
BUSINESS COMMUNITY

**RESULTS TEAM REQUEST FOR OFFERS
RESULTS TEAM MAP
OFFER SUMMARY
OFFERS**

BUSINESS COMMUNITY
*I WANT A DIVERSE AND VIBRANT RANGE
OF BUSINESSES AND SERVICES IN REDMOND*

REQUEST FOR OFFERS

TEAM MEMBERS

Team Lead: Terry Marpert
Team Member: Ashraf Habbak
Team Member: Mike Hilley
Team Member: Cindy Johnson

DASHBOARD INDICATORS

Indicator 1: Business Longevity - The number of active businesses in Redmond that have held a Redmond business license for seven years or more.

Measure Description: Measures the number of businesses in Redmond that have been in business 7 years or more

Importance: Measures Redmond’s ability to attract and retain a vibrant business community; a diversity of established businesses creates local choices and opportunities

Indicator 2: Percent of Redmond residents either very satisfied or satisfied with the type and variety of employers, restaurants, retail shops and services in Redmond.

Measure Description: Surveyed response to satisfaction with the type and variety of employers, restaurants, retail shops, and services in Redmond

Importance: In identifying a vibrant and diverse business community as one of the City’s priorities, Redmond’s citizens indicated that convenient access to the types of services and business amenities was important.

INTRODUCTION/SUMMARY OF CAUSE & EFFECT MAP

Our Cause and Effect Map identifies four factors that are essential in addressing our priority of creating a diverse and vibrant range of businesses and services: 1) mix of businesses and activities; 2) image, identity and inclusiveness; 3) business attraction and retention; and 4) accessibility to businesses.

Factor 1: MIX OF BUSINESSES AND ACTIVITIES

A vibrant and diverse business community reflects the City’s vision of a place where people can live work and play. Redmond businesses that offer a wide range of goods and services will help ensure that residents, the local workforce, tourists and consumers from the region will visit and remain in the City for all of their needs. A dynamic arts scene and a variety of entertainment will help make Redmond destination place.

Examples include unique specialty stores, major retailers, an array of restaurants, healthcare options, concerts, cultural events and a large variety of outdoor recreational opportunities.

To do this work, the City of Redmond should seek partnerships with the community, including other local public agencies, businesses, faith communities, non-profit organizations, residents and the workforce. Partnerships contribute to the well-being and vision of the City and are encouraged to be actively involved in Redmond's events and activities, such as Derby Days, community health and safety education, Redmond Lights, So Bazaar.

Factor 2: IMAGE, IDENTITY AND INCLUSIVENESS

Redmond offers a vibrant business community, showcasing the City's two urban centers and creating a positive business friendly environment by welcoming culturally diverse businesses, encouraging inclusiveness, public/private partnerships and activities that promote an innovative and skilled workforce. To achieve this, promotional efforts need to focus on marketing through various media and brochures, the message that "Redmond is home to many high-technology companies attracting entrepreneurs that value an emerging arts community, an active outdoor lifestyle and the city's cultural attributes".

Factor 3: BUSINESS ATTRACTION AND RETENTION

The City of Redmond exhibits a culture that attracts and retains businesses and services. To obtain this result, the City must take an active role in creating an atmosphere that provides efficient and effective processes with a welcoming environment. In keeping with the City values of commitment to accountability, integrity and service, we seek to continually enhance business and government relationships.

The City needs to continue improving its processes and procedures, through expeditious licensing and permitting. While enforcing regulations is a key City responsibility, the City also values its role as a "facilitator" not just a "regulator". This facilitating role includes establishing clear expectations, helping citizens navigate City processes, offering good customer service, collaborative problem solving and desirable outcomes.

This factor also supports offers that promote diverse and innovative businesses within the following business clusters:

- Aerospace-related advanced manufacturing;
- Avionics;
- Interactive media and the digital arts;
- Medical information technology and application-related software; and
- Retail, arts and culture.

Factor 4: ACCESSIBILITY TO BUSINESSES

People come to Redmond by driving, biking, walking or public transit. The streets, sidewalks, parking facilities, trails and pathways should be safe, easily accessible and well designed, as well as clearly identified for all users. This factor supports offers that improve access to Redmond businesses through programs, projects and services including:

- Efficiently managing parking;
- Balancing the demand and supply of parking through time limits, fees, parking demand management and strategically locating parking facilities;
- Leveraging the presence of large entertainment venues with transportation connections to Redmond businesses such as hotels, retail services and restaurants;
- Supporting access to businesses by travelers of all ages and abilities while encouraging walking, biking and use of public transit.

PURCHASING STRATEGIES

WE ARE LOOKING FOR OFFERS THAT:

Strategy 1: Promote Redmond as a positive place to do business and enhance relationships between businesses and the City.

Businesses look to locate in communities that are commerce-friendly. We favor offers that:

- Encourage business to give back to the community;
- Encourage partnerships between businesses, local government and the community;
- Promote relationships with the business community that support a safe and welcoming environment; and
- Solicit feedback from businesses to ensure continued satisfaction.

Strategy 2: Establish Redmond as a destination for consumers (local and regional residents, tourists, and employees of local businesses), resulting in opportunities that reinforce a positive community image and unique identity.

Redmond's population doubles during the work week. Recognizing this unique scenario, we favor offers that:

- Provide opportunities for employees and citizens in Redmond to stay in the city beyond the traditional work day; and
- Promote distinct commercial and cultural opportunities that foster interest and customer loyalty for residents, employees and visitors alike.

Strategy 3: The City must: 1) continue development of efficient processes that result in a clear, predictable, flexible and timely response to business-related development applications; and attract and retain businesses, particularly those within the City's identified business clusters.

Business owners, developers, and design professionals operate most effectively when they understand the entire review process and can rely on established timeframes. Clear expectations, without diminished quality, are what this purchasing strategy is to achieve.

Strategy 4: Integrate mobility, infrastructure and parking to create convenient, efficient and effective access to businesses.

As Redmond transitions to a more urban environment, our community has an opportunity to redefine its own unique character in a way that encourages spending within the community by visitors, residents and

investors. To do this, we are looking for projects, programs and services that support the efficient use of resources to provide connections to businesses. This can be done through accessible, secure and well maintained infrastructure, including streets, sidewalks, trails, public spaces, parking and public transit.

NOTES/PRACTICES/SUPPORTING EVIDENCE

1. Angelou Economics, *Draft Report: Redmond NextGen Action Plan*, 2009
2. City of Redmond, *Downtown Redmond Parking Study*, 2008
3. City of Redmond, “Draft Economic Development Strategic Plan”, under preparation, 2016
4. City of Redmond, *2015-2016 Biennial Budget*, 2015
5. City of Redmond, *Parking Strategies Project*, 2014
6. City of Redmond, *Redmond Comprehensive Plan*, 2011
7. City of Redmond, *Redmond Zoning Code*, 2011
8. TIP Strategies, *OneRedmond Business Plan*, 2012

BUSINESS COMMUNITY

I Want a Diverse and Vibrant Range of Businesses and Services in Redmond



MIX OF BUSINESSES & ACTIVITIES

- A vibrant and diverse business community reflects the City's vision
- Redmond businesses offer a wide range of goods and services
- A dynamic arts scene and a variety of entertainment
- Partnerships with the community

BUSINESS ATTRACTION & RETENTION

- Attract and retain businesses and services
- Provide efficient and effective processes consistent with City values
- Improving processes and procedures
- City values its role as a "facilitator" not just a "regulator"
- Promote business clusters:
 - Aerospace-related advanced manufacturing
 - Avionics
 - Interactive media and the digital arts
 - Medical information technology and application-related software
 - Retail, arts and culture



IMAGE, IDENTITY & INCLUSIVENESS

- Two urban centers
- A positive business friendly environment
- Welcome diverse businesses and inclusiveness
- Public/private partnerships promote an innovative and skilled workforce
- Home to many high-technology companies
- Value the arts, an active outdoor lifestyle and the city's cultural attributes



ACCESSIBILITY TO BUSINESSES

- Access should be safe, easily accessible and well designed
- Support business access through programs, projects and services
- Efficient parking management
- Connect entertainment venues to Redmond businesses
- Supporting access by travelers of all ages and abilities



**BUSINESS COMMUNITY
2017-2018 Offer Summary**

OFFER ORDER

Page No.	Offer #	Offer Name	Department	2017-2018 Preliminary Budget
59	EXE3022	Business Access and Mobility	Executive	\$3,768,279
64	EXE3023 ²	Sustainable Economic Development	Executive	\$2,014,477
69	PLN2992	Responsive Development Services	Planning	\$11,588,521
			Total	\$17,371,277

OFFER RANKINGS

Department	Offer #	Offer Name	Results Team Ranking	
			Staff	Civic
Executive	EXE3022	Business Access and Mobility	2	3
Executive	EXE3023	Sustainable Economic Development	1	2
Planning	PLN2992	Responsive Development Services	3	1

Notes:

1. Preliminary Budget totals may not include ending fund balances and fund transfers for all offers.
2. EXE3023 offer has been moved from Planning Dept. into Executive Dept. to better align the offer outcomes sequence.

BUDGETING BY PRIORITIES

BUDGET OFFER

BUSINESS COMMUNITY

Department Name: EXECUTIVE
Type of Offer: OFFER - ONGOING

Id: EXE3022

BUSINESS ACCESS AND MOBILITY

Description:

What: The Economic Development and Transportation Demand Management (ED-TDM) Division of the Executive Department works with Redmond companies and the community to support and promote Redmond businesses and by improving customer, employee and freight access. This offer provides programming, resources and incentives that give employees, residents and students options for getting to/from work and school; helps customers access businesses and find parking; assists employers with employee benefits, parking inventory and availability; and manages Commute Trip Reduction (CTR) and Transportation Management Program (TMP) activities. The programs supported by the offer support a diverse and vibrant range of businesses and services in Redmond by encouraging actions that are economically and environmentally friendly within the context of the City's vision for development of two urban centers that are connected to and accessible by those living, working, learning, shopping and enjoying Redmond. This offer addresses Factor 1: Mix of business and activities, Factor 2: Image, Identity and Inclusiveness, Factor 3: Business attraction and retention, Factor 4: Accessibility to businesses and Strategy 2: Establish Redmond as a destination for consumers (local and regional residents, tourists, and employees of local businesses), resulting in opportunities that reinforce a positive community image and unique identity and Strategy 4: Integrate mobility, infrastructure and parking to create convenient, efficient and effective access to businesses within the Business Community Request for Offers.

Why: Supporting and promoting businesses by maintaining and increasing access to businesses is critical as Redmond's employment and population growth continues. Having effective transportation choices and parking options for Redmond employees, residents, visitors and customers greatly benefit our community's mobility, air quality, and businesses' vitality. There is simply not enough parking or street capacity to accommodate the number of people who travel to/from Redmond each day if everyone drove alone. By reducing the number of single-occupant-vehicles (SOV) and effectively managing the City's parking resources, we facilitate the movement of people and goods to ensure access to businesses, while reducing the need for costly infrastructure.

Who: **REDMOND BUSINESSES, EMPLOYERS, DEVELOPERS AND PROPERTY MANAGERS** are supported through: 1) partnerships that reinforce good business reasons for effective mobility options that maximize parking resources, improve customer and freight access, and providing employee commute benefits; 2) programs and parking resources encourage consumers to bike, walk or park once to visit multiple businesses; and 3) recognizing and incenting businesses to foster achievement of the community's future vision as defined in the Comprehensive Plan. **REDMOND COMMUTERS, RESIDENTS AND STUDENTS** can access one-stop services to learn about and obtain resources that support alternatives to driving alone, as well as easy tools and discounts to use local businesses. **CUSTOMERS, VISITORS AND BUSINESSES** are provided with accessible, proximate and efficient on- and off-street parking solutions that enhance access to businesses.

Results:

Legend of Service Level Descriptions:

None - Service not provided

Reactive - Service issues are addressed only as they arise

Managed - Use of a planned approach to meeting defined service levels

Proactive - Strategic approach with focus on promoting efficient and high quality services and programs

Comprehensive - Integrated approach across multiple business lines to best achieve the City's vision and mission

Baseline:

Id: EXE3022

BUDGETING BY PRIORITIES

BUDGET OFFER

BUSINESS COMMUNITY

Department Name: EXECUTIVE
Type of Offer: OFFER - ONGOING

Id: EXE3022

BUSINESS ACCESS AND MOBILITY

Integrate mobility, infrastructure and parking to create convenient, efficient and effective access to businesses:

- o By managing the City's 665 on- and 92 off-street parking spaces. With easy access to commerce, Downtown Redmond becomes a more positive and convenient place to do business, which supports the vitality of current establishments and helps attract additional businesses;
- o By reducing the number of vehicles traveling during peak commute hours, which will increase mobility. In the past year, Go Redmond's 10,000 active Redmond commuters have reduced 658,000 drive alone trips, equaling 12.1 million miles which eliminated 6.4 million pounds of CO₂. This is equivalent to eliminating nearly 1 1/2 freeway lanes during rush hour traffic. The program's goal is to reduce driving trips in Redmond, help businesses to meet their CTR and TMP goals, and supports Redmond as a vibrant place to live and work. In addition to Go Redmond accomplishments, 600 Redmond families have participated in Redmond SchoolPool, Redmond's trip reduction program and safety education program for students at Redmond schools;
- o Through the City's Commuter Assistance Office which provides commute alternative resources and incentives to City employees in compliance with both the state CTR law and the City's TMP regulations; and
- o Through additional transportation products such as the Redmond Loop, Redmond's new community shuttle; Transit Now Partnership, an ongoing cost-sharing agreement between several public and private partners for increased transit service on KC Metro routes 244 and 269; and transportation demand management studies that advance future projects in support of alternative transportation.

Leverage opportunities to support business vitality:

- o By utilizing regional, state and federal grant matching opportunities designed to support more efficient and focused development of urban centers, through coordination of economic development activities, transportation planning and implementation, and management of travel demand and parking;
- o By supporting Redmond businesses to assist them to meet compliance with their Commute Trip Reduction and Transportation Management Program goals. Commute Trip Reduction (CTR - Revised Code of Washington [RCW] 70.94.521) Washington State law requires companies that have more than 100 employees to have programs that encourage employees to seek alternatives to driving alone to work. In 1993, the City of Redmond adopted its local CTR law, Redmond Municipal Code (RMC) Chapter 5.65. This offer includes funding for staff to work with Redmond's large employers to ensure compliance with CTR goals. CTR expenses are reimbursed to the City by the State. In addition, a portion of buildings, business parks and many of the new multi-use buildings in Redmond have Transportation Management Programs (TMP) issued by the City. The TMP objective is to reduce the level of traffic generation by the site and manage the access to and availability of parking for residents, employees, customers and visitors to the site. City of Redmond Zoning Code 21.52.020 contains specific requirements pertaining to maintenance of a TMP. This offer includes staff to facilitate evaluating and implementing TMP's, as well as monitoring TMP compliance;
- o Through Go Redmond grants which provide employers with seed funding for innovative new or enhanced employee commute option programs (i.e., transit passes, vanpool subsidies, commuter incentives and bike

Id: EXE3022

BUDGETING BY PRIORITIES

BUDGET OFFER

BUSINESS COMMUNITY

Department Name: EXECUTIVE
Type of Offer: OFFER - ONGOING

Id: EXE3022

BUSINESS ACCESS AND MOBILITY

racks);

- o By managing our on- and off-street parking resources and creating a market for shared parking assets. This will increase access by visitors to Downtown businesses (studies show average turnover per parking space is four times per day), which will positively impact the revenue to these businesses (studies show an average of \$20 per visitor) and in return, sales tax revenue; and
- o By managing the City's resources so that we can support the highest quality planned development within limited transportation infrastructure resources.

Enhance the City's positive image and unique identity:

- o By serving as a local, regional, state and national leader in commute reduction efforts. Go Redmond and the subsidies, grants and incentives associated are unique to Redmond and are helpful leverage in recruiting and retaining businesses; and
- o By showcasing the walkability, transit services and amenities of our urban centers. A pedestrian- and bicyclist-friendly environment has direct economic advantages for merchants. Studies have shown that a 10% increase in walkability was associated with a 9% increase in property market value and that a 19% increase in walkability was associated with an 80% increase in retail sales. Redmond is a progressive city whose residents, employees and businesses celebrate mobility choices and enjoy an active, outdoor lifestyle that are key to attracting and retaining employers and consumers. Downtown Redmond has a Walk Score of 93 out of 100 and has the third best Transit Score in Washington State.

Above Baseline:

- o An approximate 3% increase in funding (\$120,000) would equate to supporting expanding Downtown parking monitoring for a 12-hour day, an increase from the current 8-hour daily monitoring schedule. This expansion would support enhanced access to businesses by managing residential and construction parking impacts to Downtown. Under the current structure, residents and construction staff are able to park on-street from 3pm one day to 11am the following day.
- o Additional scale up options would be to expand the new community shuttle: A) additional \$240,000 (approximately 6% scale up) to go from one- to two-way service on the shuttle loop between Education Hill and Downtown Redmond and/or B) additional \$180,000 (an additional approximate 4.5% scale up) to plan and provide alternative transit service in the Idylwood/Overlake neighborhood.

Below Baseline:

2% Scalability (\$77,566) - A 2% reduction in funding would reduce the entire Go Redmond program funding by approximately 6% per year reducing funding to support incentives, employer grants, transit and vanpool subsidies, marketing, events, etc.

3% Scalability (\$116,349) - A 3% reduction in funding would reduce the entire Go Redmond program funding by

Id: EXE3022

BUDGETING BY PRIORITIES

BUDGET OFFER

BUSINESS COMMUNITY

Department Name: EXECUTIVE
Type of Offer: OFFER - ONGOING

Id: EXE3022

BUSINESS ACCESS AND MOBILITY

approximately 9% per year reducing funding to support incentives, employer grants, transit and vanpool subsidies, marketing, events, etc.

6% Scalability (\$232,699) - A 6% reduction in funding would include the previously identified 3% plus an additional \$117,928 from the residential program which would include eliminating outreach to schools and the increased residential population in Redmond, including pedestrian safety, a new element as of 2015.

These reductions would negatively impact the area's traffic and access to business, (impacting this offer's performance measure "trips made by means other than single occupancy vehicles") and would ultimately cost the City substantially more because of the need to widen existing streets in order to accommodate additional vehicular travel. In addition, by reducing the City's financial support for these activities, the ability for Redmond to leverage and attract grant funding is reduced.

Transportation Demand Management is about being proactive, getting in front of people, educating and offering travel options and resources, this offer, at all levels, should be considered *proactive* in regards to the service level description.

Prelim Changes:

Recommended changes to the offer include:

- o Reduce \$20,000 from Go Redmond - Employer Program & Grants.
- o Reduce \$20,000 from Congestion Mitigation and Air Quality Program - Shuttle, Studies, and Urban Centers.

Budget Offer Summary:

Expenditure Summary

	2017	2018	Total
Ongoing-Sal/Ben	\$592,430	\$606,966	\$1,199,396
Ongoing-Others	\$1,279,115	\$1,289,768	\$2,568,883
OneTime-Sal/Ben	\$0	\$0	\$0
OneTime-Others	\$0	\$0	\$0
TOTAL	<u>\$1,871,545</u>	<u>\$1,896,734</u>	<u>\$3,768,279</u>
FTEs	5.200	5.200	

Id: EXE3022

Business Access and Mobility EXE3022

We offer Redmond commuters, residents, students, visitors and businesses resources that support and promote transportation and parking options

Measure: Percent of employees in Redmond who have access to formal transportation programs

So that

More people are aware of and have access to their travel choices to reach their destinations

Measure: Number of active users in Go Redmond

A portion of travelers will use alternatives and all are able to efficiently get to/from their job, home, school, business, entertainment, etc.

Measure: Percent of daily trips made by means other than single occupancy vehicles (SOV) among Redmond residents through the Commute Trip Reduction survey

Measure: Occupancy of on-street parking spaces during highest demand hours (average permit sales/208)

So that

We foster a community that attracts and retains businesses, employees, customers, visitors and residents and supports a diversity of businesses and services

Measure: Number of jobs in businesses in key business clusters

Clusters as defined by Economic Development study:

- Aerospace-related advanced manufacturing
- Avionics
- Interactive Media & Digital Arts
- Medical Information technology & applications-related software
- Retail, arts and culture

Performance Measure	Actual				Target	
	2013	2014	2015	2016	2017	2018
Percent of employees in Redmond who have access to formal transportation programs (New Measure)	N/A	91.0%	87.0%	90.0%	90%	90%
Number of active users in Go Redmond				10,000	12,000	14,000
Percent of daily trips made by means other than single occupancy vehicles (SOV) among Redmond residents through the Commute Trip Reduction survey (Measure is NDAT – non-drive alone)	Non-survey year	38.2%	Non-survey year	37%	37%	37%
Occupancy of on-street parking spaces during highest demand hours (average permit sales/208)	49%	56%	75%	77%	<85.0%	<85.0%
Number of jobs in business clusters	52,640	53,961	N/A*	55,000+	55,000+	55,000+

* Puget Sound Regional Council (PSRC) provides the employment numbers, that are not posted on their website for 2015 yet. (7/11/2016)

BUDGETING BY PRIORITIES

BUDGET OFFER

BUSINESS COMMUNITY

Department Name: EXECUTIVE

Id: EXE3023

Type of Offer: OFFER - ONGOING

SUSTAINABLE ECONOMIC DEVELOPMENT

Description:

What: The Sustainable Economic Development offer provides economic development resources to build and strengthen collaborative partnerships with businesses that attract a range and diversity of businesses, jobs, services, events and attractions desired by the community and necessary for a prosperous and economically vibrant Redmond. This offer addresses Factors Engagement, Places, Events and Identity and also Strategy 1: Promote civic partnerships and opportunities to collaborate, Strategy 2: Include broad and inclusive communication strategies and Strategy 3: Encourage a sense of community in the city and its neighborhoods.

Why: The Economic Development Division foster a positive economic climate that supports growth in the diversity and range of businesses that serve our citizen, visitor and daytime populations. All activities funded by this offer directly support the retention, expansion and attraction of businesses, promoting employment growth in key business clusters including: aerospace-related advanced manufacturing avionics; interactive media and digital arts; medical information technology and applications-related software; and retail, arts and culture; which in turn contribute to the community's economic vitality.

We do this by nurturing a positive business environment, including identifying key factors for success in our local business community; supporting an educated and engaged talent pool; and promoting Redmond as a positive place to do business, live, work, invest and play. Access to the stream of prospective businesses seeking to locate or expand in Redmond is supported through investments into partnerships like OneRedmond and the Economic Development Council of Seattle and King County. Over the past biennium, these organizations have helped bring several technology and aerospace companies to our community, along with assisting in expansion plans. For every higher wage primary job in targeted industry clusters that Redmond retains and attracts, four to six additional jobs are created. These secondary jobs range from industry suppliers, services and restaurants to arts, cultural and entertainment options. Collectively, people and businesses bolster demand for real estate, goods and services, increasing both property and retail tax revenues that in turn support investments necessary to realize the City's community vision. Efficient regulation and City business processes help reduce the amount of time (which equates to real dollars) developers and businesses need to spend to do business in the City.

Who: Current and prospective businesses, developers, property owners/managers, visitors, employees and residents are supported through: 1) efficient regulatory processes; 2) programs, initiatives and partnerships that focus on maintaining existing and attracting new businesses to Redmond and support reinvestment in the community; and 3) programs that foster Redmond's image and brand as a quality community in which to invest both financial and personal capital.

Results:

Legend of Service Level Descriptions:

None - Service not provided

Reactive - Service issues are addressed only as they arise

Managed - Use of a planned approach to meeting defined service levels

Proactive - Strategic approach with focus on promoting efficient and high quality services and programs

Comprehensive - Integrated approach across multiple business lines to best achieve the City's vision and mission

Baseline:

Id: EXE3023

BUDGETING BY PRIORITIES

BUDGET OFFER

BUSINESS COMMUNITY

Department Name: EXECUTIVE

Id: EXE3023

Type of Offer: OFFER - ONGOING

SUSTAINABLE ECONOMIC DEVELOPMENT

This offer promotes Redmond as a positive place to do business and enhance relationships between businesses and the City:

- o by providing efficient business licensing to ensure compliance with City codes at the outset of business operations so that businesses will not invest capital resources in a building or location that is not right for their type of business and minimizes the risks of fire and other safety hazards. This offer includes funding for the City's new online business license payment system (coming in June 2016) which was a result of a recent Lean project where stakeholders identified online renewals as the number one priority;
- o by working proactively to foster positive working relationships between the City and the business community to work collaboratively to evaluate, identify options and refine City regulatory and procedural systems that may be hindering our efforts to achieve Redmond's economic vision; and
- o by providing outreach, information and support to Downtown businesses during construction to mitigate the potential negative impacts of construction.

Leverages opportunities to support business vitality:

- o by engaging in local, regional and state economic development partnerships, including collaborating with other jurisdictions and the Washington State Department of Commerce, and investing in OneRedmond, the Economic Development Council of Seattle and King County, and King County Aerospace Alliance through initiatives like the Innovation Partnership Zone (IPZ) for Interactive Media and Digital Arts, Washington Tech Cities Coalition and other shared initiatives;
- o by working with OneRedmond and its business community investors to help attract, retain, and support creation of a diversity of both large and small businesses that reflect our community character; obtain economic development assistance, guidance, and facilitation in identifying and creating opportunities to help companies locate and grow in Redmond; and supporting opportunities to collaborate on policy, processes, infrastructure and program enhancements that support easy and effective access to businesses;
- o through management of the Business License program which oversees the administration of 6,000 licenses annually and works with the business community by providing support and guidance to navigate the City's licensing/permitting processes and the State's many regulatory agencies as 88% of Redmond businesses have ten or fewer employees; and
- o by implementing innovative and entrepreneurial programs and partnerships like the Innovation Partnership Zone (IPZ) for Interactive Media and Digital Arts, designated by the Washington State Department of Commerce, that support the growth of Redmond's five business clusters and create a community of like-businesses and talent.

Establishes Redmond as a destination for consumers resulting in opportunities that reinforce a positive community image and unique identity.

- o by encouraging people to visit Redmond, and supporting tourism and lodging in Redmond, through various media that promote the City as an excellent place for visitors, employees and residents to live, work, play, invest and do
-

Id: EXE3023

BUDGETING BY PRIORITIES

BUDGET OFFER

BUSINESS COMMUNITY

Department Name: EXECUTIVE
Type of Offer: OFFER - ONGOING

Id: EXE3023

SUSTAINABLE ECONOMIC DEVELOPMENT

business;

- o by fostering Redmond as a tourism destination to recruit tournaments, events and large groups of people to stay in Redmond hotels and eat, shop and patronize Redmond businesses through Redmond's ExperienceRedmond.com program;
- o by awarding tourism grants to financially support the marketing of partner organization's events and activities in Redmond, leveraging the number of events supported through Redmond's lodging tax; and
- o by promoting Redmond businesses and encouraging residents and Redmond's strong employee base to patronize Redmond businesses through the ExperienceRedmond.com website that includes a free online business directory, focused promotions and events calendar.

Reinforce a positive city image and identity:

- o by producing printed materials to support business outreach and marketing efforts, and serve as a tool to reinforce the City's image and identity with respect to our sophistication and status in the region and nation;
- o by providing coordinated and integrated web-based information about Redmond as an attractive place to locate and do business with a diverse, well-educated community with a well-established labor pool and a variety of places to eat, play, shop, stay and live; and
- o by promoting Redmond's brand and image as a leader in the local, regional and national business arenas.

Above Baseline: An increase of 7.5% above baseline (\$155,000), would be required for credit card fees associated with Redmond's new online business license system. The new online system was approved and implemented during in the 2015-2016 budget. While the online system is not a new expense, customers using the system to renew their licenses, with additional credit card fees, will not happen until January 2017 and will be shown as an expense on the City budget.

Below Baseline: A reduction in funding of:

2% Scalability (\$40,318) - This would reduce the dollars identified for consultant services and studies that progress the City's economic development efforts.

3% Scalability (\$60,477) - This would reduce the dollars identified for consultant services and studies that progress the City's economic development efforts.

6% Scalability (\$120,955) - This would include the previously identified 3% plus an additional \$62,802 which would include \$10,000 of the identified economic development marketing budget and \$52,802 from the buy local marketing and outreach program.

These budget reductions means decreasing the City's presence in a way that Redmond will be less likely to be perceived as a place to locate new businesses or to visit and do business and the City will have reduced access to information about economic development opportunities. This would directly negatively impact the measure, "ease of doing business in

Id: EXE3023

BUDGETING BY PRIORITIES

BUDGET OFFER

BUSINESS COMMUNITY

Department Name: EXECUTIVE

Id: EXE3023

Type of Offer: OFFER - ONGOING

SUSTAINABLE ECONOMIC DEVELOPMENT

Redmond as good or better."

Prelim Changes:

Recommended changes to the offer include:

- o Increase funding for credit card fees by \$155,000.
 - o Transfer 0.50 FTE position Business License Program Administrator to Organizational Excellence and Customer Service offer EXE3011 to staff Customer Service Center.
-

Budget Offer Summary:

Expenditure Summary

	2017	2018	Total
Ongoing-Sal/Ben	\$265,433	\$271,455	\$536,888
Ongoing-Others	\$724,140	\$724,140	\$1,448,280
OneTime-Sal/Ben	\$0	\$0	\$0
OneTime-Others	\$29,309	\$0	\$29,309
TOTAL	<u>\$1,018,882</u>	<u>\$995,595</u>	<u>\$2,014,477</u>
FTEs	1.950	1.950	

Sustainable Economic Development

EXE3023

Redmond creates a strong, sustainable and vibrant economy

Measure: Number of Redmond businesses licensed for seven years or greater

So that

Redmond is recognized as a strong local, regional and world-class business community where businesses seek to locate and expand

Measure: Number of people employed by Redmond businesses

Measure: Number of heads in beds

So that

Redmond attracts and retains businesses, employees, customers and visitors which cultivates a diverse range of jobs, services, entertainment and cultural activities

Measure: Number of jobs in businesses in key business clusters

Measure: Hotel conversion tracking increase over previous years

So that

Redmond provides collaborative business supportive processes, programs and partnerships

Measure: Percent of businesses rating ease of doing business in Redmond as good or better

Measure: City support as percent of total support to OneRedmond

Performance Measure	Actual				Target	
	2013	2014	2015	2016	2017	2018
Percent of businesses rating ease of doing business in Redmond good or better	89.6%	92.0%	92.0%	80%	80%	80%
City support as percent of total support to OneRedmond	15.0%	11.0%	11.00%	15%	10%	10%
Number of jobs in business clusters	52,640	53,961	N/A*	55,000+	55,000+	55,000+
Achieve positive growth in hotel conversions over previous year (ExperienceRedmond.com)	39.90%	42.30%	108.20%	30.00%	Yr over Yr Incr	Yr over Yr Incr
Number of Redmond businesses licensed for seven years or greater	1,460	1,465	1,466	Yr over Yr Incr	Yr over Yr Incr	Yr over Yr Incr
Number of total jobs in Redmond	81,867	84,547	N/A	Yr over Yr Incr	Yr over Yr Incr	Yr over Yr Incr
Number of heads in beds (as measured by lodging tax revenue)	2.00%	3.00%	8.00%	5.00%	6.00%	8.00%

* PSRC provides the employment numbers, that are not posted on their website for 2015 yet.(7/11/2016)

BUDGETING BY PRIORITIES

BUDGET OFFER

BUSINESS COMMUNITY

Department Name: PLANNING & COMMUNITY DEVELOPMENT

Id: PLN2992

Type of Offer: OFFER - ONGOING

RESPONSIVE DEVELOPMENT SERVICES

Description:

What: The Development Services Center (DSC) is composed of land use, engineering, building, fire, business licensing and cashiering staff, who review land use and building permits, and assist residents, businesses and the building community with a variety of services, such as the review and issuance of permits and responding to property-related questions. The DSC enables one-stop service for all aspects of the development process.

Why: As a facilitator and not just a regulator, the DSC staff recognizes that excellent customer service is an important element in fostering a strong business/government relationship by providing increased predictability throughout the permitting process. Additionally, collaborative problem solving and establishing clear expectations in conjunction with innovation are in alignment with business attraction and retention (this offer references both Strategy 3 and Factor 3). Providing timely and accurate information along with predictability, leads to a built community that meets the vision of the City and its citizens, protects the environment and supports the City's Climate Action Plan, and advances Redmond's economic vitality. It also promotes the City, with safely designed and constructed buildings and infrastructure, as a positive place to live and do business.

Who: Primary DSC customers are the general community as well as the development and business communities. Specifically, these communities include residents, developers, designers, contractors and business owners. The DSC staff also serves other internal City divisions and departments including Parks, Long Range Planning, Public Works, Natural Resources and Fire Operations.

Results:

Legend of Service Level Descriptions:

None - Service not provided

Reactive - Service issues are addressed only as they arise

Managed - Use of a planned approach to meeting defined service levels

Proactive - Strategic approach with focus on promoting efficient and high quality services and programs

Comprehensive - Integrated approach across multiple business lines to best achieve the City's vision and mission

Baseline: Currently, the DSC baseline for 2015/16 budget is \$12,498,646, which includes one Business Application Specialist who supports the permit tracking and review systems. The DSC processes 159 different types of permits, each unique and necessary to a specific purpose. In 2015, there were a total of 9,064 entitlement, engineering, building and fire permits. Compared to 2013, permit activity was up by 20% in 2015. This translates to an increase in construction value (the value of the built structures) of \$229.2 million in 2015 as compared to 2013. The value of construction is directly related to an increased property tax base (in 2015 this represents an increase of \$325,464 in annual property tax revenues). Further, in 2015 the DSC collected an increase in permit fee revenue of \$88,170 over the 2015/2016 projections and 2016 is expected to be greater than 2015. Due to the high volume of permits DSC processes each year, this offer focuses on the importance of ensuring a predictable, transparent and timely permitting process.

Beginning in 2014, staff began an ongoing effort to create new processes and continues to make "Lean" adjustments and implement them through this budget cycle. During this time staff has developed new processes and tools, such as:

- o Over-the-counter tenant improvement permits
 - o Increased scope of work for expedited tenant improvement permits
-

Id: PLN2992

BUDGETING BY PRIORITIES

BUDGET OFFER

BUSINESS COMMUNITY

Department Name: PLANNING & COMMUNITY DEVELOPMENT

Id: PLN2992

Type of Offer: OFFER - ONGOING

RESPONSIVE DEVELOPMENT SERVICES

- o Online payments of permit fees
- o Reduction of the Building Department's Iron Mountain Plan Storage (\$10,000 annual savings), reduced public record request response times and made required plans available to the public on the City's website
- o Creation of the online permit fee estimator tool to assist customers
- o Creation of the project viewer map to inform the public about development projects
- o Revision of Redmond's Design Standards

To date, the Lean effort has identified several efficiencies; however, there are many more projects scheduled to be evaluated.

Currently, the DSC is unable to maintain a *managed* level of service that is in alignment with our performance measures and customer expectations. These services include achieving desired review turnaround times, providing available counter staff from 8:00 AM to 5:00 PM, answering a variety of code questions, completing comprehensive reviews and issuing permits. Redmond encountered a building surge during 2013 which continues today. We anticipate the level of development activity to remain high through 2017-2018 biennium, when considering current applications just beginning the permitting process and whose final designs and construction will occur through 2018. Performance levels are currently *reactive*. Performance measures for PREP (pre-application review) projects are only being met 28% of the time (90% is the target) and Fire and Building reviews are only being met 76% of the time (90% is the target). This performance measure has not been met due to inadequate applicant performance and the increase in permit activity. Additional resources have been requested and granted during this biennium to restore *managed* service levels. As demonstrated in the past, the DSC will adjust staffing levels accordingly in times of economic downturn.

Above Baseline: A budget increase (\$967,410) would result in an additional 1.0 FTE to DSC staff and two one-time consultant contracts and one-time increases for contracted services to support engineering activities. The 1 FTE is being requested to respond to the requirement for Low Impact Development (LID) to ensure engineering review and modeling is performed for successful design of LID projects. State regulations associated with the Federal Clean Water Act require the City to integrate (LID) into stormwater management practices, beginning in 2017. This FTE will allow engineers to reach a *managed* implementation of LID as mandated on privately constructed projects.

A budget increase is being requested for a onetime consulting contract of \$250,000 that would allow the hiring of a consultant to modernize and update the current engineering standards. Most of Redmond's urban engineering standards were adopted prior to 1995 when Overlake and Downtown were less dense and more suburban. As Downtown and Overlake urbanize, space for utilities, transportation, public space and building footprint is at a premium so the outdated street design requirements create unnecessary conflicts that staff must resolve on a case by case basis. In joint meetings of management staff from Public Works and Planning, this was rated the highest priority to resolve. Currently, staff does not have the workload capacity to be able to conduct this research and formulate these engineering standards.

As part of the requested budget increase, a onetime consulting contract of \$250,000 would allow the hiring of a consultant to evaluate the current funding system and fees that are charged for development and building permits. This study would provide research and analysis of the existing conditions, look at surveys of other cities, and conduct a thorough review of staffing, workload, services and feedback from the community, as well as identify potential new best practices to be implemented. Staff does not have the expertise to be able to conduct this evaluation.

Id: PLN2992

BUDGETING BY PRIORITIES

BUDGET OFFER

BUSINESS COMMUNITY

Department Name: PLANNING & COMMUNITY DEVELOPMENT

Id: PLN2992

Type of Offer: OFFER - ONGOING

RESPONSIVE DEVELOPMENT SERVICES

Finally, a one-time increase in funding for consultant services of \$129,000 would provide engineering support that is needed due to an increased level of development activity and permit requests.

A failure to obtain the requested budget increases for staff noted above will result in the implementation of LID to become *reactive* and further erode our ability to meet our performance measures as well as the City being in violation of the Federal Clean Water Act.

Below Baseline: Developers will experience delays in permitting impacting their construction financing (each day of delay results in an estimated cost of \$3,000 per day for residential, \$12,000-\$15,000 for commercial), some developers may miss their desired construction seasons resulting in a postponement of the project for an additional year, all of which would make Redmond less desirable to the business community and may prompt development to build in other communities instead of Redmond. Any delay of the final completion of a project also results in a delay in the City receiving sales tax, property tax and business license head tax.

2% Scalability (\$249,973) - This reduction would require the elimination of 1 to 1.5 FTE and compound our current *reactive* state. Assuming current permit levels stay steady; a reduction of approximately 40 to 60 hours less per week of staff time performing project review would have a negative impact on performance service levels, and plan review turnaround times. A loss of staff review time of this magnitude may result in a loss of City permit revenue of \$475,000 within this two year budget time period.

3% Scalability (\$347,959) - This reduction would require the elimination of 1.5 to 1.75 FTE's in addition to our current *reactive* state. Assuming that current permit levels stay steady; a reduction of approximately 60 to 80 hours less per week of staff time performing project review would have a significant negative impact on performance services levels, plan review turnaround times, and resulting in a loss of City permit revenue of \$714,000 within this two year budget time period.

6% Scalability (\$749,919) - This reduction would require the elimination of 3 to 3.5 FTEs in addition to our current *reactive* state. Assuming that current permit levels stay steady; a reduction of approximately 120 to 160 hours less per week of staff time performing project review would have a substantial negative impact on performance service levels, permit review turnaround times, DSC's ability to support other City departments on code development and capital projects, resulting in a loss of future property tax and reduced sales tax base, as well as a loss of City permit revenue of \$1,428,000 within this two year budget period.

Given the increase in permit activity, the loss of 3 to 3.5 FTEs within the four divisions that comprise the DSC would have a crippling effect on our ability to meet performance measures and turnaround times resulting in doubling or tripling the duration time it takes to review a permit. This would have negative impacts to our customers and increase their costs associated with construction loans and extend their project completion dates. Cuts in service would result in less development as businesses would look to surrounding cities for space to lease where tenant improvement permits would be more easily obtained.

Contract Services: The offer include, contract staff agreements (contractual agreements for services) between developers and the City of Redmond in which services and staff are paid by the developer, and include contracts for Sound Transit and Microsoft which were developed during the 2014-15 biennium outside of the budget process. While the value of these positions is calculated in scalability, actually reducing these particular positions would place the City in breach of

Id: PLN2992

BUDGETING BY PRIORITIES

BUDGET OFFER

BUSINESS COMMUNITY

Department Name: PLANNING & COMMUNITY DEVELOPMENT

Id: PLN2992

Type of Offer: OFFER - ONGOING

RESPONSIVE DEVELOPMENT SERVICES

contract and liquidated damages will apply at \$500 per day. Any reduction in staffing levels for these contracts would not allow the City to fulfil these contracts. The contracts include 4.35 FTEs & \$567,187.47 for Sound Transit and 3.5 FTEs & \$912,445.76 for Microsoft.

Prelim Changes:

Recommended changes to the offer include:

- o Transfer 0.25 FTE (\$54,121) Business License Program Administrator position to Organizational Excellence and Customer Service offer EXE3011.
 - o Add 1.0 Sr. Engineer for Low Impact Development (LID), \$288,410.
 - o Transfer of 1.0 FTE (\$191,668) City Cashier position to Organizational Excellence and Customer Service Offer EXE3011.
 - o Reduce new professional services to support the increase in number of permits by \$50,000.
 - o Reduce new professional services in support of the engineering urban design update by \$50,000.
 - o Reduce new professional services in support of development user fee study by \$225,000 and move remaining \$25,000 to Responsible Financial Management offer FIN2965 to manage the study.
-

Budget Offer Summary:

Expenditure Summary

	2017	2018	Total
Ongoing-Sal/Ben	\$4,472,398	\$4,617,914	\$9,090,312
Ongoing-Others	\$1,089,843	\$1,094,535	\$2,184,378
OneTime-Sal/Ben	(\$15,169)	\$0	(\$15,169)
OneTime-Others	\$264,500	\$64,500	\$329,000
TOTAL	<u>\$5,811,572</u>	<u>\$5,776,949</u>	<u>\$11,588,521</u>
FTEs	44.175	44.175	

Responsive Development Services PLN2992

