

Economic Vitality

Vision Statement

In 2050, Redmond is regionally and nationally renowned as a city with a vibrant economy that is home to diverse and innovative businesses, from multinational corporations to small and local artisan, start-up, and legacy businesses.

People and businesses choose Redmond for its great amenities such as parks, regional trails, and community facilities, its vibrant centers, a healthy natural environment, highly regarded schools, and a well-educated and diverse workforce.

Redmond's city government pursues policies that support innovation, attract sustainable development, and foster a positive business climate.

Redmond is regarded for providing equity for its residents, workers, and visitors, whether for its city services, such as accessible parks and trails, programs for immigrants and those with disabilities to get job training and employment, or policies and initiatives that provide everyone the resources, tools, and opportunities to succeed.

Whether one works in the technology, manufacturing, service industries, in public service, or is a small business owner, Redmond's housing options and amenities allow individuals and families to be self-sufficient and pursue the quality of life they desire.

Redmond is a resilient community - an effective city government with the policies, tools, and services in place to withstand and overcome the impacts from natural disasters, economic downturns, and other events.

With this vision, Redmond has prioritized three economic vitality goals, described in framework policies and supported by policies that further describe and implement these goals and objectives:

- A sustainable and resilient economy,
- A high quality of life, and
- A diverse workforce and business community.

Comprehensive Plan requirement:

RCW 36.70A.070(7) states that a city's Plan shall include:

An economic development element establishing local goals, policies, objectives, and provisions for economic growth and vitality and a high quality of life.

Framework Policies for Element

FW-EV-1: Support policies, regulations, services, programs, and infrastructure investments that strengthen an economically diverse, sustainable, and resilient economy.

FW-EV-2: Support policies that contribute to a high quality of life in Redmond, such as career and education opportunities, housing, transportation and recreation choices, as well as a healthy natural environment.

FW-EV-3 Cultivate a diverse workforce and business community that reflects Redmond's commitment to opportunity, equity, self-sufficiency, and the importance of both legacy and new businesses.

Comprehensive Plan Guiding Principles

The following policies in this element support the Redmond 2050 themes of equity and inclusion, resiliency, and sustainability.

Existing Conditions

Background

Economic vitality can be thought of as the pulse of the community that allows it to thrive and be sustainable. The attraction of resources, whether natural or human, brings people and businesses to an area, which in turn create jobs, opportunities, and wealth. The wealth generated is used to create a community with attractive and desirable amenities that increases quality of life. That high quality of life in turn attracts people, businesses, and opportunities, creating a virtuous cycle of community vitality.

The goal of the Economic Vitality element is to support Redmond community's long-term health and well-being in a way that supports equity and inclusion, sustainability, and resiliency.

With an abundance of high-paying jobs, the cost of housing has dramatically increased in Redmond over the last decade. This has pushed out lower and middle wage income earners and has impacted the local businesses and services that those earners use. This, in the long-term, can stress or break the cycle of economic and community vitality.

The policies identified in this element, and throughout the Redmond 2050 Comprehensive Plan, recognize these concerns and will be used to respond to these issues and maintain Redmond on a path to implement the goals and vision for 2050.

Current Conditions & Future Projections

Redmond's economy continues to be dynamic. From its origins as a marshy yet abundant fishing and foraging location for indigenous peoples, Redmond's modern roots began as a local hub for farming and logging in the 19th century. The mid-20th century saw its transformation into a prototypical car-centric suburb with sprawling housing subdivisions, retail shopping centers, and later, office parks catering to the technology services industries such as Microsoft. The 21st

century ushered in Redmond's next phase of development into a dense urban area with light rail and frequent bus transit service, and its economy continues to evolve and adapt to changing conditions at the regional, national and international levels.

Snapshot of current economy

As of 2020, Redmond's economy continues to be dominated by the technology sector, most notably by the presence of Microsoft's main corporate campus in the Overlake neighborhood and other offices around Redmond. Nintendo of America is also located in Overlake. Other technology companies have also began locating into Redmond, such as Meta/Facebook, with its campus on Willows Road, and Amazon, which has offices in Town Center and SE Redmond. Other major private employers including Eurest Dining Services, Terex/Genie, United Parcel Services as well as numerous IT consulting companies. Top public employers are the City of Redmond and the Lake Washington School District.

Businesses and Jobs

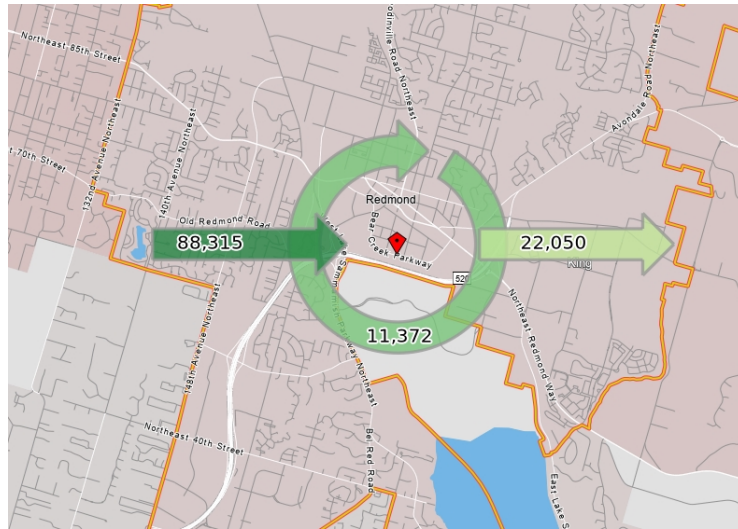
As of 2020, Redmond has almost 5,900 licensed businesses, providing approximately 99,000 jobs. Although only a few larger businesses provide most of the jobs in Redmond, more than 92% of businesses have less than 20 employees, and 64% have only one employee.

Job Inflow/outflow

One of the biggest challenges Redmond faces with its continued job growth is that almost 88% of workers come into the city from outside communities. And of the employed workers who do live in Redmond, 66% commute to locations outside of Redmond. This creates a burden on the transportation infrastructure, especially during peak commute times. Expanded transit options, such as the opening of four light rail stations that connect Redmond to Seattle, Bellevue, and the rest of central Puget Sound, as well as expanded multimodal options, including the Redmond Central Connector and EasTrail, are anticipated to help alleviate congestion and reduce commute times.

The availability of housing options for workers at all skill and income levels could increase the workforce both living and working in Redmond.

FIGURE 1 - REDMOND INFLOW/OUTFLOW JOB COUNTS, 2019



Income

Redmond's location as a hub of high paying tech-related jobs means that it has among the highest median household incomes (MHI) in the region and the United States. As of 2020, Redmond's MHI was \$132,770. Redmond also has a small percentage of persons living in poverty, at 5.8% compares to the US average of 11.4%.

FIGURE 2 - COMPARISON OF MEDIAN HOUSEHOLD INCOMES

Future outlook – employment

Redmond's employment will continue to grow. Local established businesses, such as Microsoft, will maintain a significant presence, while other tech businesses, such as Amazon and Meta, will continue to expand their footprints in Redmond. Redmond must accommodate nearly 30,000 additional jobs by 2050. Although this substantial growth is impressive, it is less than the rapid job growth experienced in the 1980s, 90s, and early 2000s.

FIGURE 3 - JOB GROWTH IN REDMOND 1980 - 2050

Policies (note highlight shows updated policies since draft 2)

Sustainable and Resilient Economy

The following policies support Redmond’s vision to have an equitable, sustainable, and resilient economy.

FW-EV-1 Support policies, regulations, services, programs, and infrastructure investments that strengthen an economically diverse, sustainable, and resilient economy.

EV-1 Develop and maintain a Redmond Economic Development Strategic Plan that implements City’s policies and is coordinated and consistent with VISION 2050 and the Regional Economic Strategy.

EV-2 Provide for a mix of land uses in a range of zones that enables Redmond to meet its job growth targets and attract and retain businesses that meet the needs of the community.

EV-3 Prioritize efficient use of land and infrastructure by directing economic development within existing retail, office, manufacturing, and mixed-use areas and in designated centers.

EV-4 Focus local investments to maintain and expand infrastructure and services that support local and regional economic development strategies, encourage growth in designated centers, and help achieve employment and housing targets.

EV-5 Support industry clusters and subclusters that are integral components of the local and regional economy.

EV-6 Provide a consistent and predictable regulatory environment and customer-focused approach to permitting and development processes.

EV-7 Utilize tax and fee systems that are equitable and stable, are consistent with City goals, predictably and appropriately fund local services, and are able to maintain a competitive economic environment. Periodically review the City's tax and fee systems to ensure they remain consistent with the City's priorities.

EV-8 Monitor the performance of economic development policies and strategies in business diversity, middle-wage job creation, and reduction of displacement risks. Identify and track key economic and demographic metrics to help the city evaluate the effectiveness of local economic strategies and achievement of equitable outcomes.

EV-9 Participate and coordinate with other government agencies, businesses, and non-profits in efforts to further the City's economic vitality.

EV-10 Ensure all businesses have access to economic assistance and disaster recovery resources through clear, timely, and supportive processes. Prioritize businesses that are small, local, historically lack capital, represent underserved and marginalized communities, and are at risk of displacement.

EV-11 Attract and support businesses that embrace Redmond's environmental sustainability and climate goals.

EV-12 Implement and promote technological initiatives that enhance economic vitality, protect privacy, and further sustainability. Encourage other service providers to do the same.

Quality of Life

The following policies promote a high quality of life, an essential component of an economically vital community.

FW-EV-2 Support policies that contribute to a high quality of life in Redmond, such as career and education opportunities, housing, transportation and recreation choices, as well as a healthy natural environment.

EV-13 Maintain and promote a healthy natural environment as a significant community amenity that attracts people and investments and contributes to Redmond’s economic vitality and sustainability.

EV-14 Support and collaborate with educational institutions and non-governmental organizations to provide opportunities to advance knowledge and skills.

EV-15 Align workforce development efforts with the needs of underserved communities.

EV-16 Support and incentivize resident-serving and neighborhood-based businesses to enhance walkability and provide daily services near homes and jobs.

EV-17 Foster the creation of business districts that are centers of local commerce, community, and culture, and help small businesses thrive.

EV-18 Preserve and enhance local arts, culture, recreation, nightlife, social amenities, and promote a distinctive identity for Redmond to attract and retain a diverse workforce and supports economic vitality.

EV-19 Encourage a mix of housing types and options that allows workers at different wage levels to live and work in Redmond.

EV-20 Invest in a well-connected, safe, accessible, and efficient multi-modal transportation network that is responsive to innovations and changing demands.

EV-21 Support Redmond’s growth as a tourism destination and foster tourism-related initiatives that bring investment and economic benefit.

EV-22 Allow for the equitable and multi-purpose use of public spaces and rights-of-way, including commercial uses such as outdoor dining, food/merchant kiosks, food trucks, and event and performance spaces.

EV-23 Support the local and regional food economy and businesses with an emphasis on those that provide access to local products and healthy, affordable, and culturally relevant food options.

Business and Job Diversity

The following policies promote a diverse economy.

FW-EV-3 Cultivate a diverse workforce and business community that reflects Redmond's commitment to opportunity, equity, self-sufficiency, and the importance of both legacy and new businesses.

EV-24 Adopt and maintain development regulations and incentives that prioritize flexibility in size, location, uses, and design to create affordable commercial spaces that allow small, locally owned, and culturally diverse businesses to thrive.

EV-25 Develop and maintain land use, zoning and design regulations that attract and support a diversified mix of businesses, from multinational corporations to small, locally-owned and innovative neighborhood shops.

EV-26 Recognize the importance and value of historically disadvantaged and marginalized communities. Implement actions that would eliminate and correct for on-going disparities and provide opportunity.

EV-27 Encourage home-based businesses that are compatible with residential uses.

EV-28 Foster retention of existing businesses as development occurs through incentives, development regulations and programmatic support, such as funding and grant opportunities.

EV-29 Maintain existing manufacturing park land use and zoning designations to sustain and grow the manufacturing sector while also providing flexibility for evolving business and community needs.

EV-30 Support policies that lead to income self-sufficiency for both workers and business owners in Redmond at a range of skill and educational levels.

