

**City of Redmond Economic Development Plan:
City Council Question Tracking**

This document reflects questions organized by topic area, from various touchpoints with Council from May 2023 to the March 5, 2024 Committee of the Whole meeting. Staff comments and references to focus areas and strategies related to the topic are included in each section. This document will continue to build on Council touchpoints and a final document will include the final page numbers to reference the specific strategies and actions related to the topics questioned.

Topic	Discussion Notes	Plan Inclusion Index
Plan Alignment	<p><u>City Council Question(s)</u></p> <ul style="list-style-type: none"> <i>How are all the city plans woven together especially around equity work and the Redmond 2050 Intercultural District?</i> <p><u>Staff Response</u></p> <ul style="list-style-type: none"> Staff was intentional to ensure review and reference of Redmond and Regional plans and studies to ensure alignment. The Economic Development Manager led an interdepartmental Core Team throughout the strategy development process and will have dedicated meetings with applicable city programs to review and finalize actions. Equitable Economic Mobility is a Foundational Strategy and includes supporting and engaging in City DEI efforts and fostering equitable economic security and wealth generation. The Redmond 2050 Intercultural District is reflected in the District Development and Equitable Small Business strategies and actions. 	<p>-Equitable Economic Mobility Foundational Strategy</p> <p>-Equitable Small Business Support</p> <p>-District Development</p> <ul style="list-style-type: none"> Page # (s): TBD
Vision	<p><u>City Council Question(s)</u></p> <ul style="list-style-type: none"> <i>Who is Redmond and what do we want to be when we grow up - what's our Vision?</i> <p><u>Staff Response</u></p> <ul style="list-style-type: none"> An draft Economic Development Vision was created as part of the plan that is in alignment with the City and Redmond2050 Economic Vitality vision. Focus Area goals also help set narrative for what we want to achieve. 	<p>-Vision Statement</p> <ul style="list-style-type: none"> Page # (s): TBD

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Cluster Development/ Diversification	<p><u>City Council Question(s)</u></p> <ul style="list-style-type: none"> <i>What is the right balance of industries and company sizes?</i> <i>How do we continue to support a thriving Innovation Technology sector and look to also diversify our industries in the future?</i> <p><u>Staff Response</u></p> <ul style="list-style-type: none"> A healthy economic has a diversity of industries and company sizes. One of the focus areas of the plan is to provide targeted support to industry cluster beyond the Information, Communication and Technology (ICT) sector. Redmond's strong ICT cluster is a benefit for growth in other sectors that are reflected in the strategies. The intention of a Business Retention and Expansion program is to help businesses maintain or grow from a small business to a mid-size and large businesses. Cluster Diversification and Expansion strategies identify the following industries for focused programing: Commercial Space, Life Sciences, Clean Tech, Retail, Creative Economy, and Tourism. Key Performance Indicators will be established to measure cluster diversification. 	<p>-Cluster Diversification and Expansion Focus Area</p> <p>-BRE Focus Area</p> <ul style="list-style-type: none"> Page # (s): TBD
Sustainability	<p><u>City Council Questions</u></p> <ul style="list-style-type: none"> <i>How does this plan relate to our climate goals and help jobs and homes located in the same place so people do not get in the car everyday?</i> <i>I think environmental sustainability is critical to overlay on this plan- as we think about businesses we want to attract- just an approach we should think about.</i> <p><u>Staff Response</u></p> <ul style="list-style-type: none"> Policy direction of Redmond 2050 is incorporated in this plan and the City's sustainability goals are reflected in the Plan's vision statement. Redmond 2050 and the City's sustainability program were represented on the Core Team. A Foundational strategy of this plan is Sustainability which focuses on embedding the City's sustainability goals within Economic Development business outreach and programming. Clean tech companies were highlighted as an opportunity to focus on for business attraction and cluster support and is reflected in those strategies and draft actions. 	<p>-Sustainability Foundational Strategy</p> <p>-Transportation Foundational Strategy</p> <p>-Business Attraction</p> <p>-Cluster Development</p> <ul style="list-style-type: none"> Page # (s): TBD

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	<ul style="list-style-type: none"> Additional foundational strategies of the plan include Affordable Housing and Transportation, both of which will assist in transit mode shifts and lowering commutes times. Business survey participants mentioned that the new light rail opening will create possibilities to improve the quality of life for Redmond residents and workers, but last mile public transportation is important to realize the full potential of the new light rail stations in Redmond. In looking at the detailed data of commute trends, Redmond residents have one of the shortest commute times in the region at 25 minutes. While 89% of all Redmond workers commuted into the city for work from nearby communities, this is still lower than commuters to Bellevue, Kirkland, Issaquah, and Newcastle – all above 90%. The top cities of origin for Redmond workers in 2021 were Seattle (16%), Bellevue (11%), Kirkland (7%), and Sammamish (6%). 	
District Development/ Placemaking and Branding	<p><u>City Council Question(s)</u></p> <ul style="list-style-type: none"> <i>What are the aspects that create a high quality of life – what is the right mix of businesses?</i> <i>I would also like to see as we grow in our urban centers, let's really think about what kind of businesses we want to attract to those core areas to make it really live-able (nightlife, entertainment, food, book store etc.)- what are those type of things and let's attract them- figure out what we are missing there within each of the urban centers. As we are developing, let's be intentional about attraction.</i> <i>How can we reimagine big parts of our city especially around Light Rail?</i> <i>How are we amplifying the brand of the districts. SE Redmond, Overlake, how do we move from more corporate focus to brand of district?</i> <i>Is there anything else we can encourage or attract to create opportunities for youth and the younger generation might be looking for in a community?</i> <i>If I am a college student coming back to Redmond or someone wanting to move here what kind of information when this is complete will I be able to see about the future of Redmond. What do you think it will show from a broad perspective of this is the kind of city you can expect from this action plan?</i> 	<ul style="list-style-type: none"> -District Development and Placemaking Focus Area -Business Attraction Focus Area -Cluster Diversification Focus Area (Retail) -Communication and Storytelling Foundational Strategy <ul style="list-style-type: none"> • Page # (s): TBD

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	<p><u>Staff Response</u></p> <ul style="list-style-type: none"> District Development and Placemaking was intentionally developed as a focus area to leverage the opportunities of branding Redmond’s unique neighborhood identities, especially as light rail brings more exposure to the individual neighborhoods of Redmond. The District Development and Placemaking Focus Area goal reads “Create and evolve district identities and branding to leverage district marketing power in support of inclusive and equitable growth and economic impact. <p><u>Strategies include:</u></p> <ul style="list-style-type: none"> Foster the creation of district organizations that can convene, brand, program and promote Redmond’s unique business districts. Developing a unique, strongly branded identity for Redmond's business districts and to preserve and promote the arts, entertainment, events, cultural assets, and sciences in Redmond to attract new firms, industries, residents, and visitors. Additionally, one of the Foundational Strategies is “Communications and Storytelling” which includes amplify a compelling narrative about Redmond for a variety of audiences. A Business Recruitment strategy includes, “Target recruitment of businesses that strengthen the city’s commercial, cultural, and district identities.” A Cluster Diversification strategy includes “Retain and grow independent Retail activities that strengthen and differentiate Redmond's sense of place and experiential offerings.” 	
Small Business	<p><u>City Council Question(s)</u></p> <ul style="list-style-type: none"> <i>Will microbusinesses be included?</i> <i>I would like to see additional work on disadvantaged business enterprises as well- specifically what we will be doing to encourage and support women and minority owned businesses.</i> <i>Can you let us know how small businesses will be incorporated into this work?</i> <p><u>Staff Response</u></p> <ul style="list-style-type: none"> Of the total 3,875 Redmond businesses in 2023, two-thirds had 4 or less employees and are considered micro-businesses. 	<p>-Equitable Small Business and Entrepreneurship Support Focus Area</p> <ul style="list-style-type: none"> Page # (s): TBD

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	<ul style="list-style-type: none"> Equitable Small Business and Entrepreneurship Support is a Focus Area of the Economic Development Plan. <p><u>Strategies related to questions include:</u></p> <ul style="list-style-type: none"> Collaborate with partners to develop programs that provide culturally trusted small business support across industries in Redmond. Foster entrepreneurship across industries and work with partners to ensure support for a diverse community of entrepreneurs. Encourage an equity in contracting program to increase contracting, procurement, and consulting opportunities for small and minority owned businesses. 	
Displacement	<p><u>City Council Question(s)</u></p> <ul style="list-style-type: none"> <i>Can we give displacement grants for businesses that had to move due to growth and development?</i> <i>What are some displacement mitigation strategies – what are the places that have delt with similar situation and have best practices?</i> <i>What are the creative solutions available to mitigate displacement?</i> <i>Can we explore land banking or other solutions to address displacement?</i> <i>How do we support the unique needs of unique spaces like fitness areas</i> <i>Displacement and Retention – especially around intercultural district.</i> <p><u>Staff Response</u></p> <ul style="list-style-type: none"> 41% of respondents to the business survey mentioned they feel their business may be at risk of being forced to relocate from Redmond in the next five years. New supply of real estate is more expensive than what a business was displaced from, and businesses struggle to find locations they can afford. Displacement mitigation is complicated due to State of Washington gift of public fund rules. Unfortunately, while Redmond was able to offer a grant program with CARES and ARPA Federal funding, general fund dollars business grants are restricted by the State’s gift of public fund rules. 	<p>-Business Retention and Expansion Focus Area</p> <ul style="list-style-type: none"> Page # (s): TBD

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	<ul style="list-style-type: none"> Many programs used in other locations include a Public Development Authority, Land Trust and Revolving Loan Fund and these are being considered for action development. Staff applied for and received a Thriving Communities HUD technical assistance grant to examine displacement in Redmond. Preliminary feedback from small businesses, partners, and staff during 2023 established baseline conditions and needs. HUD and Smart Growth America’s technical assistance team then sought case studies and comparative conditions from across the nation. In April 2024, this team will engage regional developers and related partners to identify feasible solutions for Redmond that advance displacement-related actions, as identified in the Economic Development Strategic Action Plan. Staff look forward to final deliverables later this year. <p>Many of the Business Retention and Expansion strategies are in response to the displacement concerns we heard from businesses in Redmond.</p> <p><u>Strategies include:</u></p> <ul style="list-style-type: none"> Collaborate with Long Range Planning and Development Services to consider how the city can incentivize the creation of needed flexible spaces for retail, manufacturing, creative uses, and recreation uses. Work to proactively understand and predict the threats and opportunities for existing businesses in Redmond, including displacement. Work with public and private partners to foster affordable commercial space solutions. 	
Retail	<p><u>City Council Question(s)</u></p> <ul style="list-style-type: none"> <i>What are the macro retail trends - is this why we are seeing a decline? What should be our target given the trend?</i> <i>What might go in place if we don’t have the classic big box retail – is it mom and pop shop retail or activities – what would succeed?</i> 	<p>-Business Retention and Expansion Focus Area</p> <p>-Equitable Small Business and Entrepreneurship Support Focus Area</p>

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	<ul style="list-style-type: none"> <i>Retail Vacancy rate – does this include spaces that have converted from retail to office (Macy’s and REI)? people still feeling that loss, how do we fill that retail gap?</i> <i>Address vacancies we do have and that have been vacant for quite a while and incentivizing them to get filled?</i> <p><u>Staff Response</u></p> <ul style="list-style-type: none"> From 2010 to 2022, Redmond’s retail square feet per capita declined by 31%, the most of all benchmark cities, and retail vacancies at 1% are extremely low. Retail sales in Redmond increased at a slower pace than King County. Food and beverage, clothing, personal care and auto are less concentrated in Redmond relative to King County. As a vacancy rate of 3% is considered healthy because it represents a market balanced between tenants and owners, these extremely low vacancy rates, and the lack of new deliveries (only two new buildings totaling 162,000 sf built in the last decade in Redmond), indicate that demand is outstripping supply of this commercial typology. This shortage of space is also driving up lease rates and impacting smaller and independently owned business viability in Redmond. Local independent retail is desired by locals and tourist and supports. Retail vacancies in Redmond are most likely due to affordability (high rents) and suitability of those retail spaces in new developments for smaller independent businesses. As Redmond continues to grow, business parks in Marymoor and Overlake are at risk of redevelopment. As referenced above the ground floor commercial spaces provided by a multifamily building are difficult for a previously displaced business to utilize. Retail spaces in new buildings are more likely to be a bare-bones space needing investment in tenant improvements to add the necessary physical amenities. The spaces may be too large for small businesses like a mom-and-pop store. Many spaces in new development, likely were built and financed for a retail chain, leaving little to no flexibility to lower rents or lease to less “credit-worthy” tenants. 	<p>-Cluster Diversification Focus Area</p> <p>- District Development and Placemaking Focus Area</p> <ul style="list-style-type: none"> Page # (s): TBD

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	<ul style="list-style-type: none"> Redmond 2050 Overlake Incentive Program is one tool that currently has small business affordable commercial space incentives included and the Economic Development Program will continue to work with Long Range Planning on incentive opportunities. <p><u>Strategies to support Retail include:</u></p> <ul style="list-style-type: none"> Collaborate with Long Range Planning and Development Services to consider how the city can incentivize the creation of needed flexible spaces for retail, manufacturing, creative uses, and recreation uses. Work with public and private partners to foster affordable commercial space solutions. Retain and grow independent Retail activities that strengthen and differentiate Redmond's sense of place and experiential offerings. Leverage the arrival of the light rail and continue to prioritize planning and resources for key investments in growth centers to reinforce unique identities as vibrant cultural and commercial centers. Preserve and promote the arts, entertainment, events, cultural assets, and sciences in Redmond to attract new firms, industries, residents, and visitors. 	
Childcare	<p><u>City Council Question(s)</u></p> <ul style="list-style-type: none"> <i>How do we attract more childcare institutions?</i> <p><u>Staff Response</u></p> <ul style="list-style-type: none"> Strategies regarding supporting childcare business attraction and development are currently drafted for both the Small Business and Workforce Chapter and include: Identify and support opportunities to increase affordable dependent care and other supportive services to facilitate workforce attraction and retention. Increase outreach to and understanding of Redmond home-based businesses to help them grow and connect to market opportunities. Work with public and private partners to foster affordable commercial space solution. 	<p>Equitable Small Business and Entrepreneurship Support Focus Area Workforce Focus Area</p> <ul style="list-style-type: none"> Page # (s): TBD

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Data	<p><u>City Council Question(s)</u></p> <ul style="list-style-type: none"> • <i>Will a SWOT be included in the plan?</i> • <i>What is missing in Redmond what are the gaps?</i> • <i>Reference the federal poverty line</i> • <i>4% office vacancy – what is the national rate?</i> • <i>Outreach to small business – outreach in addition to OneRedmond.</i> <p><u>Staff Response</u></p> <ul style="list-style-type: none"> • The data analysis appendix will include a SWOT (strengths, weaknesses, opportunities, threats) analysis. • \$13,788 is the 2021 poverty level for individuals that is used by the U.S. Census Bureau. • 16.9% for the U.S. office market vacancy rate in Q4 2023 • Federal poverty level will be added to the data analysis. • The national office vacancy will be added to the data analysis. • Outreach included incorporating feedback from recent studies and engagement efforts, City of Redmond staff led stakeholder interviews, focus groups, and a questionnaire sent to all Redmond business license holders available in five languages. A “Let’s Engage” Webpage is currently active and inviting feedback on the draft strategies. 	<p>-Data Analysis Appendix</p> <p>Page # (s): TBD</p>
Implementation	<p><u>City Council Question(s)</u></p> <ul style="list-style-type: none"> • <i>Would like clarity on what are the roles we want to have within the city versus external partnerships like OneRedmond?</i> • <i>As we move forward how do we think about staffing and capacity needed to execute, especially now that we have some staff capacity.</i> • <i>What is the strategy and implementation roadmap?</i> • <i>What is solvable in the 5-year window and how do we set ourselves up for the next 5 years?</i> 	<p>-Regional Collaboration and Partnerships Foundational Strategy</p> <p>-Implementation Action Plan</p> <ul style="list-style-type: none"> • Page # (s): TBD

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	<u>Staff Response/Recommendation</u> <ul style="list-style-type: none">• As Redmond's first Economic Development Strategic Plan, this Plan will build the City's Economic Development Program, and set the narrative of economic development in Redmond.• Staff will provide regular implementation updates to the City Council over the next 5 years. Progress on the actions will be prioritized based on council and community feedback, and dependent on staffing capacity and funding opportunities (e.g. grants).• Economic development staff will also seek to partner where possible on implementation.• Regional Collaboration and Partnerships is a Foundational Strategy and focuses on leverage partners across the region for organizational strengths and economies of scale in achieving aligned outcomes.	