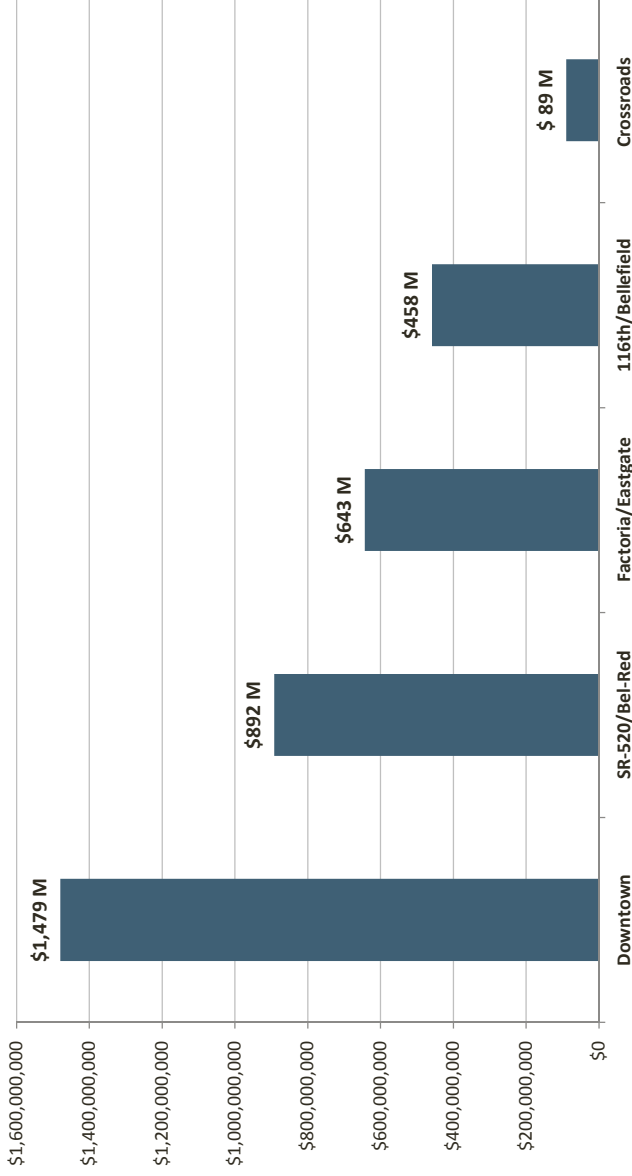


Source: King County Assessor's Office, 2013

Taxable Retail Sales by Growth Centers

Exhibit 28 shows the total TRS by growth center. With a total TRS of nearly \$1.5 billion, Downtown had by the highest TRS total in 2012 of any growth center. The second highest was SR-520/Bel-Red, with \$892 million, while the lowest was Crossroads, with \$89 million.

Exhibit 28
Taxable Retail Sales by Growth Center, 2012



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

Representative Quotes

Downtown

- From a real estate perspective I can't stress the City's opportunity in downtown enough. They have one of the hottest, most desirable locations on the West Coast, along with the Pearl District, San Francisco's south of market area, and bits of LA.
- The City needs to understand what is making my downtown so attractive compared to other downtowns so it can continue to maximize what is making it desirable. Downtown Seattle is similar, but struggling outside of South Lake Union. Why?
- 8th and 112th seems close to Downtown, but it's 3 blocks too far. It's a very constrained geographic area that people want to be in. One key strategy for the City should be to vitalize the surrounding areas so they can expand the downtown. This is critical to retention and expansion of existing downtown businesses.
- The "heart" of Downtown used to be 12 blocks by 12 blocks, but it's much bigger now. Locations that wouldn't have been considered part of Downtown a few years ago now are frequently referred to by that label.
- Downtown's super blocks are a real challenge. They can double the size of Downtown without adding any streets. Kemper would disagree, but they need to make the existing street grid more efficient: 1-way traffic with on street parking and greater pedestrian access. Main Street is doing valet parking. The City should do a LID for multi-level parking at the park. They also need more public transportation with more condos and a non-driving population coming in.
- Development downtown is displacing legacy retail, tearing down 1960s vintage retail centers for apartments. While that's generally good, their losing character and the mix of those shop keepers. For a more vibrant city, they need a good ground floor retail mix. The City mandates street level retail, but shop keepers are faced with \$45-50 per squarefoot, compared with the \$25 they used to pay. They should figure out how to offer bonuses or breaks for shopkeeper rates.

Bel-Red

- The Bel-Red Corridor could be the region's next South Lake Union. But there too many small parcels: professional service firms and woody walkups. The Coca Cola plant is the exception if the City really wanted to make this go, they would start land banking. They need to prime the pump.
- While there is certainly a need for class A space, there is also a need for mixed use space, including light industrial, outside city downtown core. There is less and less of that. There is some in Bel-Red now, but it's older

and may not be appropriate for IT. Create an area that has mixed use, also include residential. It's the last large space that could be open for this kind of development.

- There is a question in the long run about what happens with Bel-Red. You see lots of proposals now for mid-level office mixed with residential. It won't be manufacturing, but energy tech, clean tech, all related to software. Maybe intellectual ventures, incubators, and space-related entrepreneurs. But if Bel-Red gets turned to class A office space, they'll need another place to go, perhaps underutilized areas on the east end of the City.
- The City did a great job with the Bel-Red corridor plan. Phase one is the litmus test: will they sell? It will take a long time to achieve the vision for this area. In the meantime the City should add more flexibility for industrial uses, until there is enough economic value to change uses. It's too early to offer incentives to try to bridge the gap. Let phase one happen, let Sound Transit come in, with more road infrastructure. Then assess what's happening and recalibrate.
- The Spring District will go, and some other nodes, but the rest of Bel-Red is comprised of a lot of small pieces. It will take a lot longer to accomplish their vision than they may think. What will they do with the bodyshops and other businesses that are there now? You don't want to displace them to Monroe. To keep that mix of living wage jobs they should zone them into the Crossroads area or other parts of town.

Other Areas

- Downtown will develop at the expense of the City's other neighborhoods.
- Facteria, Crossroads, and other areas have been forgotten about a bit in contrast to downtown with its shiny headquarters.
- Bellevue will become a more mature and an even stronger alternative for businesses if within the city limits it can offer a range of experiences. The City should focus not only on downtown; it's not end all, be all. Bellevue will be an even stronger alternative if it can offer range of experiences. It's an untapped strength that it hasn't capitalized on. They need to strengthen the connective tissues between neighborhoods. The new light rail system is not just going to connect Bellevue with Seattle, but also connect within Bellevue and other eastside cities.
- Nothing will radically change in the suburbs outside of downtown. They're fairly mature and won't have tremendous impact on the city's economy the way the downtown can.

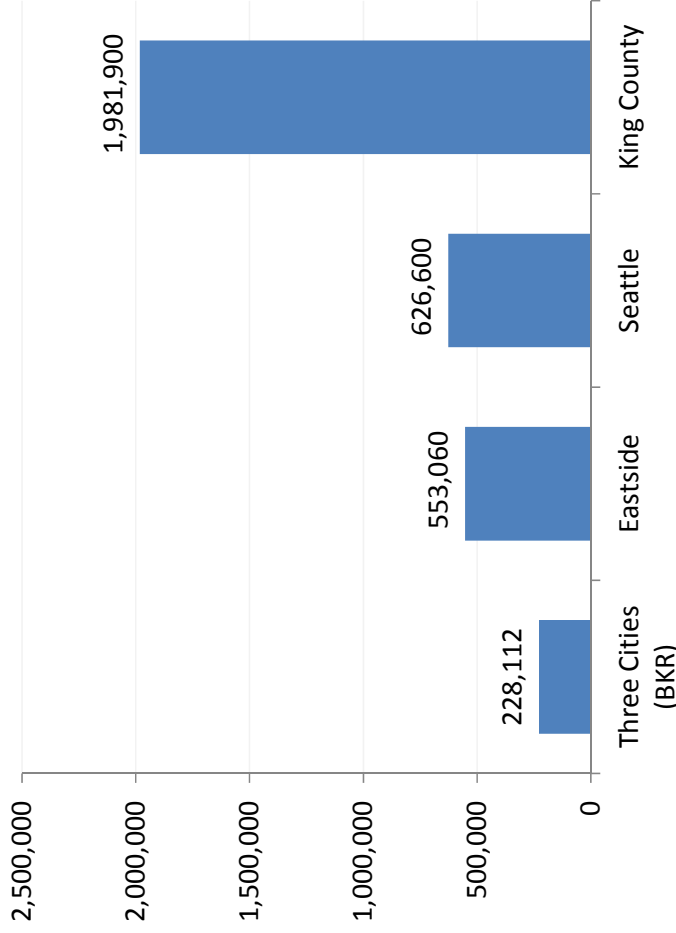
Regional Comparisons

To gain a broader understanding of Bellevue’s position within the County, it is beneficial to make some demographic, income, and employment comparisons between the Eastside as a singular unit (as defined by the conglomerate of cities listed in the text box below), Seattle, and the County overall. Also included are measures for the three largest cities within the Eastside: Bellevue, Kirkland, and Redmond. **Exhibit 29** shows the Eastside’s population compared to Seattle, King County, and the three cities, while **Exhibit 30**, **Exhibit 31** and **Exhibit 32** show the comparative distributions of race, educational attainment, and income, respectively, for the populations of the three geographic units.

For the current analysis, the Eastside is defined as a conglomeration of the following cities:

Beaux Arts
 Bellevue
 Bothell
 Clyde Hill
 Hunts Point
 Issaquah
 Kirkland
 Kenmore
 Medina
 Mercer Island
 Newcastle
 Redmond
 Sammamish
 Woodinville
 Yarrow Point

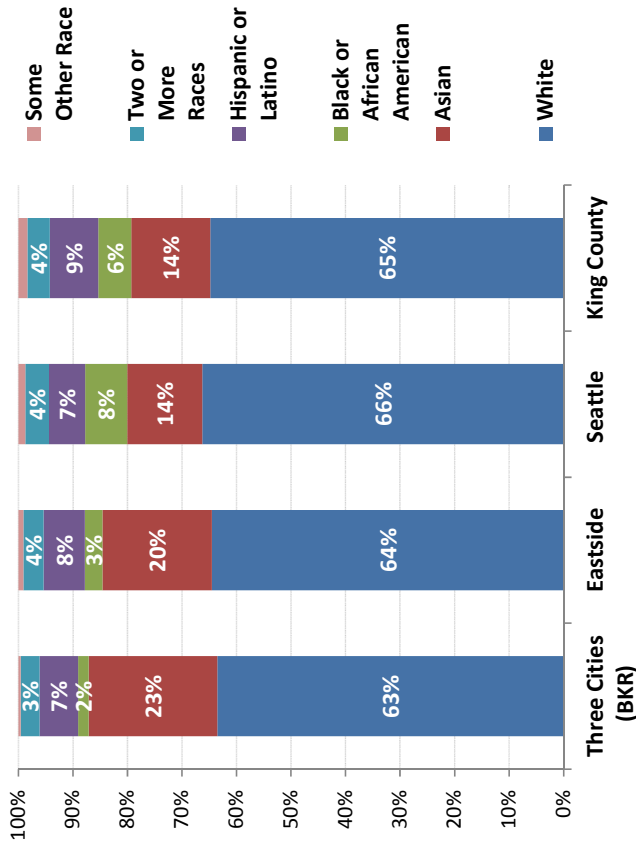
Exhibit 29
Eastside, Seattle, and King County Total Population, 2013



Source: Washington State Office of Financial Management, April 1, 2013 Population of Cities, Towns and Counties

- The Eastside has just over 553,000 residents, approximately 73,500 fewer than Seattle. The County overall has nearly 2 million people.

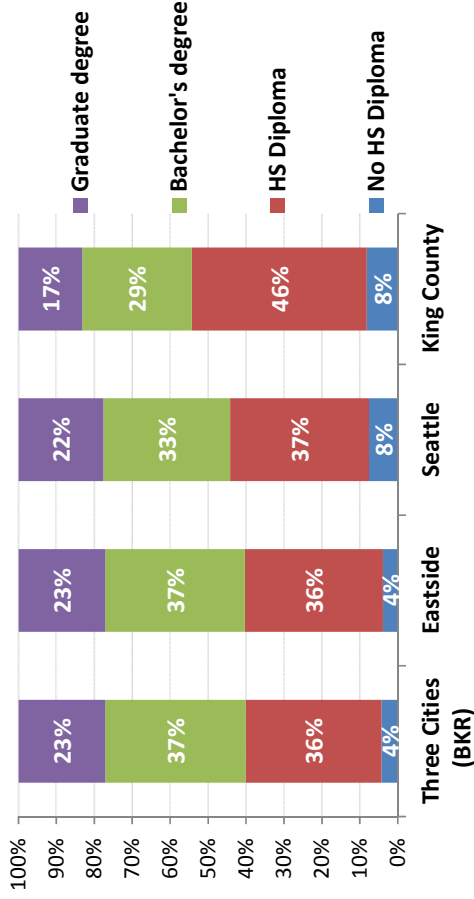
Exhibit 30
Race and Ethnicity, 2010



Source: U.S. Census Bureau, 2010 Census

- The Eastside, Seattle, and King County all have a population that is approximately 35% non-white. The Eastside has a higher percentage of Asians (20%) than Seattle and the County average (both at 14%), but a lower percentage of Blacks (3% vs. 8% and 6% for Seattle and the County average, respectively).

Exhibit 31
Educational Attainment Distributions for Population 25 Years and Older, 2007-2011



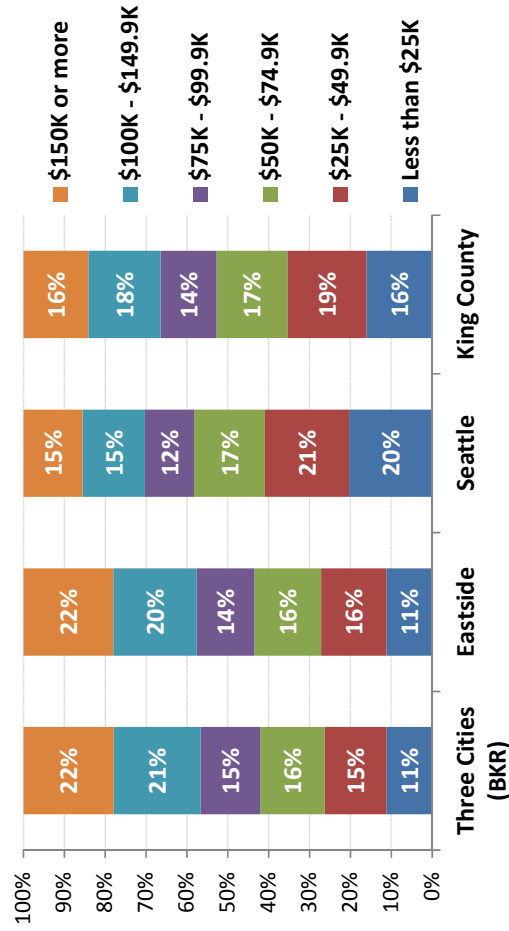
Source: U.S. Census Bureau, 2007-2011 American Community Survey

- Overall, the Eastside has a higher percentage of residents 25 years and older with college degree (60%) compared to Seattle (55%).
- Both Seattle and the Eastside have a more educated population compared to the County overall.

Exhibit 32 shows the comparative distribution of income for the populations of the Eastside's, Seattle and King County.

- The Eastside is significantly wealthier than Seattle and King County overall. Nearly 40% of Eastside households earn more than \$100,000 per year, compared to only 30% and 33% of Seattle and King County households, respectively.
- Only 28% of Eastside households earn less than \$50,000 per year, compared to 42% and 37% for Seattle and King County, respectively.

Exhibit 32
Household Income Distributions, 2007-2011

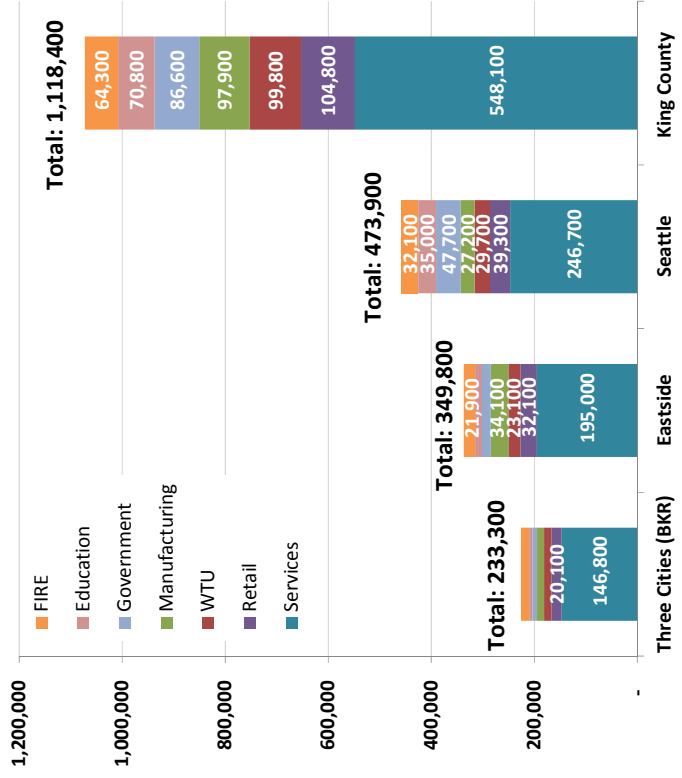


Source: U.S. Census Bureau, 2007-2011 American Community Survey
Note: Income in 2011 inflation adjusted dollars.

Exhibit 33 shows the total number of jobs by employment sector for the Eastside, Seattle, and King County (based on covered employment estimates provided by the Puget Sound Regional Council), while **Exhibit 34** shows the comparative employment distributions by sector.

- The Eastside has a total of nearly 350,000 primary jobs, which is approximately 120,000 fewer than Seattle.
- The majority of Eastside primary jobs (56%) are in the Services sector, and it has higher percentage of Services jobs than Seattle (52%) and the County average (49%). The second highest sector by percentage is manufacturing (10%), which is also higher than Seattle (6%) and slightly higher than the County average (9%).
- The Eastside’s percentage of primary jobs in the education and government sectors is notably lower than Seattle and the County average.

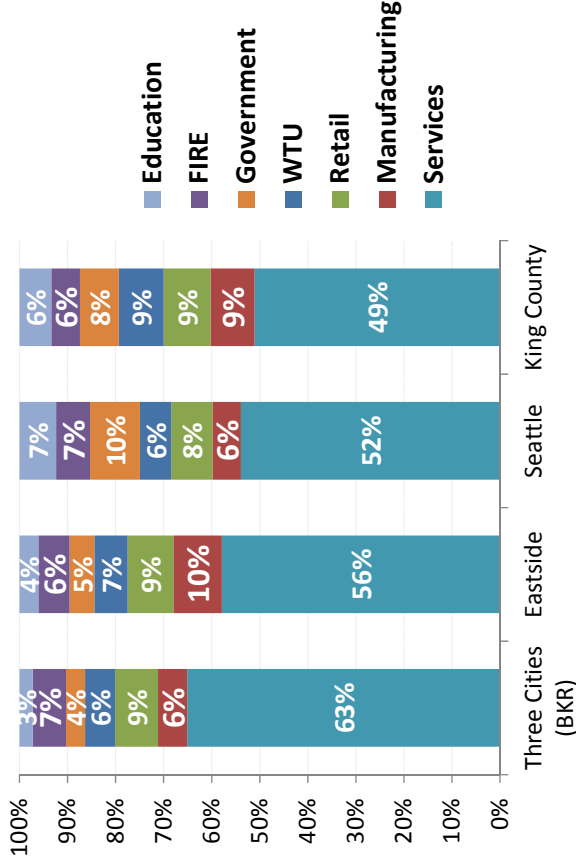
Exhibit 33
Eastside, Seattle, and King County Covered Employment Estimates



Source: Puget Sound Regional Council, 2011.; BERK, 2013

DRAFT: 11/18/13

Exhibit 34
Eastside, Seattle, and King County Covered Employment Distribution Estimates



Source: Puget Sound Regional Council, 2011.; BERK, 2013

CITY OF BELLEVUE ECONOMIC DEVELOPMENT PLANNING

Compilation of Stakeholder Interview Comments Draft 11/18/13

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PART 1: OVERVIEW

INTRODUCTION AND METHODOLOGY

In August, September, and October 2013, BERK conducted interviews with a diverse set of stakeholders to inform the economic development planning process being undertaken by the City of Bellevue. BERK worked with the City staff to identify a list of key interviewees and to develop a comprehensive list of stakeholder interview questions.

Stakeholders included local and regional partners; businesses, real estate representatives, community leaders, and others. Telephone interviews were conducted with more than 50 people, with each interview lasting between 20 and 60 minutes.

LIST OF INTERVIEWEES

ORGANIZATION	NAME	CATEGORY
Boeing	Rich White, State & Local Government Relations Northwest Region	Aerospace
Governor's Office of Aerospace	Alex Pietsch, Director	Aerospace
King County Aerospace Alliance	Ray Moser, Economic Policy Advisor & Business Relations Manager	Aerospace
Cary Kopczynski & Company	Cary Kopczynski, Principal	Business Services/Consulting (Structural Engineering)
East West Bank	Tom Chang, Senior Vice President of Pacific Northwest Region	Business Services (Financial Services)/International
Fresh Consulting	Jeff Dance, Chief Executive Officer	Business Services/Consulting
Green Info Systems	Manish Samadarshi, Chief Operating Officer	Business Services/Consulting
MacMillan Associates Consulting	Bob McMillan, Owner/ President	Business Services/Consulting
Mulvanny G2 Architecture	Ming Zhang, President	Business Services (Architecture)
Oseran, Hahn, Spring, Straights & Watts	Bill Hsu, Managing Shareholder	Business Services (Legal)
Symetra Financial	Jim Pirak, Senior Vice President of Marketing	Business Services (Financial Services)
City of Bellevue	Conrad Lee, Mayor of Bellevue	City of Bellevue
Washington Clean Tech Alliance	Tom Ranken, President	Clean Tech
Bellevue Chamber of Commerce	Betty Nokes, President & Chief Operating Officer	Economic Development Partner
Bellevue Downtown Association	Patrick Bannon, President	Economic Development Partner

City of Bellevue Economic Development Planning
 Compilation of Stakeholder Interview Comments

ORGANIZATION	NAME	CATEGORY
Economic Development Council Seattle and King County	Jeff Marcel, President & Chief Operating Officer	Economic Development Partner
Meydenbauer Center	Stacey Graven, Executive Director, and Sharon Linton, Marketing/ Communications Manager	Economic Development Partner/Tourism
Washington Interactive Network	Kristina Hudson, Executive Director	Economic Development Partner/Interactive Media
Bellevue College	Dave Rule, President	Education
Bellevue School District	Tim Mills, Superintendent	Education
City University	Christopher Ross, Vice President of Advancement	Education
DigiPen	Jason Chu, Chief Operating Officer	Education
Puget Sound Energy	Will Einstein, Director of Community and Business Services	Energy
Hong Kong Association of Washington	Andy Yip, President	International
Indian Community	Debadutta "Dash"	International
Korean Community	Joanna Chong	International/Retail
Trade Development Alliance of Greater Seattle	Sam Kaplan, President	International
Booking.com	Todd Dunlap, Managing Director for North America	IT/Travel
Camouflaj Game Studio	Ryan Payton, Founder	IT/Interactive Media
Concur	Rajeev Singh	IT/Travel
Expedia*	Bonnie Haupt, Engagement Manager	IT/Travel
F5	Karl Triebes, Executive Vice President of Product Development	IT
General Microsystems	Earl Overstreet, President/ Owner	IT
Hidden Path Games	Jeff Pobst, Founder	IT/Interactive Media
Microsoft	Irene Plenefisch, Government Affairs Manager and Bellevue Downtown Association Board Jim Stanton, Senior Community Affairs Manager, AICP	IT
Payboard, Eastside Incubator	Matt Dyor, Co-Founder and Chief Operating Officer	IT
T-Mobile	Jim Blundell, State Legislative Affairs	IT/Mobile
Group Health Cooperative	Carol Taylor, Manager	Life Sciences & Health
Overlake Hospital	Caitlin Hillary, Vice President of Strategy and Marketing and David Schultz, Chief Operating Officer	Life Sciences & Health

City of Bellevue Economic Development Planning
 Compilation of Stakeholder Interview Comments

ORGANIZATION	NAME	CATEGORY
Colliers International, Bellevue Office	Bret Jordon, Managing Director	Real Estate (brokerage, management)
Cosmos Development	Oscar Del Moro, Senior Vice President	Real Estate (retail development)
Hal Woosley Properties, Inc.	T.J. Woosley, Owner	Real Estate (brokerage, retail)
Kemper Development	Kemper Freeman, Chairman and Chief Executive Officer Jim Hill, Executive Vice President	Real Estate (retail, hotel, office development)
Kidder Matthews	Brian Adams, Senior Vice President Gary Guenther, Senior Vice President and Partner	Real Estate (brokerage, management)
McConkey Development	Fred McConkey, President (also Mayor of Hunts Point)	Real Estate (investment, development, brokerage, management)
Sher Partners	Ron Sher, Principal	Real Estate (development, retail)
Talon Private Capital	Bill Pollard, Managing Principal	Real Estate (investment)
Vander Hoek Corporation	Stu Vander Hoek, President	Real Estate (development, management)
Wallace Properties	Bob Wallace, Chief Operating Officer	Real Estate (brokerage, management, development, investment)
Wright Runstad & Company	Greg Johnson, President	Real Estate (management, development, investment)
Barrier Motors, Incorporated	Jimmy Barrier, Founder	Retail (auto)

*Response sent via e-mail

Interviews Focused on Global Workforce, Trade, or Investment

(also included in the list above)

ORGANIZATION	NAME	CATEGORY
East West Bank	Tom Chang, Senior Vice President of Pacific Northwest Region	Business Services (Financial Services)/International
Green Info Systems	Manish Samadarshi, Chief Operating Officer	Business Services/Consulting
City of Bellevue	Conrad Lee, Mayor of Bellevue	City of Bellevue
Hong Kong Association of Washington	Andy Yip, President	International
Indian Community	Debadutta "Dash"	International
Korean Community	Joanna Chong	International/Retail
Trade Development Alliance of Greater Seattle	Sam Kaplan, President	International

PART 2: COMPILATION OF STAKEHOLDER INTERVIEW COMMENTS

BELLEVUE'S STRENGTHS AND ADVANTAGES

- Mix of location and amenities; employees and company leadership want to be on the Eastside.
- Access to educated workforce
- Very high quality of life.
- School systems are perceived to be good.
- Benefit to being in proximity to Microsoft and other HQs.
- Restaurants are continuing to grow.
- Knowledge based economies:
 - IT
 - Financial services
 - International business
 - Mobile
 - Gaming
- Bellevue is the shortest distance by air to China and a short distance to Canada. With the growing relationship and business opportunities between the US, Canada, and China, Bellevue is a very strategic location for any business headquarters.
- Reversing the sprawl – people are coming back into more urbanized area. Bellevue is perfectly situated between the two bridges. It's a tremendous advantage.
- There are more wealthy people, more high tech companies with people who make money. We are right in the middle of it.
- Bellevue's growth is stronger than any city in the State of Washington. Seattle is stacked – there is more room for growth here and it's more family friendly. Better quality of life and infrastructure – so we have wealthy people in Bellevue and they want to stay in their neighborhood.
- The demographic in Bellevue has a great purchasing power. It's safe. It's considered upscale. There is really good infrastructure and maintenance plan. Less gritty than Seattle. Clean and nice with a good police force. Blessed with some really smart City "fathers" – world class people who have helped build the community. Bellevue is the way it is because a lot of people worked hard to make it that way.
- The demographic has changed to a more vibrant and international place – a lot more ethnic and racial diversity. A lot of immigrants – it's turned into a melting pot (a result of software industry). There's a great workforce and a great school system – it's a place people want to come. Good neighborhoods – quality of life. The toll has actually caused more people to want to move to Bellevue.
- People want to be in Downtown Bellevue – they like walkability and vibrancy.
- Our employees love being in Bellevue – they can go to restaurants, do their shopping. Great amenities and environment. The city has also been great to work with.
- The employee base that Bellevue has is remarkable. Education system in Bellevue is great. Within the public school system, there are some of the top rated public schools. There is a full spectrum of educational opportunities.

- Benefits include a substantial, well-educated, wealthy customer base (purchasing power) in Bellevue. More density and higher population than other Eastside communities. Transit opportunities are better than other Eastside communities. The quality of the school system. Bellevue is younger than Seattle so it has a different vibe and different expectations of a living environment. There is a more educated workforce overall.
- A lot of amenities that are located here. Great retail, restaurants, infrastructure, good parking, residential opportunities. It is probably the best mix of retail, residential, and office. Businesses are becoming increasingly concerned about providing attractive amenities for their workers – they want to hire talented, specialized people. These people appreciate amenities (restaurants, wine bars, gyms, etc.) – Bellevue has more amenities than other Eastside cities.
- One advantage the Eastside has is a high percentage of doctors, lawyers, CEOs who appreciate the quality of life and find residential neighborhoods they prefer, as well as better schools. So it is more likely for businesses to open here.

Why Businesses Locate Here

- The fact of the matter is that a lot of executives for different firms live on the eastside. That's why the businesses are here as well.
- You see a cluster of firms across the street from Microsoft, across the street from Intel. Even in this day and age, physical proximity matters for the work we do because it's very interactive.
- We're here because of the same reasons you'd want to live here: Bellevue is the crossroads of the north and south on I-405. Seattle and the mountains are close. It's a big city, but safer than others, with lots of amenities. It boils down to transportation and quality of life. Our employees love being in Bellevue – they can go to restaurants, do their shopping. Great amenities and environment.
- What attracted us to downtown was the great corridor, food amenities, and walkability. We also wanted to be close to Expedia, Google, and Microsoft for partnerships and to attract talent. Our new location decision boiled down to availability of multilingual residents: calls come in from around the globe and are routed to the right service center depending on time of the day. We did a lot of research on where in the US we could find language skills (Asia and the Pacific Rim). By being located in Eastgate, we will draw language speakers both from south Seattle and Eastside. We also wanted to be close to a transportation hub. Our location is close to Bellevue College and the transit station there.
- Bellevue offers great shops / restaurants and is in a good central location for most of our employees who live outside of the city (e.g. Seattle, Kirkland/Bothell, Renton, Issaquah).
- We were looking for a space that would appeal to new talent (we have a wide spectrum - young people and experienced folks), almost universally across this spectrum people want the opportunity to work in an urban or semi-urban environment - with access to public transportation and restaurants and other amenities within walking distance. People also like other businesses to be located around them - to meet with friends that work there among other reasons.
- The main reason we are located here- a big part is price of office space - got deal on space until demolition. If it wasn't Bellevue, we would try to find space in the University District. We have zero interest in Pioneer Square - one benefit of Bellevue – there is no homeless problem. Restaurants/movies - people love these amenities.
- Originally we were in Bellevue because I lived on the Eastside and it made sense to be here. When business matured, we asked ourselves if it makes sense to stay here - and concluded that Bellevue is a great place to be (we were picking between Seattle and Bellevue). It is a dynamic and thriving community. Close to clients. Bellevue is normally a very safe community. Some employees, when they go to Seattle, see a lot of panhandlers. Employees, especially female employees don't like that.

- Bellevue is a great location for talent - the company wants to make an effort to capture the talent. Microsoft, other tech companies - lots of software engineers. We have the best of all worlds here. From growth perspective - there is probably more growth possibilities here than in Seattle. Seattle has more competition for talent, but the Eastside has a big hiring pool.
- Rationale drove us here: central location, transportation was a consideration, Bellevue was a central hub. Real estate prices have a lot of variance in Bellevue - can go to both expensive/inexpensive place and still be in Bellevue proper. We're not in the most expensive district. When rubber hits road, we have a desire to be centrally located but the market focuses on office space, power, internet, and cost of rent. They are probably main deciding factors. It is nice to have the vibrancy of downtown but it is not a deciding factor. We're a little too practical.
- We liked Bellevue because it is a transportation center and it is the hub of the Eastside from a business standpoint. We wanted to co-locate with other companies using the Eastside as their headquarters.

COMMUNITY SUPPORTS

Infrastructure

General Comments

- The City of Bellevue should identify core areas to make a difference in this community – the best thing the City can do is to provide leadership around infrastructure investments (doesn't mean they need to always pay, they can leverage regional supports).
- The city should invest in some needed infrastructure improvements (like pedestrian corridor) and not try to do everything on the backs of the developer community.
- The city is in danger of falling behind in infrastructure. Taxes could be higher – especially if to support infrastructure. The City should leverage the investments made by the region and state. Make the connection between Seattle and Bellevue even stronger.
- There is a need to continue to improve things that employees want and need as part of their environment: make sure the city is clean, safe, accessible (including biking), address parking, etc.
- The tax structure too low for them to pull in enough funding to invest. It is Counterintuitive. There is a need to increase taxes to make investments.

Transportation/Mobility

- Need to be making transportation investments (both at local and regional levels), including transit – multi-modal system that works together.
- General commute challenge – unless we are able to provide cost-effective and convenient options. Making light rail move forward, I-405 improvements are needed.
- Transportation-related items are a challenge. Concern about congestion because of lack of mass transit options. The perception is that cars are the only way to get around and traffic is bad.
- Because of Bellevue's success and the amount of people that work and live on the eastside, the transportation infrastructure became a hindrance. On the East coast we call it the 2 county rule: everyone lives two counties away from where they work because they can't afford living closer to work. We need transportation infrastructure including light rail. It will be an even bigger challenge with time.
- Transportation is a challenge, including mass transit. This stretch of I-405 is one of the busiest in the country. Having this through downtown is a big congestion point. Transportation challenges make it that much harder to attract workers with lower wages that live farther away.

- Mobility is the biggest issue. Getting in and out of Bellevue is hard; it's the #1 comment from our workforce. We try to provide access, but there are still a number of people that drive.
- Traffic and congestion, especially around I-405 are the biggest challenges. Trying to leave Bellevue after work heading south - good luck. If there is more space being added downtown, Spring District and others will need to address the traffic. Bellevue is not an easy town for biking - it would be good to introduce better ways to get in.
- Traffic in one of the biggest challenges. People try not to get on I-405. Patients don't want to come during rush hour time. We need a comprehensive transportation package. Bellevue could do more with bike lanes and could be more pedestrian-friendly.
- The roads are not large enough – we don't need buses or trains, we need larger roads.
- There are lots of natural advantages – but we need to capitalize on that with better infrastructure, roads. I'm in support of user-based tolls. If we had better mobility it would make it more attractive. Traffic is horrendous. Address the traffic/transportation issues. We need better infrastructure – bigger roads, parking everywhere. That's what will bring people in. Bellevue Square is so popular because it provides free parking. People care about convenience and time.
- Continue to make investments in transportation network. Our hope is that Bellevue invests in both public transit and roads. Light rail is incredibly important.
- The transportation mix in Seattle is better - access to parking is not easy, but public transport is better - this mix could improve in Bellevue. If there were 25-30% more routes/better timing for public buses, it would go a long way.
- People in their 20s don't want to drive. They want more public transit options. They don't necessarily want to live in Bellevue; most live in Seattle's hip neighborhoods, so they run into transportation issue. If you are driving, and there's no traffic, it's fast. Via public transport it's an hour – just takes too long. Bellevue should figure out express buses from Queen Anne, Capitol Hill, others to Bellevue – partner with Metro?
- Another benefit long-term would be increased mass-transportation to and from the City. While buses are great, they often can get packed and don't run frequently during non-commute hours (e.g. Saturday). High speed rail options would reduce congestion while providing a quick way to enter/leave the city all times of the day.
- Make sure that we continue to make investments in additional infrastructure. One of the problems is roads to get people here and around the city. If we continue to not adequately address transportation infrastructure, people will go to the path of least resistance. It would be harder to get to. From the surveys that we do, we hear that people would like to come to Bellevue even more frequently than today, but they don't because of the transportation challenges.
- We heard from one of the largest consumers of office demand in Bellevue – they are concerned that congestion is becoming a problem, and wonder how long they can continue to stay here. We need to solve this soon.
- Traffic is clearly a challenge, especially during rush hour. Just getting to the freeway is hard, and I-405 is terrible, stop and go.
- Planning issue, there is a constant struggle with transportation. We need both bigger roads and light rail – get the light rail done economically, and have satellite systems around the perimeter. Vancouver is light years ahead of us. But we always need to accommodate cars coming in since we built the city with highways right through. However, we need light rail to make it work. Start lowering parking ratios for cars – we don't need that many cars. Buses will just clog up infrastructure – more rail. Less parking, more rail, and more transit oriented development.
- Traffic is pretty bad – “rush day”, although not only Eastside problem. I-405 is one of the worst corridors.

- Congestion in certain areas is a hassle. Businesses need a good mobility system. Too much money is going into mass transit and not enough into improving roads and expanding the grid. That's an impediment to businesses.
- The City should be looking at infrastructure improvements – the biggest threat is that the city is fooling around with infrastructure. The City is being told now that they will be able to double the amount of space to the max of current zoning. We have about 300,000 trips/day in downtown, so this can double, and the City is telling us that we are going to solve this impeding need through walking, biking, and transit. They need to connect the dots to reality. We are spending so much money on this in Seattle now, and while it's 7th in market share for public transit – it's only 3% of daily trips. We are spending 60% of funding on this 3%.
 - The city is all excited about the light rail. The Environmental Impact Statement says if or when it's built and at capacity, it will move 2,500 new trips/day - that's not even 1% of trips. Even today this wouldn't be detectable. Plus we have good access to transit already.
 - Sound Transit has taken out several highest occupied routes and is hoping to move some trips to the light rail. They are taking out the best, most efficient buses and replacing it with the same thing at a high cost. Instead they could enhance the service and change routes to make it better.
- Transportation will be key for this region – being able to improve mobility. Buses and light rail aren't enough – need more routing, more ways to get from one place to another. It is tied to regional transportation issues.
- Around the globe – transit is one of the criteria for our location decisions. Here – it is one of the most difficult issues that really needs to be pushed. If you look at San Francisco – they have BART, water taxis, buses – all of these means enhance ease of getting around. NYC, Washington DC – also easier to get around.
- The grid downtown has always been difficult - it's too big. It is way too much of an auto orientation. Really not bicycle friendly. Not really pedestrian friendly. A lot of scale issues. There are ways to work within that - one has to look at the transportation system and make more friendly options for transit and cycling.
- Tying large bicycle infrastructure from 520 to Redmond and Burke Gilman - BNSF becomes major bicycle corridor. We have to start making changes - make it more bike-friendly - so that the best economic deal is urban living in Bellevue.
- Downtown Bellevue has better traffic than other downtowns on the Eastside or in Seattle. However, freeways are a mess and light rail will not serve that traffic because there is not enough capacity. But many other cities have disadvantages related to traffic.
- The biggest infrastructure problem we have is transportation – it has more to do with freeways and arterials. Both North and South Bellevue way should have been widened many years ago but they weren't. The City used to build roads to keep up with expansion, but not much in the last 15-20 years. Mobility is critical if we want to attract economic development – there are political dynamics that negatively affect this.

Other Infrastructure Improvements

- We need more cell sites – that's actually a safety feature in the case of an emergency. The signals aren't good enough if there are power outages.
- The City could make faster Internet available. City-wide Wi-Fi? Could be unique capability – business and retail capability that would encourage tourism as well. There are other capabilities that the city can offer in partnership with businesses – have access to internet services and cloud technology.

Housing

- If a corporate tenant has a predominance of middle aged, upper middle class employees, they have lots of choices. But lower pay or highly educated/younger workers are very sensitive to housing.
- Where do people live? Older group live/work closer to Bellevue or have lived in Renton/Kent and come up I-405. Younger crop is more likely to come in from Seattle, east (Plateau), north (Edmonds, Mountlake Terrace). They don't want to live in South King County because of the commute. Leadership lives closer to traditional Eastside. There's nothing affordable in Bellevue unless you're a software engineer. The City should encourage workforce housing here for employees in their 20s and 30s. Downtown is expensive real estate, either apartments or condos and it won't change. Maybe there will be more reasonably priced housing in Spring District or Bel Red after light rail gets built.
- The cost of housing is the greatest challenge to our business. Of our 250 employees, only 40-50 are in Bellevue. Others are from all over: Renton, Federal way, Tacoma, a few in Seattle, a few in Issaquah, some in Edmonds, even 1-2 from Tumwater. While it's partly true that knowledge workers can afford to live here, tech businesses have lots of support workers who may take home \$30,000/year rather than \$100,000+. Our business is dependent on all of them.
- There is a lack of affordable housing – both for students, faculty, and people that work in Bellevue in lower paying jobs. We are losing faculty before they even get here – they look at the real estate prices, and decide they can't do it.
- City and community as a whole should pay attention to the quality of life issues: we need city-wide approach to affordable housing options.
- Affordable housing - my colleagues are working with the City to update some land use codes. We employ a wide range of people and understand the challenges they face with regard to workforce housing. Just got back from a trip to Pasadena – a City that was really struggling to where they are now. They built affordable housing into market rate developments. Vancouver also has the same concept.
- We are generally able to attract good talent, but there is a challenge. Especially with younger people – it is hard to get them here as the cost of housing is high. They will live north in Snohomish County or south toward Renton, but then the commute is bad. The problem is for young people to find housing. People either leave in 6 months because they are burned out on commute or they decide not to take the job because they don't want to move to Bellevue or deal with the commute. If there were better housing options, it would attract even better people to Bellevue.
- Don't hear a lot about affordable housing - not as important for tech companies - having housing options is important but for workers with tech wages, they don't need affordable housing. Don't see affordable housing need in the downtown core.
- Housing is not really available to Bellevue College or City University. A number of years ago we were looking for housing for our students and didn't see much available in Bellevue, as far as student housing is concerned.
- Bellevue downtown housing rents are pretty high; need more affordable housing units for younger staff.
- Compared to Seattle – don't have the multi-family housing stock that Seattle has, which is a disadvantage.

Character and Urban Environment

- Critical mass of software companies right now and as they expand or new ones want to be part of that ecosystem, the Eastside is desirable. We are offering space: they are trying to match this with transit-served neighborhoods, authentic urban experiences, and functional buildings for tech users (larger floor plate sizes).
- Bellevue will become a more mature and an even stronger alternative for businesses if within the city limits it can offer a range of experiences. The City should focus not just on downtown; it's not end all, be all. Bellevue will be an even stronger alternative if it can offer a range of experiences. It's an untapped strength that it hasn't capitalized on. They need to strengthen the connective tissues between neighborhoods. The new light rail system is not just going to connect Bellevue with Seattle, but it can also connect within Bellevue and other eastside cities.
- For us, the workers that are in great demand are programmers and engineers. A lot of our workers are young and many want to live in an urban environment. One of the challenges of being in Redmond is a challenge to recruit workers to suburbs. People are more willing to go to Bellevue. We would like to encourage the City to become even more urban.
- Some people call it "Blahville" – a big, fancy mall with a city around it. Many standard chain restaurants, but that's not where our workforce wants to go to eat for lunch. People in their 20s are not looking to go to McCormick & Schmick's. It would be great to have more independent restaurants, mobile food trucks.
- Bellevue needs to have more events that would give the City more character and draw people in. Art fair is good – interesting. It would be great to have more of these events to go to Bellevue. Seattle has Bumbershoot, Folklife, lots more. Issaquah has theater. You also want niche cool restaurants. Unique, "only in Bellevue" places – it would be good to have those.
- There is also a "coolness" issue – need to have things keep going after business hours. Seattle has much more of that, that's why our younger workforce chooses to live in Seattle. Bellevue is a bit contrived – lots of streets are high rises with entrances to parking garages. It's better than it was, but need more ways to activate beyond business hours.
- From an urban planning standpoint, the City should try to find ways to overcome the challenge of superblocks. Wide streets, not pedestrian-friendly. Kirkland has narrow streets, meandering - creates better sense of place. Crossing streets at rush hour - you have to sprint across 6 lanes. How do you make it a pedestrian-friendly environment?
 - One way to deal with this is mandating wider sidewalks for new development - allow trees to be planted and benches placed, it becomes a gathering space. Bellevue Way - the sidewalks were mandated to be very wide, huge asset to the community. Bellevue Way becomes the most popular place in Bellevue during winter because of that. Encourages a different mix of retail - boutique.
 - E.g. the town of Hoboken used to be a slum - one of the first things they did is they mandated wide sidewalks. Now - very successful - the sidewalk (12-15 ft wide) is a great gathering place, and a whole different mix of retailers moved in.
 - Bellevue should resist pressure from developers - they want more building, less sidewalk to get their numbers, but that's not what's best for the community.
- Proximity to food. Challenge because of diversity of workforce – both ethnic and cost. We are paying food trucks from Seattle to come to business parks to offer that diversity to a suburban environment. Bellevue should be food truck friendly, especially in the suburban areas outside of downtown.
- If you are looking for an urban environment, it's not quite there yet. One of Bellevue's greatest strengths is also a weakness – it has a terrific suburban environment and good school district, but what is missing is an authentic urban experience. It's too new, pristine, etc. From an Economic Development standpoint, Bellevue needs to be mindful of the fact that employers in particular are looking for a range of built environments.

- We need to have a more urban environment - walkable, livable, more entertainment; has gotten better in the last decade, but there is still room for improvement.
- The City's neighborhood nodes are not as robust as Downtown, and not as pretty. There's a lot of poverty there as well, which the City needs to focus on.

Quality of Life

- Challenge is not attracting business, big corporations. The real challenge is maintaining quality of life, school systems that are real attractor.
- City should focus on quality of life first and foremost:
 - Parks, safety.
 - Look at lower income populations. Not everyone is doing well.
 - Not a lot of leadership related to police issue.
 - Leave it to the BDA, Chamber of Commerce, Economic Development Commission to do economic development work
- The City seems to be putting a lot of their economic development efforts into the category of making businesses healthy; it's ok if they also understand that there are other things that need to be considered for a healthy business environment. They need to be looking at the bigger picture, not be just transaction-oriented.
- I would also encourage the City to be open to unique external event ideas companies develop. Our team has discussed some ideas in the past with the BDA, but the city regulations around using public space and getting permits made it not feasible to move forward.
- The City should also make sure to be thinking about the single family community neighborhoods.
- The business climate seems favorable in Bellevue, but we want to ensure taxes and the overall living environment stay favorable so we can continue to attract great talent to this area. We relocate people from around the world to Bellevue (e.g. San Francisco, London), so ensuring there are clear benefits to living in this area helps when recruiting great talent. I would encourage the city to provide benefits and favorable tax rates that encourage people to call the city home, vs. living somewhere else.
- Cost of living:
 - Bellevue Downtown is well suited for working professionals, but not as much for students (affordable housing, food options, etc.). It's a high end elite corridor. Since much of our student body is international students, they want to live/have amenities close by. Hard to use mass transit unless you are in downtown corridor, need to have better routes.
 - As an employer – we know that it's very expensive to live here. Many employees have to commute from far away (especially service level).
- City leadership is very enthusiastic about the future of Bellevue: want to be like Hong Kong. But leaders' vision may be bigger than community's appetite: residents may not want that! Congestion, cost of living, etc. They should get past chip on their shoulder and think about being a great community – like San Jose or Pasadena, without feeling second class. Be complementary to what else is available in the region.
- General quality of life is very good here – safe, clean, water, air, emergency response and other benefits. But the issue is the time people spend dealing with mobility congestion.
- A lot of cities have a lot of parks – there isn't a lot of park space in Bellevue. How do we add more park space in the middle of the City?
- Keep Downtown Bellevue and Bellevue in general as a desirable place to live – really focus on quality of life and amenities

- Major form of economic development is livability - it has to be a place where people want to live. We'll never be as cheap as some place in Alabama - this is a great community because it's a place where people want to live. Companies will come here because they can attract a high quality employee. Parks, access to I-90, Bellevue has an amazing parks system.
- Recognition of the diversity of ages of the population now living in Bellevue, recognize that there is a younger population.
 - What are the needs of the younger population? (e.g. gaming industry). What does the City need to grab onto to provide for that younger population living and working in Downtown Bellevue? Not at the neglect of older demographics, but a greater focus on younger demographics. How do you capture the growing differences?
 - We need to figure out what the younger population wants and pay more attention to what they want (types of businesses, transportation, built environment, amenities).
 - We also have a more diverse population – so how do we from an economic development standpoint, recognize that and position it so that those ethnic values are valued in Bellevue.

Land Use Planning; Real Estate

- We are on the cusp of a development wave – residential, commercial, and retail (demand driven by large office users). Interesting as a trend – how small companies view Bellevue as a location. The impact of large space users presents a challenge for mix and blend of businesses. Maybe small businesses would target other areas in the city? Future space demand in the city will likely be driven by large tech companies.
- Bellevue's success in attracting tech companies is pushing some businesses out - rental rates going up. They're moving out to suburban Bellevue, 520 corridor, I-90 corridor.
- Support new development that's attractive and urban in the downtown core, as well as development in Bel-Red corridor so that it can become great for living and working. Invest in performance arts centers and other venues that make Bellevue more urban.
- Real estate is very expensive and certain types of spaces are unavailable. One example is a rehab company (provide inpatient rehab services) that was looking around the market to see what's available. It was very hard to find a one story place that would accommodate patients.
- We don't have enough land or property that is zoned properly, so we need to structure the City to allow for businesses like ours. When you have fewer available properties, premiums go up and the auto dealerships go to other places.
- There will be no warehouse development in Bellevue because the land isn't there. It's going to be office, banking, services – whether it's high tech or others. Bellevue needs to provide more places to live in the urban development. Bellevue needs to re-develop its suburban housing stock.
- Some areas need to be upzoned – the City should have a plan that's adaptable, make sure the City can be nimble.
- Redmond, Bellevue, Kirkland, Medina – businesses don't care where they are and even know what city they're in on the Eastside. Cost of real estate becomes the determining factor.
- There is not a lot of availability of reasonably priced facility space. If I wanted to start a company of 100 people, would be hard to find something that is even close to downtown.
- I'm a proponent of performance zoning – we think if it doesn't produce too much, noise, smell, light, and other issues, to the zoning change should be allowed. Bellevue should loosen up its zoning requirements.
- Single-family neighborhoods are valuable and need to be protected to some extent. There also needs to be something nearer to the nodes where you can have some more density. Part of great neighborhood character is gathering places and a little density is fine.

- Opportunities - King County Housing Authority - owns 27 acres near crossroads - doesn't have near the density that it could. Zoning to allow for aging in place - senior affordable/mixed-income housing. Senior housing around crossroads - shopping center is amazing amenity for them. Independent living with all the amenities.
- Used to be an advantage that Bellevue had cheaper space, but that is not the case anymore, largely because Seattle has more vacant space. Much easier to find Class A space in Seattle.
- Like a lot of cities, we have mandated a certain amount of retail on the ground floor of all office and residential buildings. Makes sense in some areas but not all areas – some areas just don't have the traffic to support it. We should allow more uses for the ground floor. It doesn't always have to be pedestrian-oriented in areas where there are no pedestrians. In some cases, those retail spaces are vacant when they could be easily filled by office space.
- The City should not be wasteful with land – land is becoming less plentiful and we are constrained by water and residential neighborhoods. Let's make sure not to under-develop land. The best stewardship in the land use business is to encourage more density and create the highest and best use. Right now highest and best use is taller buildings.
- Factoria, Crossroads and other areas have been forgotten about in contrast to downtown with its shiny headquarters.
- Light rail is great - it's not going to change downtown near as much as the Bel-Red Corridor - the locus of downtown will move toward the Spring District. In a sense, transit will move the downtown a little east of where it is.
- Nothing will radically change in the suburbs outside of downtown. They're fairly mature and won't have tremendous impact on the City's economy the way the downtown can.

Downtown

- Downtown will develop at the expense of the City's other neighborhoods.
- The "heart" of Downtown used to be 12 blocks by 12 blocks, but it's much bigger now. Locations that wouldn't have been considered part of Downtown a few years ago now are frequently referred to by that label.
- 8th and 112th seems close to Downtown, but it's 3 blocks too far. It's a very constrained geographic area that people want to be in. One key strategy for the City should be to vitalize the surrounding areas so they can expand the downtown. This is critical to retention and expansion of existing downtown businesses.
- From a real estate perspective I can't stress the City's opportunity in downtown enough. They have one of the hottest, most desirable locations on the west coast, along with the Pearl District, San Francisco's south of market area, and bits of LA. That comes at the expense of other areas within Bellevue and at the expense of Bothell, Redmond, Issaquah.
- The City needs to understand what is making our downtown so attractive compared to other downtowns so it can continue to maximize what is making it desirable. Downtown Seattle is similar, but struggling outside of South Lake Union. Why?
- In downtown, there are lots of developable sites. 6 planned projects if tenant demand arrives. The challenge will be to other areas. The obvious option for areas outside of downtown is to become value alternative to downtown.
- Rent sensitivity varies greatly by industry. I could see significant future displacement from downtown in businesses such as banking, insurance, and finance. The City should retain them elsewhere in Bellevue or lose them to Redmond, Kirkland!

- Downtown's super blocks are a real challenge. They can double the size of Downtown without adding any streets. Kemper would disagree, but they need to make the existing street grid more efficient: one way traffic with on street parking and greater pedestrian access. Main Street is doing valet parking. The City should do a Local Improvement District (LID) for multi-level parking at the park. They also need more public transportation with more condos and a non-driving population coming in.
- Downtown Bellevue is mostly shiny Class A space, and hard/impossible to afford for education non-profit.
- A challenge (Downtown specific) is rents and upkeep are higher in Downtown Bellevue than many other places on the Eastside or even other districts in Bellevue.
- Downtown Bellevue has more incentives for developers to build multi-family residential compared to commercial. You get 60% more value for your land if you build apartment buildings compared to office space. The rule/ law was established in 1982, when it made sense, but now it's flipped. Highest value is residential, so they don't need the discount. As a result, office space has not been built in Downtown Bellevue 5-6 years, but there is a demand and hopefully it would be built soon. They need to get back to stop the incentives for multi-family and put it on equal footing with office. That will attract more office development.

Bel-Red Corridor

- The Bel-Red Corridor could be the region's next South Lake Union. But there too many small parcels: professional service firms and woody walkups. The Coca Cola plant is the exception. If the City really wanted to make this go, they would start land banking. They need to prime the pump.
- While there is certainly a need for Class A space, there is also a need for mixed use space, including light industrial, outside city downtown core. There is less and less of that. There is some in Bel-Red now, but it's older and may not be appropriate for IT. Create an area that has mixed use, also include residential. It's the last large space that could be open for this kind of development.
- There is a question in the long run about what happens with Bel-Red. You see lots of proposals now for mid-level office mixed with residential. It won't be manufacturing, but energy tech, clean tech, all related to software. Maybe intellectual ventures, incubators, and space-related entrepreneurs. But if Bel-Red gets turned to Class A office space, they'll need another place to go, perhaps underutilized areas on the east end of the City.
- Bel-Red upzone is not necessarily going to pan out until light rail comes through. A lot of the way they've zoned it - doesn't provide much incentive to redevelop. Would like to see a little more flexibility in what you can do in certain zones - for example, there's a zone along 120th designated residential but surrounded by a bunch of warehouses. Sound transit will be closing on maintenance facility there but properties around are still residential zoning.
- Bel-Red corridor - was all industrial, but changing it to residential/commercial/and others and got rid of industrial uses. When will that area be redeveloped? Now there is the consequence of light industrial being displaced - let the industrial zoning remain in current industrial buildings because that's what the building was built for. Let them stay until the character of the area changes - when the market is ready that owner will sell. It will transform over time - Spring District will take a year.
- The City did a great job with the Bel-Red corridor plan. Phase one is the litmus test: will they sell? It will take a long time to achieve the vision for this area. In the meantime the City should add more flexibility for industrial uses, until there is enough economic value to change uses. It's too early to offer incentives to try to bridge the gap. Let phase one happen, let Sound Transit come in, with more road infrastructure. Then assess what's happening and recalibrate.
- The Spring District will go, and some other nodes, but the rest of Bel-Red is comprised of a lot of small pieces. It will take a lot longer to accomplish their vision than they may think. What will they do with the body shops and other businesses that are there now? You don't want to displace them to Monroe. To keep that mix of living wage jobs they should zone them into the Crossroads area or other parts of town.

Parking

- One of the key needs is parking. As the City continues to grow the infrastructure and parking options need to as well.
- Parking continues to be a challenge as we continue to expand. Both pricing and availability pose as obstacles as we grow our business and overall employee base.
- Parking is also an issue in Bellevue – we do a fair amount of valet (so we can stack park). Need about 2.4 stalls per 1,000 sf. There is a gap of about 0.5 or so now. The City could monetize the parking.
- There is limited parking – so we have to valet the employees, which is an additional expense. Still have a number of drivers, even though we have one of the most aggressive and successful commute reductions programs.
- Parking issues are increasing as density increases – sometimes I leave and don't go to a business because I couldn't park.

Business Climate

- The success of the city is the bottom line that demonstrates how good the business climate is. The City of Bellevue does a fairly good job meeting the needs of the developers. The City has one of the very lowest property tax rates in the state; but we are also one of the highest in the state in per capita tax collection for sales tax and property tax. The City does a fairly good job addressing the needs of businesses.

Taxes

- Priority 1: Re-evaluate taxation program – find out what returns the best value for every dollar put in. Get people in by enticing them instead of taxing them.
- Current administration has been remarkably adept at working with us to meet the needs of our business. They have been timely as it relates to permitting. Bellevue is a little more costly than other cities we looked at (B&O taxes) but the benefits outweighed the cost. We are not clamoring for reduction in taxes, but for an increase in services (public transit and parking).
- With exception of few items like B&O tax, I have not had the City's business climate be a top 10 issue. You see it with other cities if there is a draconian measure like Redmond's limit to 3 parking stalls per 1,000 sqft. Business climate is not the issue for Bellevue. Developers have those issues, but not your average tenant.
- The B&O tax is making it harder to do business – the tax structure in general is driving businesses out.
- One thing is the utility tax in Bellevue increases the cost of doing business – it's a bit hidden.
- It is extremely complex and time consuming to pay taxes - so many gray areas and unclear sections - it would be great if there was a simplified way to do it to avoid time dealing with financial burdens. Two main taxes - sales tax and B&O tax - we spend days or weeks to fill out forms to find out we either don't owe anything or get a credit. The burden on people who pay very little or nothing is very high - that's a mistake for business climate.
- B&O tax is a big thing - a lot of industries can file for state level exemption.
- The B&O tax isn't an issue. Most probably look at it as a rounding issue. I don't think it's an issue for start-ups: we have very respectable vacancy rates in the spaces for small firms along the 520 and Bel-Red corridors.

- City needs to look at the costs it's imposing on developers and businesses. The dilemma is you always want to collect more tax dollars, but I think if you bring more people in they will eventually spend more. I think we need to lower business taxes and lower taxes.

Permitting and Regulatory Environment

Works Well

- Bellevue is not overly burdened from regulatory standpoint. It's pretty easy to get things done with the City; easier than Seattle.
- Permitting timelines – the city could probably be a bit timelier, but it's generally pretty good. Overall, they don't impede growth. Comparatively, locally, it's good.

Could Be Improved

- Bellevue has more hurdles than other cities; Seattle and Bellevue vie for who is more challenging to work with. They have done a lot to streamline processes, but the underlying requirements themselves are too onerous. Sound walls around substations to make them look prettier; landscaping; stormwater retention. For small business permits, over the counter permits, they are a leader in streamlining. For more complicated permitting they need to do more. The City is always trying to figure out middle ground between protecting quality of life and growing businesses. Neighborhoods aren't always supportive of infrastructure investments that support downtown (which in turn supports residential quality of life).
- Bellevue is still finding its way around permitting process – it's too long for tech folks. We were able to work through it, but the original responses were taking too long. The City wasn't taking into consideration that the tech world moves faster. We didn't find many incentives to move to Bellevue over Seattle. The City didn't say: "we are very intentional in attracting tech"; there are no targeted incentives.
- It's very time-consuming and burdensome. The City could do a better job of streamlining permitting. They cost businesses a lot of money with how long it takes and their requirements. They should make it easier to do business.
- Bellevue is known in the construction industry as being a difficult place to work - primarily on the inspection side. City inspectors roam around on job sites and inspect quality of work, but the reputation is that the inspectors cross the line and become overbearing and create unnecessary schedule delays. The perception is that they deliberately try to get in the way and use their power improperly; delays result in huge financial consequences. Contractors typically throw in a "Bellevue factor" when costing out jobs - price increase b/c construction process is very difficult. The City has made an attempt to streamline and eliminate some impediments, but it's still there. Bellevue is up there in the top difficult cities for this nationwide.
- The City as part of the economic development strategy needs to continue to ensure that there is a predictability in what people can do here. Pretty good so far but may need to have recognized that we are on growth trajectory. Some of that predictability comes from setting the stage for private investors. For example, developing a programmatic EIS on the update of the downtown infrastructure systems, so the development community knows what's going on.
- Entitlement and permitting processes (in the Northwest these processes are more involved than the rest of the country) – need to be more efficient. The companies just want to know what the rules are and have predictability in terms of time period and what's involved (hurdles, costs, public process). We ourselves need to be predictable to our business groups. We have very tight internal schedules. The cities should be very crisp about time and effort involved. Bellevue has generally been better than most local jurisdictions.
- Internally the City can make sure the codes and regulations are all streamlined and customer-friendly.

- City can take very critical look internally in how they conduct their business – permit and inspection process. May take a min of 3 years between all permits and jumping through the hoops. Never seems like there is urgency on part of the City to take a look at the processes.
- Regulation is pretty ridiculous. Speed up efficiency of paperwork/bureaucracy. T-Mobile waited 1 year to hear back. City of Bellevue is known to be stricter, which is good; but can turn people away. Strict and slow is not good. More general perception; no specifics.
- From real estate development front, there is a bit of a perception that it's tough to get things done – permits and get plans approved.
- Regulatory environment is on the edge of being too burdensome. When the City was trying to overcome the growth challenges, they had prescriptive EISs that allowed for impact fees. The City requires a lot of preparatory work – the regulatory environment turns into costs. And there's a time factor – it places a major burden. There has to be a better dialogue between the City and businesses – they could make it easier for the business. E.g. – a street use permit takes 8 weeks to get approval on. All I want is space to move my trucks.
- Tough business climate: permitting process. 12-16 weeks to get a permit.
- Going through the process takes too long. It's too cumbersome and time-consuming. There should be a result-oriented permit processing system. There are properties that put businesses in and avoid doing improvements because of how long the permit process takes (or just do it without the permit). Make the process easier and it will be a more welcoming business environment. Utility tax is too high as well.
- Permitting and business licensing is a weakness – Bellevue is especially slow. Too much bureaucracy and takes too long. But Bellevue has advantage with size and location.
- I have had good and bad experiences from a permitting standpoint. Bellevue doesn't offer enough contrast with Seattle. Seattle is bad. At least I've had some good experiences. But not all good.
- Bellevue is not an easy city to work in. They cut their staff way down and things take forever here. Takes so much creativity out of things. Not an easy business climate. Sometimes I think they're understaffed.
- The City needs to be more business-friendly and make development cheaper – needs backing of the council. Majority of the Bellevue City Council needs to recognize they need to better cater to business community – getting a permit, taxation, infrastructure, cost of water and garbage, good transportation network that predicts the growth. Bellevue is a great place to live and a great place to do business – but the opportunities are there to make it even better.

Workforce Development and Talent Retention

- Need to help companies like Microsoft and Expedia and others to attract and retain the best and the brightest employees.
- Focus on the skills that are needed for the workforce. Many companies seem to focus on STEM (Science, Technology, Engineering, Mathematics) areas, talent is diverse and from all over the world.
- Much of this talent is not homegrown. How do we keep them here if they can go anywhere in the world?
- Bellevue has an excellent talent pool of software engineers but a lack of CEO-type strong leaders.
- There are some workforce gaps. Goes back to cost of housing. If you make \$30,000 you won't be local.
- We see this tendency in high tech workers: hired right out of college in early 20s and want hip urban amenities; by 30s they are married and have kids, they want to look at schools, and are done dealing with the bridge every day.
- Companies are generally not making their location decisions based on real estate costs, especially in technology. It's all about retaining and attracting talent. Space for an employee might cost \$3,000-\$5,000/year. But the cost of that talent is probably \$200,000. So space costs don't matter as much.

- Minority recruiting – we have a very hard time recruiting and retaining African-Americans here. Part of Bellevue – large Indian and Russian population – tend to locate there close to where they work.
- Our biggest pull of talent is Microsoft, and it doesn't build great entrepreneurs, it builds great software engineers.

Higher Education

- If the City and businesses within the area could mutually work together in making the case to our representatives to remove barriers to providing in-demand Bachelor's degrees, Bellevue College could be an even stronger partner for economic development. The city has not approached it that way so far. In past work, I was involved in meetings with businesses and cities about workforce development. Would be very open to working with the City of Bellevue. (Quote from Dave Rule, Bellevue College)
- Encourage the City to invest into Bellevue College and Bellevue School District, partner with University of Washington.
- Renton partners very effectively with Renton Technical College; RTC completely tied in to cranking out people to work at Boeing. I'm not sure the level of partnership is the same between Bellevue College, the City, and Microsoft. At the very least the City should help Bellevue College grow.
- Talent drives everything and limits to talent will limit growth. The City has zero relationship with Bellevue College. That's a huge untapped potential.
- Need increased higher education capacity across the board – STEM (Science, Technology, Engineering, Mathematics) fields in particular. There are many reports on current deficit in terms of degrees that are needed verses what the state system is putting out. Need more bachelor's degrees, and specifically, more acute need for computer science engineers. It would be great if this deficit could be eased. The city could lobby the state to better fund higher education.
- Computer science degrees are in high need. Much of our workforce training is also primarily geared at the tech industry.
 - There is a clear demand, especially from Microsoft– programmers, coders, artists, front end developers, software engineers – it all starts with computer science. Need people that are not only high level software engineers starting at \$100K.
 - The growing skills gap – eventually this could negatively impact the entire region. The eastside is one of the most highly educated areas at the moment, but most people got their degrees somewhere else. Other than UW there is no other college that can offer these degrees. And UW is very selective.
- We work closely with universities to cultivate talent. We have done a lot of research in how to grow talent, but we need a partner. We would love to run a talent incubator for the City. The City could be brand ambassador or provide space on favorable terms, perhaps contracting with Green Info Systems to run. The City (or a university) has more weight in the business community; we are limited by who we sell to and businesses look at me as service provider. It does not have to be profitable. It would be great if either Bellevue College or UW got involved. (Quote from Manish Samadarshi, COO for Green Info Systems)
- We are currently having deep discussions with Bellevue College to develop programs that would create talent for the customer service center. We created content that we self-administer, but the college will integrate into an Associate's degree and be part of a 4-year degrees. It's a "nice to have" criteria to have educational institutions close by.
- Health care informatics is one of the very fast growing areas. There is a tremendous lag between health care records and mining the data. There's no common platform. The business is a combination of collecting loads of data in multiple formats and then assuming it comes in clean, how do you analyze it, represent it, and use it to inform the decision.

K-12 Schools

- More schools are potentially needed as school-age population grows. In Bellevue, the School System is the economic driver. That's why we have so much diversity. Those who want to live in Bellevue for school district invest greatly in community.
- The school system is all messed up. The geographic boundaries of schools are all wrong, and the balance is wrong. School-age population is changing – need to re-district. A performing arts school would be appreciated.
- We need more parks and improved schools – and we should pay teachers more. The unions are killing the teachers – the tenures don't make sense.
- Foster education (Quote from Bellevue School District):
 - We are becoming more and more of an international city - we are about 45% white, 33-34% Asian, 11% Latino, 3% African-American, the rest is mixed. Asian - there are many different languages and dialects. We need to work with the city to reach out to newcomers. We see that as an area to grow. Could sit down and talk about this - how can we help families with children?
 - We have 22% of children that qualify for free and reduced lunch. We have amazing organizations, and the city also works to support these non-profits. If children have stability in their life, they will do much better at school. The City could support these organizations more.
 - We have a school resource officer program - the City picks up a large share of the cost. We have 6 that work in secondary schools, and 2 in middle schools. At some point we may want to expand this. It's a positive connection to students.

Other

- Facilitate investment inquiries into the City – could there be a cohesive effort? Could the city offer a program – introductions to investors, not only for international, but also national? How to start a business here or where there are investment opportunities?
- Bellevue needs more business people involved in boards and councils – they need to understand the importance of big-ticket items.
- The Council is dysfunctional, with back biting and character assassination. It comes across as unpredictable and potentially anti-business. It makes you uneasy because it looks like they're not cooperating to address the big issues.

INDUSTRY CLUSTERS

Information Technology

- Obviously, Microsoft and software companies are a very established sector. Those companies like to locate here because of the talent pool. That's one sector we need to keep our eye on and keep pushing on.
- In general, downtown Bellevue is becoming more tech focused. More amenities, 24 hour lifestyle. Critical mass of tech companies wanting to be in the Class A downtown space.
- Microsoft has all leased space in Bellevue as opposed to owned space in Redmond. Lots of anxiety. If they relocate, it would be a great risk for the City. There is a huge amount of empty space and they would lose their economic engine.
- Realize that our business is changing: cloud technology is on everyone's mind.
- Cloud services are still growing, there are opportunities. More businesses are moving here to take advantage of cloud services platform, for example Microsoft.
- Telecommunications is not an opportunity industry.
- Bellevue's strengths are in ICEE - intellectual capital, energy, and education - the new FIRES. This is characterized by an under 30 workforce with people who want to know what a company will do for them. They want to rent not own, and they want to be in place with a high collision with other companies.

Interactive Media

- It isn't as well known, but we have a huge share in the gaming industry. That is part of the technology sector and we should keep pushing it.
- Emerging is the gaming industry – could be leveraged into more, and it brings an interesting demographic. An opportunity to capture the market of new employees from those industries – service and retail can try and capture that demographic. It may be a new type of demographic for Bellevue.
- In 97, there were only nine game companies in the area. After 10 years of teaching, a group called Enterprise Seattle did market research - in 2007 counted 154 game companies - in 2012 study counted 350 game companies. A few reasons industry has grown so much: 1) giants like Nintendo and Microsoft in Redmond 2) Digipen producing a number of professionals in this area - provides a solution to a lot of companies that need talent to work on these projects. IDM (interactive digital media) - requires a lot of brain power - well trained, knowledgeable, experienced workers.
- The gaming industry is so volatile. No one knows what is going on. Massive layoffs from bigger companies. Mid-tier is really suffering - e.g. zipper, Warner Brothers, others with layoffs of X people - exact number in recording. We're trying to follow trends - going mobile/tablet - is risky. Funding is really changed over past few years - moving to kickstarter - do something small and hope it goes big. In Canada - Montreal and Toronto – they are investing heavily in gaming industry. The US is not as excited about this.
- A lot of development/content is being delivered online and on mobile platforms. I'm not sure how much longer the model of \$60 games that run on a console will continue. A lot of development is going into online games that you start playing for free but then have to pay money to get certain objects/levels/bonuses. Particularly under these emerging business models, game companies are not needing just content developers - they will involve a lot of business, marketing, and financing people - a whole business infrastructure to support these games

- City of Redmond appreciates growth of interactive media industry - very helpful and quite close to the industry. We haven't really heard much from the City of Bellevue - city managers/mayor - not a lot of contact - can't say I know enough about what the city has to offer us as a school. We would appreciate speaking more with representatives from the City of Bellevue. We provide internship opportunities - help place students into companies. After they graduate, we help them with placement. Getting introduced to more companies in Bellevue would be helpful. (Quote from DigiPen)
- Current system is a high risk system - often set up that the one taking the risks are so much more rewarded than those doing the creative work. Traditionally for a long time, the deals that are created are fairly poor. With the advent of digital distribution, Internet access, ability to self-distribute, that world is being disrupted. Right now I have all the distribution all I want - I have internal Public Relations/Marketing that is good or better than from publishers. What I don't have is my own financing. There's not a community of game investors (like there's a community of biotech investors) - even though our hit rates are similar, there are not a lot of people who understand the business yet. There is a lot of opportunity right now for financial investments. There is a lot of incredible talent that's hugely underfunded.
 - One thing that would make this area far superior would be to have a culture/group to provide financing. They used to be publishers - but now only need financing. Looking for someone I can do fair deals with just for financing. I have found a few investors like this but it's rare.
 - With the current culture and lack of investment community, it means the penalty of not being successful independently is very high. It is very hard for developers to break out of that cycle and make enough money to sustain themselves - because it's a hit driven business. Challenge for life as a game developer.
- What we need is a lot of bandwidth - we end up moving a lot of large files around with partners and others. For us, Comcast business services highest tier has been ok, if you get bigger, you need fiber. For a company with a website and if it's down for five minutes, you lose zillions of dollars. All I want is reliability. For game industry, reliability not as important - throughput and bandwidth is more important.
- There is great demand for us to locate in different places - Louisiana, North Carolina, Montreal, British Columbia, Rhode Island, Michigan, and many other places - lots of places are asking us to move or expand there, lure us with tax breaks. Montreal will actually pay you for every employee you hire for 10 years. The competition for us to relocate or expand elsewhere is pretty fierce. This area is good because of talent base - but is falling behind in terms of tax incentives. The odds of us moving everyone to Rhode Island is very low but if we decide to add 20 people, we might add 20 people in Rhode Island. You're stopping growth and attrition growth out of here.
- For interactive media, the thing most popular throughout country is incubation centers. Office buildings, low rent, good network, good power - small companies can get started for 2-3 years before getting own office space. Seeing them everywhere is important for the smallest guys. For the medium guys it is making it easiest to do business - finding ways for us to hook up with those who want to invest in the space. Finding ways to simplify what has to be done to pay taxes so we can focus on business. Take care of us with transportation, power, services, and if they can help with the community of financing.
- Bellevue has some major interactive media players - Fifth Cell, Bungie Studios (Halo), Valve, distribution system steam, HTML 5; mobile players - T-Mobile, HTC - seeing games and mobile talent combined is very valuable in this industry. Industry moving towards games for mobile. More game companies in Seattle region (in 20 mile radius) than anywhere else in the US. California is bigger than us but our concentration is stronger.
- Seattle has incentives they've created - low interest loan programs to build buildings - this is not applicable to smaller companies. As far as being competitive - Bellevue is less expensive than Seattle - a plus. Reliable power is very important - not sure if better in Bellevue. It's a selling point for the region.

- Mobile and games in Bellevue - already happening - you can see a member of the design team of Xbox 360 partnering with mobile startups expert. Unique combination of core skillsets. That's a real strength of Bellevue - wireless industry located in Bellevue. Mobile sector is a very unique skillset so this is an opportunity.
- The City should continue to work with Washington Interactive Media (WIN). Last year, the City of Redmond came to game development conference with me. That's a valuable thing to do - come along - get a sense of what competition is on national scale. (Quote from Washington Interactive Media)

Centers of Excellence/Incubators/Start-ups

- Washington Interactive Media has a reactor incubator in Seattle and Reactor East in Redmond - would have been happy to put in Bellevue if had been economical. Redmond was able to work a deal. Would be happy to do a reactor Bellevue if there was space. Business model of reactor: funded by federal grant and just became own 501c3, we'll continue to file for more grants. We will soon have had two classes graduated. After that we will start taking small amount of equity in company. Will also be doing some corporate fundraising. Mentors - very altruistic - want to give back - right now we don't pay mentors except for one. The others come in a couple times a month for events - not as much of a time drain. Equity model might have a different plan to compensate mentors. (Quote from Washington Interactive Media)
- Create an area similar to "research triangle" in North Carolina, leverage education (UW), business, and government. Say "this is going to be an area where we are going to build a critical mass of businesses in the X technology area". E.g. gaming - there is a lot of activity there now. Be really intentional. There is an opportunity as a community to pick a focus area and say we are going to focus on it and invest: incubator/center of excellence idea. Think big - get key stakeholders at the table. Need partnerships to make this successful.
- Encourage start-ups. There is a good convergence now - there is a tremendous amount of tech talent here. The more start-ups you have, the better. Providing cheaper space for incubator is good, but making available things that facilitate work is good too - like data center access. Businesses could use this as low cost alternative to Amazon. The City could provide its own IT server space. Could create a subsidized plan for that. Maybe even in exchange for an equity share of the business? Could also help with talent resource area - work with LinkedIn? Job fairs and showcasing the talent pool. Washington Technology Industry Association (WTIA) does it more from the state perspective - work with them. Build awareness.
- Two significant barriers for startups: space to work in and cost of health insurance. There are two things the City could address to improve the business climate for startups: provide quality co-working spaces and provide assistance with health insurance for employees of startups that are launching (with protections to avoid fraud).
- That's what Bellevue has going for it - great quality of life. Now we need a focus on creating a great startup environment. Microsoft has so much unique talent, you'd think there should be startups. Bellevue should determine what they want to be, determine how to help companies in those sectors, and begin a campaign showing that Bellevue is a great startup environment. Right now Seattle dominates the market. Differentiate itself. For example, it could be the best city in the world for developing enterprise software development businesses (could be something else). There is a talent deficiency in terms of strong CEO-type leadership but great strength in software engineers. Showcase what currently exists, emphasize the talent pool through website or another venue
- The challenge for startups is there is a lack of critical mass, especially compared to Seattle.
- LA, Vancouver have these - indie houses - groups of independent game developers [sounds like an incubator]. Seattle has one too - guys living in Redmond working out of space in Seattle - open office space - rent at low price to get game up and running - internet/chairs/desks - amenities to get companies started. If City were to rent one floor for incubation and game startups support, that would help.

- Affordable office space and housing for the young gaming companies that want to start but can't afford office space. Working from home they don't have a professional image they want to present to people. What some areas do is select an area to build an office building and allow startup companies to come in and do work. One site could have 20-30 companies - incubation centers - provide space, infrastructure.
- Huge tech and innovation brain trust, and capital to fund it, and environment to get that (great for angel financing). Angel financing opens the door for things we haven't thought about. I deal with businesses that serve people who work for those companies. So support sector for people who work for those businesses.
- There is a need for a high tech incubator and the City has existing space at the Lincoln Center land that could be used until the road gets punched through. It's a modest proposal that could happen relatively easily.

Tourism

- Corporate handles itself - so many corporations here (Microsoft, Expedia) - usually no problem to fill out hotels during the week. Major focus: weekends and shoulder season for corporate travel (around holidays, and prime vacation times) - opposite of many other cities.
- What differentiates us from Seattle – high end retail, major corporations, clean, safe, “sparkly”.
- Westin hotel on normal night has 38 countries represented in 337 rooms. 15%-20% of customers are coming from completely outside the market.
- An opportunity for hotels – accommodation industry.
- Funding of Visit Bellevue could be better.

Corporate/Business Travel

- There is a shortage of hotels/conference space. Bellevue has Hyatt and Hilton, but we'd like to have more events that could bring foreign direct investment. We are losing conventions at all scales as a region because there is literally nowhere to hold them. Would have brought people from all over Asia – trade shows, conferences, etc.
- Corporate spending has returned – meetings and travel are generally the first things that go in down economy, but we see it shifting now. It's hard to get a room in Bellevue this summer due to a combination of conferences and leisure travelers.
- Convention center has an interesting history with the city – current staff recognize that the Center is an economic development tool, but it was not always so. The City never looked at the convention center as an important economic tool, always only looked at the bottom line profit for the Center, not at the overall economic impact of bringing visitors in. There is a piece of property behind the Center and opportunity for expansion. The issue has been – no hotel next to convention center. Hard situation with other hotels in the area.
- Meydenbauer Center is not able to serve corporate market as well as they could. Their main room is currently 36K sf, the largest on the eastside, but there are groups that need a lot more space. There is an extension parcel nearby so they could expand. They could double their size to 72K sf and put a hotel on top. A hotel that close to the convention center is one of the best packages you can have and would really strengthen their market.

Leisure Travelers

- Meydenbauer Center did a study in 2010 about target market for leisure travelers: age 35+, \$80,000+ household income, single or married with or without children, within 5 hours, college educated. Convention market: major chunk is local corporations who want to bring their employees, customer, and others.
- The City should be more open about letting cruise boats come through to Meydenbauer Bay (Argosy would be very interested, but some residents don't want this to happen).

- Bellevue is seen as a clean and safe destination, but some people perceive the City as sterile and boring. Lacks unique experiences - there are many chain stores and restaurants, but few unique boutique places. Din Tai Fung is an exception - draws from around the region, although this may change somewhat with another one opening in U-Village. Out of state visitors don't know what Bellevue is. Hotels tend to be either high end or motels, with not much in between. Some shops are a bit intimidating, too high priced.
- City and Meydenbauer Center should be working hand in hand with messaging, complementing each other. Help get the word out about Visit Bellevue.

Retail

Downtown Retail

- Bellevue's strength in retail is destination retail, drawing from Canada. Bellevue has a better package, more to offer than Seattle
- Bellevue Collection gets 23 million people per year – projected to go up to 30 million in three years. Nobody has to come if they don't want – they need to be able to come. Bellevue is a sub-regional city to Seattle (which is a super-regional city). 650,000 people live in Seattle and same on the eastside. Success depends on people being able to get here. If only Bellevue residents can shop here, there will be no mall.
- We build everything for the "Bellevue demographic" (ethnic, well-educated, younger). People who are of this demographic – go to three places - Chicago, SF, and Bellevue Square. We have been marketing in AK, ID, MT, KS. Can't measure people coming here internationally, but can see it happening. Starting to market in China.
- The City should consider having less high-end retailers if it wants to grow its base long-term. There are a number of high-end stores which is fantastic, but a large number of people can't afford these shops. Diversifying the stores that come to Bellevue could help spur more growth and attract a diverse range of customers and residents over the long-term.
- Retail is established at Bellevue Square – but not as much being spread around to other areas. But it's very concentrated in that one part of downtown.
- Development downtown is displacing legacy retail, tearing down 1960s vintage retail centers for apartments. While that's generally good, they are losing character and the mix of those shopkeepers. For a more vibrant city, they need a good ground floor retail mix. The City mandates street level retail, but shopkeepers are faced with \$45-50 per square foot, compared with the \$25 they used to pay. They should figure out how to offer bonuses or breaks for shopkeeper rates.
- The gaming industry and other emerging sectors are bringing a younger, more "hip" demographic into Bellevue than what was here previously. There is an opportunity for alternative or independent retail businesses to try and capture that market by offering something different from the corporate chain or big-box model.

Neighborhood Shopping Centers

- The neighborhood shopping centers currently can't compete with Downtown or other major shopping areas. Even though they serve the neighborhoods, the neighborhoods have abandoned them. Unfortunately, increasing land value, redevelopment costs, and burdensome city requirements make redevelopment of these shopping centers expensive and difficult. More City involvement (like in Lake Hills) and expedited administrative processes would go a long way in making redevelopment more feasible.
 - City wants that and wants to entice developers to redevelop the shopping centers – they know it's good for the City.

- The types of businesses that would likely be most successful in the neighborhood shopping centers are “nuts and bolts” with a twist. Grocery stores and other businesses providing basic and also quality goods and services (not too low end but not too fancy) would have the best chance of drawing neighborhood shoppers away from the larger centers.
- The other neighborhood shopping centers are having a hard time getting kick-started – need to have vision and dollars, expedited review process. Also need financial markets that are willing to take a risk.
- Bellevue has small communities that need to be vibrant and need retail in them. City should do what they can to support those nodes. Appropriate zoning and density and non-motorized transportation is necessary.

Business Services

- Don’t minimize their chances in finance! Symetra is here and will be for a long time.
- The banking industry is looking hard at the super-regional cities with people coming from all over the world – this sector may be an opportunity to expand. Also big law firms. Due to the function of Bellevue Square and the Collection – there are a number of retailers that may be interested in locating here (HQ and offices, corporate presence on the West Coast). We are in conversations with some.
- Finance, Law Firms, Accounting firms – there is less of a footprint of those industries. An opportunity for these to grow.
- Could Bellevue be the regional center for banking and finance?
- One big challenge is there are very few financial services related companies on the Eastside or the region in general. Makes it more difficult to be able to draw from the local community for the expertise we need in our business. Even Seattle (which has more than the Eastside) isn’t a big financial center compared to San Francisco, Chicago, and other bigger cities.
- A conscious effort to attract other financial services companies to Bellevue. They would need to do a targeted outreach to get financial services companies to re-locate or set up a satellite or regional hub in the Puget Sound (industry sector is more prominent in Portland, San Francisco, Midwest, East Coast).
- We need to keep pushing our office sector. We’ve had a lot of support sectors (mortgage brokers, lawyers, accounting etc.) but those sectors have been hit and, while stable, they aren’t growing. We need to nurture those because they are part of a healthy economy and they are required to support the office sector.

Aerospace

- Bellevue’s potential in aerospace is potentially significant, especially as aerospace companies need to be more high tech, blending computer and aerospace technologies. Bellevue’s strengths are in areas of design, engineering, and software development, not in manufacturing.
 - Bellevue’s aerospace play would have to focus on niches like next generation air traffic control which will be more reliant on GIS, satellites, and big data. It’s an opportunity for Washington, but we are trying to figure out who is doing the work.
 - Another niche opportunity is in commercial space exploration. Bellevue already has Planetary Resources; perhaps a computer space cluster could be built around them.
 - Other niches include areas where Bellevue already has companies: corporate headquarters like Esterline and business services like the Aero Law Group.
- Bellevue is not a player in large scale manufacturing. The City should focus on design, engineering, software development.
- Bellevue definitely has an aerospace cluster there, but I don’t know what they’ve done to cultivate and nurture it. Kent, Auburn, even Redmond and Kirkland have been very interested in growing their aerospace base.

- A lot of aerospace blurs with advanced manufacturing. There is crossover in skills. Bellevue has Bellevue College and might be well positioned to cultivate workforce for aerospace and advanced manufacturing. But you have to ask: will manufacturers stay long-term? Are they getting squeezed? Esterline moved their production to Snohomish in 2009 but has its headquarters in Bellevue.
- Commercial aerospace industry – 34,500 planes - \$4.5 trillion market – Boeing aims to get half. Our current production lines are probably here to stay; new planes will be up for grabs.
- Workforce development is key to both aerospace and advanced manufacturing. Given increase in 737s in Renton (39 plans/month; 42 next year and begin production of Max → 60+ plans/month), suppliers need the workforce to meet the increased demand. Pre-recession, they wanted warm bodies they would train. Now back to that. Boeing has treated supply network as farm system. Not intentionally. Boeing hires them away once they are trained. The bottom line is that suppliers are constantly recruiting workers.
- Boeing doesn't do any production or manufacturing in Bellevue. The company owns the land and the buildings - stays there because there are lots of sunk costs. It doesn't matter otherwise that they are there. Location is not important for attracting IT staff; they are a global operation and recruit globally. There are no detriments or big positives from being in Bellevue.
- Bellevue doesn't have the land associated with aerospace manufacturing. They made a decision with downtown - and more recently with Bel-Red - to go after high wage jobs, which is fine. They may have an opportunity in aerospace-related engineering and design. Boeing won't own in house all its engineering services: we buy them all over the world. State of WA is a high cost place to do business so they shouldn't bank on that. Bellevue can be one of the highest cost cities.
- Bellevue should go out and talk to existing businesses: what can we do to help you? What are your expansion needs? They will likely hear about workforce, and regulation. More actively, they could try to link companies up with other sectors and Airbus to help them diversify their markets.

Clean Tech

- Three or five years ago, clean tech focused on solar, wind, etc. With the decreased cost of fossil fuels, there's no investment money in these areas. In general there are few start-ups, with most activity being done by established firms, including 100+ year old utilities like PSE.
- Washington's definition of clean tech is broader now, with activity in four sub-sectors. Most firms are involved in building efficiency. We also have firms in biofuels and software, devices, and diagnostics behind the smart grid. There is a new area, with lots of possibility: battery storage, which is an important enabling industry and likely to grow. Bellevue probably has plenty of construction and building efficiency companies, but probably not much in biofuels and smart grid. A battery firm entrepreneur lives in Bellevue but located his firm in Mukilteo. Another firm was in Kirkland but moved to North Lake Union.
- There might be an opportunity for Bellevue software's strength to get leveraged into smart grid companies, but you don't see a lot of small firms in this space. It may be early and those firms may be the tip of the iceberg. Or perhaps this is a core competency bigger corporations will want to build in house.
- I see a few firms focused on software for the smart grid, but not many. It reminds me of 2001, when the Human Genome Project was announced, an exciting merger of science and data management. The opportunity was to manage and analyze data. But now none of these firms exist. The function became a core competence within corporations, who opt build it in house. Or it may be early. There are a few firms working this area, which may be the tip of the ice berg.

- Bellevue should take a broad strategy. It's ok to pick sectors, but the world evolves too rapidly – in 1900 who would have foreseen the aerospace industry? They should aim to be a good environment for start-ups in general without trying to predict specific sectors. To do this you add to the capital base and support research. I don't see firms limited by lack of access to workforce. Big and medium companies focus on things like housing, transportation, and education. But for start-ups the biggest issue is cash – funding to keep the doors open. The bulk of jobs are in small and mid-sized firms which aren't Venture Capital (VC)-fundable. They get their money when they can from elbow grease, home mortgages, and angel networks. An eastside angel network might be an idea, but networks tend to be sector focused rather than geographically focused.
- I don't see a gap so much in talent development. In some cases, a firm's requirements are so narrow, it's hard to find right individual. Otherwise, smaller companies don't seem to have problem. There's lots of board level interest in support for higher education, but in terms of firms actually limited by lack of ability, I just don't see it.

CITY ROLES/ACTIONS FOR CITY TO TAKE

Messaging/Communication

- City leadership needs to have at its ready, a message about its future economic vision- one that recognizes its influence and relationship with other cities in the region.
- We need to have an atmosphere that we are open for business – could there be a campaign around that?
- To attract more startups, City leadership needs to do a better job of showcasing the businesses and talent pool that currently exist in the City. Potentially through a website or other type of marketing campaign.
- The City needs to message to companies (current and potential):
 - “We want to be an asset”
 - “What can we do to help you attract and retain talent that helps your business grow and flourish?”
 - “If you are in Bellevue we can attract best talent (because we have good schools, parks, clean, safe)”
- The first effort in ED strategy should be an inventory of assets and a coherent effort to communicate what we have. The City should spend money on this before creating new programs.
- In general, the city should promote existing education resources, whether they are in Bellevue or not. Just having an awareness of what educational opportunities exist in Bellevue and on the Eastside would make it go a long way. Resources for ED staff that would be up to date. Maybe the City could draw a map: UW, Bellevue College, Digipen, UW Bothell — big image of what's there now.
- The City's website is poor. They have a lot of information but no aesthetics. The community has great parks, great businesses but they're not highlighting that, marketing that. If I were them, I would have a really cool visual website that highlights Bellevue's strengths. Expand that to info graphics, videos. They need to market themselves better rather than thinking it's all about policy, regulation.
- City Council should put themselves in front of people more and let them know you're interested - that you welcome entrepreneurs to come in and open. You need something to offer - explain why Bellevue should be their choice for location. Those leading the city need to decide what they can offer - infrastructure, facilities, taxes, mentoring. A lot of times the high tech young people have an idea of a product and have technical knowledge but do not have administrative or business know-how - support in these areas would be helpful.
- We need to give off the impression that we welcome all of these potential businesses. Make it easier to get going, including making permitting easier, making it simple. City could do more to be very welcoming and serve businesses. Permit times, zoning flexibility, all of things that would support making it easier for businesses. Could launch a better marketing campaign, and could dovetail it with the Meydenbauer Convention Center.

- Bellevue should do a better job of explaining and marketing of why it's a great place to start a business – explain why it's better than the other cities nearby. Right now convenience seems like the most obvious answer.
- The City could spend more energy on marketing and trying to promote Downtown Bellevue and the City in general. They spend no money on tourism. They should do more to try and attract companies, residents, and tourists. This would greatly help retail sector, accommodations, etc.

Partnering for Economic Development

Local Partnerships

- First there should be a plan, then a coordinated group of people to recruit businesses (this is what happens in other cities). It's not coordinated right now. Also need to have the partners at the table. The City may need a bigger economic development arm, but it would be interesting to see what models are out there that worked for other cities.
- Key pieces: partner with Bellevue Downtown Association and the Chamber on strategy. Takes the whole community.
- A coordinated effort with the Bellevue Downtown Association – make sure we are not duplicating effort and leveraging work each other does

Regional Partnerships

- Bellevue shouldn't worry about competing with other cities, but working together – at least in key areas – to compete with other regions.
- There is a natural case that people make that we are in competition with Seattle, but it's important to realize that the two cities play different roles and can work effectively. There are synergistic opportunities. Should focus on Bellevue, but part of the plan should be propping up Seattle and making sure it's successful. Don't only silo Bellevue out – partnering with other eastside cities is also very important.
- How is the City's Comprehensive Plan going to fit into other cities' economic development plans? How should we be working together? It's hard to do.
- Partner with other cities on the eastside to promote the area as a region. We can all benefit from that. Bellevue, Redmond, Kirkland. The cities should not be trying to outbid each other but should be presenting the region as well.
- Cities should work together more. To the extent that all cities could work together to make the living experience better and lobby the state for what the region needs. Eastside is huge and includes many different jurisdictions – they should all work together for the betterment of the region.
- Efforts here are pretty outdated and not adequate – the economic development model is changing. Other parts of the country – Raleigh-Wake EDC and Austin – are much more focused on entrepreneurship and supporting sectors. Very, very robust efforts.
 - Bellevue has an enlarged view of itself – many in the City think that they should direct the Eastside. There is no collaboration. It needs to change. Economic development should be done on a regional basis. When looking for space, we are looking at an entire region – what are the opportunities for where would our employees could live, schools, etc. We also market the entire region to our recruits. This is done more effectively at a regional level. When promoting on their own, not effective.
 - ED departments here are staffed by people that were regulators and don't have a real solid business background – but really need to have people who were in the private business.
 - There are huge assets on the Eastside that could be bundled together and delivered to perspective employers. Bellevue has to be a part of the collaborative that's making an effort for the Eastside.

- Wake County EDC – partially staffed by public sector from the city and also private sector that is versed in what they are trying to attract. They identify companies and try to attract them there. Then they help the companies to attract specific talent; they help with recruitment – much more sophisticated type of effort than city incentives.
- EDC efforts may have to be outside of the City. Big experiment – OneRedmond is going on. The City of Redmond is a participant, but not a driver. We see this in other regions and it seems to be more effective. They do more “boots on the ground” vs traditional city policy roles. It’s hard to give up this role for the City, but truly these efforts are best done on the regional level.
- Bellevue should focus on businesses that want to be near Microsoft, Google. Density of software engineers on the Eastside. Focus on where there is talent. Can lead conversation with other Eastside cities – market area. Bellevue, Issaquah, Redmond should be looking at the same strategy for how to market and pool talent in the region. Talent is here because of quality of life, safety. Because people live, work, shop here. Bellevue gets hung up because it is accused of being a bully. We should encourage the City to be leader with small “i”, not leader with capital “I”. Convene and work towards common goals.
- There is a bit of a sense of smugness – “everything is great and we don’t have to do anything”. Takes forever to get anything going. It’s been frustrating – no willingness to tackle something big and get going quickly. If the Eastside with Bellevue’s leadership could do this – would bode well for the entire community. Have seen other communities that have been on the economic top (Cleveland) and thought it would never change, but things do change and rapidly. Part of the energy need to be devoted to keeping the good thing going – because it’s not self-sustaining otherwise.
- We have a lot of employees who live in Bellevue, live on the eastside. What the City of Bellevue and cities on eastside should care about is not our cluster, but business health in general. The City has not participated much in regional issues. They should be a part of the larger regional economy, a force that impacts regional issues that impact the regional and statewide economy like transportation, unemployment compensation reform, energy costs, and regulatory burdens. They could also work with educational institutions to support talent development.

Focus on Business Retention

- We are doing very good right now, so the most important is to focus more on retention than development. Businesses are very mobile and can be anywhere in the country and the world.
- The City should have target list of business and sources of revenue and they should think about the particular things they can do to help those businesses. There are probably 10 big players in the Bellevue economy and they need specific strategies for each of them to keep them here and help them continue to grow.
- Microsoft is always expanding. Need to trade off price vs. quantity. If incentives are aligned they will get more volume. Have target list of business and source of revenue. Think about particular things you can do to help those businesses. Everyone contributes, but there are probably are 10 big players. Specific strategies for them. Offer them special – to help them continue to grow.
- Most economic development offices and officers become infatuated with recruitment of large, high profile companies. Will help all of us. Therefore we should collaborate to recruit. But reality is 99% of corporate activity is companies that have already decided they will be in this area. They think not in terms of municipalities, but real estate submarkets. Have already concluded what micromarket they want to be in: Willows road, North creek of Bothell, Eastgate.

- Bellevue does a very poor job paying attention to firms that are already there. At any given point there are 85-100 clients actively considering (1,000-100,000 sqft) moving, evaluating Overlake vs. Willows road; Eastgate vs. Issaquah. The City does no outreach, no communication of how important the businesses are to the city. They should absolutely pay less attention to elephant hunting and focus on retaining and growing their large base of existing companies.
- In 20 years of real estate, never got call from City of Bellevue – heard you’re representing x company looking at moving... But City of Kirkland is very aggressive. Every time renewal comes up, they are in communication.
- 20-30 corporate leaders control/influence 50-60% of market – need relationships. Know and reach out to major owners and tenants.
- Talk to the companies that are there – retention, growth. Figure out what companies need to be successful.
- The city should be very attuned to a few things are happening relative to Microsoft:
 - Microsoft just commenced a major analysis of restacking people on Redmond campus, looking at going from 250 sf/employee to 150. If they decide to do this, it will free up thousands of square feet. They will clearly look at relocating people from downtown Bellevue – much cheaper in owned vs. leased space. Someone needs to be staying very attuned to real estate department at Microsoft through quarterly meetings. You may not be able to change their decision process, but it gives you a heads up!
- For a long time Microsoft had an unwritten metric of 250sf/person. But it’s been coming down; and is very business unit-dependent. Trying now to optimize their portfolio: won’t be going out and leasing huge chunks of space. Own 12M sf in Redmond, 1.3M sf leased in Bellevue. All space in Bellevue is pretty expensive. There is a possibility that of moving more people to Redmond to decrease costs, but no decisions have been made.
- Go out and talk to existing businesses: what can we do to help you? What are your expansion needs? Will likely hear: workforce, regulation. And not so much financing or taxes.
- T-Mobile is one of the largest private employees in the city, but we don’t hear a lot from the city, not sure if others do. Don’t often get this kind of outreach – this city should be doing this and more. As much as the city can include business and industry, employees would be less likely to consider changes and leaving. (Quote from Jim Blundell, T-Mobile)
- I’d appreciate not an annual conversation not just with their ED Manager, but with their City Manager. That would be very helpful. Keeping a business is a lot easier than going out and getting a new one. They should absolutely inventory their businesses: who they are, what makes them tick. (Quote from Rich White, Boeing)

Focus on Business Recruitment and Development

- Devote more resources to actual hard core business recruitment and development; an area they could improve in. It’s challenging, and tough to get wins and justify, but needed. The City has been resting on its laurels for a while, as it’s been a popular and attractive place, so they got a bit spoiled. So now they should be working to make sure it’s sustained.

Economic Development Function at the City

- Our current economic development capacity is inadequate but very successful. We have no economic development director, no strategy, direction, or focus. Our resources are limited – 1 person – and our focus is too broad, embracing quality of life generally. Our success has had nothing to do with us, but because 1) education is valued by the community; and 2) the Microsoft ecosystem produces talent and money. The City provides a good climate for business, with good infrastructure, a low tax rate, and a collaborative culture. These are indirect economic development supports. The world has changed and we now are in a global market and have to compete more. We need to be more proactive and more focused in direct economic development efforts.

- We need to be focused in our strategy, not greedy: a few doable, actionable efforts plus the process to bring us together. We should emulate business and adopt a business plan, with a clear implementation plan, including timelines and roles and responsibilities. We need a few low hanging fruit to get us going. We should borrow something that is already happening and capitalize on it. We also need to build the organizational culture to be successful – accountability, transparency, and a safe environment in which people can feel comfortable and feel ownership.
- The City has a good strategy and they're doing a good job. Spring District, auto row, more buildings downtown. Good vision. Bellevue is blessed with amazing demographics. You could build just about anything - mixed use with structured parking, which won't fly in many places.
- We would love to see a stronger ED function at the City out there talking with the businesses. Less planning and more ED. Business outreach is traditionally delegated to Bellevue Downtown Association and Chamber, but someone at the City should be in touch. If a lead comes to the City, we would love to know about it so we can help them get connected to infrastructure. We do well with Bellevue at planning level, less well at the deal/property development. City of Auburn will engage us in working with a prospective business. They view it as less about permitting and more about a concierge services. The City connects us to them so we can help them solve their energy needs.
- Talk with cities in the Bay Area around how they have handled the boom. How from a public policy perspective, how have they supported growth? Very similar situation, which is not true for elsewhere in the State. Austin may be different – more university driven.
- The City may need a bigger economic development arm, but it would be interesting to see what models are out there that worked for other cities.
- The City's economic development organization is a little confusing. They don't have an ED person per se; he is in the planning department. They need more focus, structure, and capacity. The City should elevate economic development by tying it to a senior, tenured staff member.
- One of the most important things to know in Bellevue – it is all market-driven. You just can't manipulate the market artificially, through incentives, etc. Over time Bellevue has become one of the most successful cities. The need for artificial market stimulus is less necessary here than Detroit.

INTERNATIONAL

- Foreign investors view Bellevue as a more stable micro-economy, job demand appears to be high. They like passive investments, like real estate and housing, some will also go into development and construction. People like the quality of life here – schools, parks, and amenities. Most people tend to move their families here while their companies remain in Asia; travel back and forth.
- Some things they are doing already - outreach to India, China, etc. Potentially opening India's Consulate here is very important. It's a huge deal for our HR department to figure out visas, etc. Bellevue is the city of choice for a lot of middle and upper income families coming to the northwest. It has a strong community with strong schools. China has a one child policy, so high net worth individuals invest in that child's education. Most come here because they know someone – the network effect is very important.
- It used to be that in a family, the wife would come here with the children. Obviously they want good schools, a good community with a safe environment and good shopping. That's a cultural thing. Now we're starting to see that as the husbands fly back and forth, they decide to set up an office or invest in real estate here. Some start U.S. offices like an aerospace firm, and one natural gas company is moving its headquarters here. But most enterprises are real estate related. Many Chinese want to invest in real estate because that's how they made their money back home. All the new records for real estate purchase are made by Chinese because they see the potential in Bellevue.
- Lots of talk about Chinese investment. But no actual large scale investment. Rumors of lots of wealthy Chinese buying homes; good first step. Also lots of people from India, but they don't get the same coverage/attention.
- People come to the Seattle area and choose to live in Bellevue because of the city environment, public safety and the strong school district. We need a more deliberate, top-down approach to be more attractive. Richmond BC has seen a lot of success because of targeted events like their very authentic night market.
- People like to live in Bellevue, but incorporate business elsewhere because of the City's B&O tax which is not attractive for small business. You can do business anywhere you want. Many chose Bothell because they don't have the same tax structure.
- Many parents work while their kids are in school, but they don't have a clue about how to incorporate a company in the U.S. There should be business support services tailored to this population, tailored to individual language groups. These are people who are already successful – by definition. They're here in the U.S. because they want their children to go to school here. They have idle cash and want to put it to use, but many of them don't understand the laws. The City doesn't have to provide this support, but cultivate or support intermediaries who can work with the Hindu, Chinese, Korean, and other populations.
- Bellevue should be regional in its approach, participating in business missions and delegations. They are on our board but could do more to influence our priorities. They could employ a more explicit division of labor with the Trade Development Alliance, with us or them taking the lead on different items in a more direct partnership. They can participate in branding efforts. We use Seattle as a brand name, but a lot of what we're talking about is happening in Bellevue. They can also let businesses know about regional resources like the Export Financial Assistance Center.
- Let businesses know about regional resources: export financial assistance center, etc.
- Everybody knows Seattle, but not Bellevue in the global arena. We say we are in the Seattle metro area. Even domestically can be challenging to have the name recognition.
- No one ever sees or knows the name of Bellevue. Their advantage is that they can leverage the Seattle brand. People come for Seattle and often end up interested in what Bellevue has to offer.
- Around the world we are known by our biggest cities. We get people's attention through the Seattle brand. Within that we use different communities' strengths to strengthen message and land businesses. That's the way it is at this point; the assets of Bellevue are very brandable and maybe it will be different in 20 years.

- The City has a website in Chinese - this is huge. Continue to improve the website.
- In Washington, 40% of the jobs are tied to international trade. In the Puget Sound it's even greater, and Bellevue even more so, with Microsoft, PACCAR, Expedia and others.
- They should leverage international folks they have living there now. They have lots of high net worth individuals living in Bellevue: cultivate them and they could be your best ambassadors.
- The City is working a lot on China. They have a leg up on Seattle because of tech, talent, and development opportunities downtown, which is only one-third built out now. The next big wave for Bellevue will be technology and international investment. They are doing a good job in these areas, but need to dedicate more resources.
- The Pacific Northwest is known for IT. Otherwise, despite being beautiful, it's remote from the rest of the country. It is close to Asia however, and has a strong culture of multiculturalism. Our connections to Asia have benefited from California's challenges. Asia is rising, China in particular. Chinese government policy requires businesses, both private and state-owned, to globalize and engage the rest of the world. There are also many rich individuals in China seeking security and diversification of their wealth.
- Bellevue should look at models elsewhere in the country: San Francisco, which has a China-related incubator; Silicon Valley; New York; Miami.
- My vision is that Bellevue will be the Singapore or Hong Kong of the Pacific Northwest, or of the United States. We need to be the world headquarters of a particular strength or asset – the best in the world. IT may be our opportunity as software is in everything, including clean tech and green buildings.
- The Eastside is seeing much more growth in foreign investment than Seattle. We continue to see inflows of funds from mainland China, both via individuals and corporations.

What Could the City do to Attract More International Investment?

- Bellevue's strategy should focus on: 1) retaining our whole IT cluster through talent development and other means; and 2) international investors. For the later, we need to provide a welcoming, friendly environment, including cultural arts, spaces, and amenities like international food.
- The international deals we've done to date have been small. We don't have the culture in place to get the really big deals. We need to prepare a welcoming culture, engaged local partners, a strong image, and suitable space. We have to build a culture for growing entrepreneurs.
- Through city planning they could extend the downtown corridor and shopping environment. Immigrants tend to like a vibrant, urban environment. Safe and clean is important, but more vibrant would be good. The city could also support business starts, making it easier for immigrants to understand how the U.S. system works.
- Help/support business starts:
 - Make it easier for immigrants to understand how US system works. Educational/informational events – seminars on how to do business.
 - Bilingual staff.
- Need to raise profile:
 - There is an increasing awareness and interest in Seattle because of the movie "Beijing Meets Seattle." New York and LA are much better known. Washington is confusing because people think of DC.
 - Good that Mayor Lee is active, out there speaking.
- Indian entrepreneurs have an advantage because they speak English. But they could use help with cultural understanding and relationship building.
- They are here as investment immigrants on the EB5 program. By definition they have disposable income; mostly are likely business owners. There should be a technology hub or incubator to support them. They have the business expertise, but need support and direction to navigate the US system.

- It's hard to sell Bellevue because people don't recognize it as the center of IT. They need to promote and market the City. Because no one knows Bellevue, I compare it to the Gangnam District of Seoul, with the best schools and most affluent people. It is a fashion maker and a strong office market.
- I know the City is very interested in the software and gaming industries, but other people don't know! They need to make their interest and brand a lot stronger to get attract more investment by Asian businesses.

Celebrating Cultures and Being Welcoming

- The City of Seattle has a long history of celebrating other cultures. Bellevue could do much more, but doesn't need to do it alone.
- We also need more political representation in city government by people with international backgrounds. It's great that Mayor Lee is active, out there speaking. It makes me think that the City understands my background.
- The City could do a lot more with cultural festivities and the performing arts. First they need to get to know who is here, building relationships and understanding. The Indian population is a very complex community with more than 25 languages; if you embrace only one, you will alienate others. The City doesn't have to do it on its own, but with partners. They could host economic development conversations at Town Hall, making it a two-way learning opportunity.
- Bellevue can be marketed directly, as part of the region, by travel shows and the like. This will draw people to the area because the Korean social network is very strong. People will go places they have seen on TV, places they know others have gone. We should train restaurants and hotels here to be more accommodating, less intimidating to order. During the winter, they need a place to stay that is warm – the weather here is perfect. They need a place the kids could go to school for two weeks or a month.