

REPORT

**Doing Business in Bellingham:
Results of 2013 Survey of Bellingham Business Leaders**

December, 2013

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EXECUTIVE SUMMARY

In November of 2013, the City of Bellingham conducted a telephone survey of randomly selected businesses located within the city. This research follows a similar effort in 2007 and 2010; these surveys were conducted for the purpose of helping the City better understand and support businesses in Bellingham. The results of this research will inform day-to-day decision making as well as contribute to measurement of the City's progress in achieving long-term goals.

The 2013 survey repeats many of the questions asked in 2010 and 2007 in an effort to identify trends and changes in business leaders' opinions over time. Survey questions were related to business leaders':

- Economic outlook for businesses and the city
- Experience doing business in Bellingham
- Satisfaction with city services that support business
- Basic descriptors of their business.

Some items from these surveys also were chosen by the City Council as performance measures in the city's *Legacies and Strategic Commitments* work. All survey findings in this report are grouped by topic areas described by the *Legacies and Strategic Commitments*.

In all, 300 business owners, managers, CEOs and presidents completed the 2013 telephone survey of about 40 questions. The survey garnered an 11% response rate and yielded a margin of error of 6%.

FINDINGS

In keeping with the city's priorities, findings from this survey are presented according to the *Legacies and Strategic Commitments* they support.

Legacy: Vibrant, sustainable economy

Participants were asked to rate Bellingham as a place to do business and 39% said it was *excellent* or *very good*. Overall, 47% said the economy is improving, and 51% said they expected their revenues to grow in the coming year, while 11% said they expect contracting revenues. Thirty percent (30%) of businesses expected to add employees in 2014. A majority (59%) said it is *somewhat, very* or *extremely difficult* to find qualified employees to work in their business. For each of these indicators the 2013 ratings made

up some lost ground from 2010 but were still not as high as those given in 2007, just prior to the start of the recession.

Business leaders were asked what they would change about doing business in Bellingham, and their responses were quite varied. Reducing taxes, fees and the cost of doing business was mentioned by 16%. Having a more business-friendly government with less regulation was mentioned by 11%.

Legacy: Quality, responsive city services

Businesses were asked how many times their business required interaction with city government during the past year. Over half did not require contact in the past year (53%), but those who did require contact tended to have more than one experience (38%). Approximately 40% of the contacts were described as interactions with Police and Fire departments, and approximately 15% were described as interactions with permits or the Planning department. Another 7% involved Public Works and the balance was ambiguous or undefined in terms of a specific department. Respondents who had interaction(s) with the city were asked to rate the quality of each of their contact experiences and over half (52%) rated their experiences as *excellent* or *very good*.

Businesses were asked to rate how well the City of Bellingham does in providing various services. Most (80%) said the city does *very* or *extremely well* at providing public safety services (including police and fire protection and emergency medical services). Utility services garnered ratings of *very* or *extremely well* from 64% of respondents. Land use planning and planning for growth had just 21% rating the how the city was doing *very* or *extremely well*. None of these indicators have changed since 2010, though many ratings shifted between 2007 and 2010.

Legacy: Equity and social justice

Businesses with employees were asked about different factors that might impact their ability to attract or keep qualified employees and 19% said that the cost of housing was *often* or *always* an issue. Many (29%) also said their ability to provide competitive compensation was an issue, down from 34% in 2010 and 50% in 2007.

Legacy: Access to quality of life amenities

Businesses were asked how well the city does providing cultural and recreational programs and facilities such as parks, recreation, libraries, theaters and museums. Over three-quarters (77%) said that the city does *very* or *extremely well* with cultural and recreational programs and facilities.

Legacy: Mobility and connectivity options

Businesses were asked how well the city does at providing transportation services, including street maintenance and lighting, traffic management, bicycle and pedestrian access, and parking. Just under half (48%) said that the city does *very or extremely well* with transportation.

Legacy: Safe and prepared community

Businesses were asked to give a “school letter grade” (A, B, C, etc.) to city police, fire and emergency medical services. The portion that gave each an “A” is listed below:

- Emergency Medical Services 66%
- Fire Services 62%
- Police Services 43%

Businesses were asked about their emergency preparedness. Roughly four out of ten (41%) said that their companies were *very or extremely well prepared* to handle a natural disaster.

CONCLUSION

Results for several areas identified as priorities in the city’s *Legacies and Strategic Commitments* show improvement since 2010, which was the heart of the recession. In particular there were significant improvements in:

- Ratings of Bellingham as a place to do business
- Economic outlook in terms of the local economy, revenue growth and hiring
- Ease of finding qualified employees

None of these have recovered to the level of the 2007 ratings.

Businesses’ ability to provide competitive compensation has improved steadily over the six-year research period, and the impacts of housing cost have steadily declined.

City service ratings have remained fairly stable.

Legacies and Strategic Commitments

Most items in the survey are related to areas of Legacies and Strategic Commitments. Five of the top level Legacies and Commitments are directly addressed by seven specific items in the survey. Overall, the primary improvement was noted in the area of Vibrant, Sustainable Economy. Other areas remained stable from 2010 with a slight upward trend.

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INTRODUCTION

In November of 2013, the City of Bellingham conducted a telephone survey of randomly selected businesses located within the city. This research follows a similar effort in 2007 and 2010; these surveys were conducted for the purpose of helping the City better understand and support businesses in Bellingham. The results of this research will inform day-to-day decision making as well as contribute to measurement of the City's progress in achieving long-term goals.

The 2013 survey repeats many of the questions asked in 2010 and 2007 in an effort to identify trends and changes in business leaders' opinions over time. Survey questions were related to business leaders':

- Economic outlook for businesses and the city
- Experience doing business in Bellingham
- Satisfaction with city services that support business
- Basic descriptors of their business.

Some items from these surveys also were chosen by the City Council as performance measures in the city's *Legacies and Strategic Commitments* work. Adopted by the Bellingham City Council in July 2009, the *Legacies and Strategic Commitments* is a set of long-term goals and the strategies they will use to reach those goals. Results of opinion surveys are among numerous ways the City is measuring its performance and determining if City programs and services are meeting its long-term goals. An overview of the City's *Legacies and Strategic Commitments* can be found in Appendix C, and more information about these goals and city performance measurement can be found on the City website.

All survey findings in this report are grouped by topic areas described by the *Legacies and Strategic Commitments*. Seven survey items were identified as top-level items measuring the City's progress in meeting particular Legacies. In the findings listed below, those top level key measures are noted and discussed as a group in the conclusion.

In all, 300 business owners, managers, CEOs and presidents completed the telephone survey of about 40 questions. The survey garnered an 11% response rate and yielded a margin of error of 6%. A complete description of the research methods and the raw frequencies are included in the appendices. This report describes the findings of the survey and subsequent analysis.

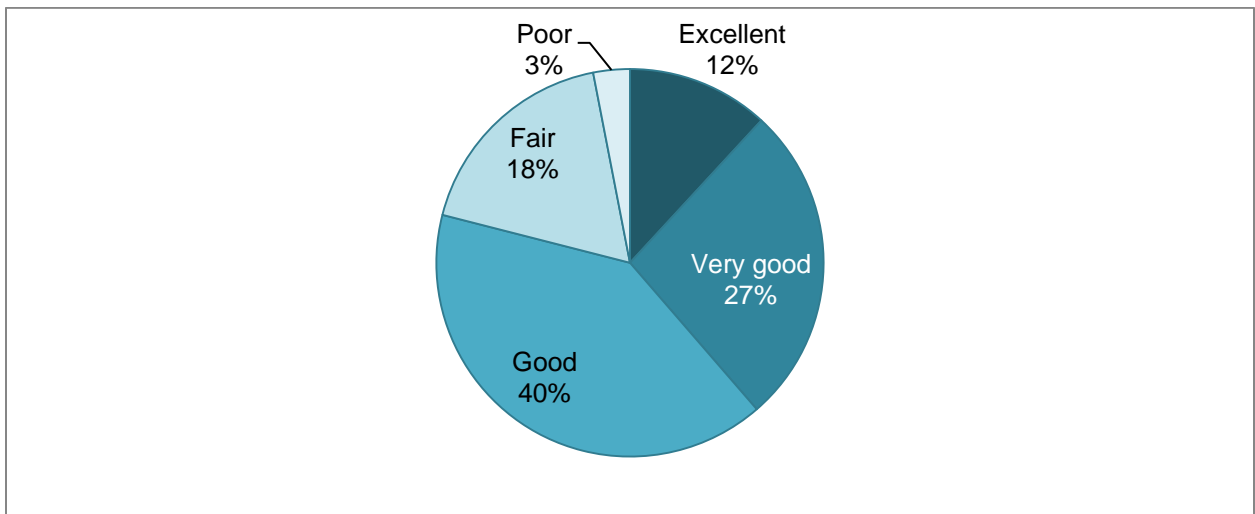
FINDINGS

In keeping with the city's priorities, findings from this survey are presented according to the *Legacies and Strategic Commitments* they support. Please see Appendix C for a summary of the *Legacies and Strategic Commitments*.

LEGACY: VIBRANT, SUSTAINABLE ECONOMY

Participants were asked to rate Bellingham as a place to do business and 39% said it was *excellent* or *very good* (Figure 1). Only 3% rated Bellingham as a *poor* place to do business.

Figure 1. Overall, how would you rate Bellingham as a place to do business?

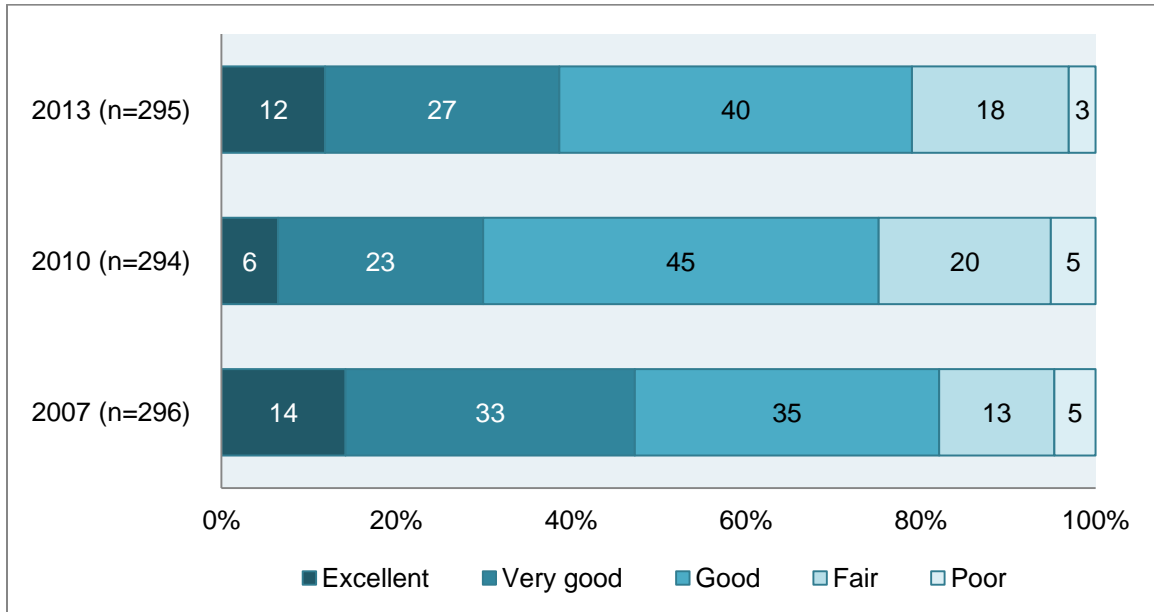


(n=295)

This item is considered a top level key measure that maps directly to the legacy area “Vibrant Sustainable Economy”.

Figure 2 shows the distribution of responses alongside the findings from 2010 and 2007. The 2013 results compare favorably to 2010 when 29% rated Bellingham as *excellent* or *very good* as a place to do business. The 2013 ratings made up some lost ground from 2010 but are still not as high as those given in 2007, which was prior to the start of the recession.

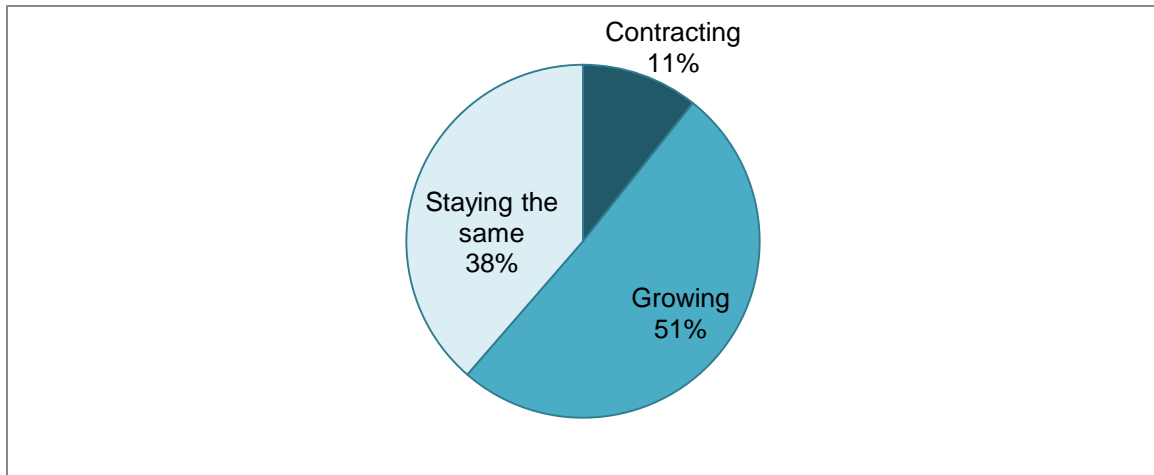
Figure 2. Year to year comparison: Overall, how would you rate Bellingham as a place to do business?



Economic outlook

Participants were asked about their economic outlook for their company and 51% said they expected their revenues to grow in the coming year (see Figure 3). This is very similar to the findings of a national survey by PNC Financial Services Group¹ that found 48% of small and middle market business owners anticipated sales would increase in the coming six month. Eleven percent (11%) of Bellingham businesses anticipated contracting revenues, which is also very close to the 10% national average reported by PNC.

Figure 3. Are you anticipating your company's revenues will be growing, staying the same or contracting relative to the past year?

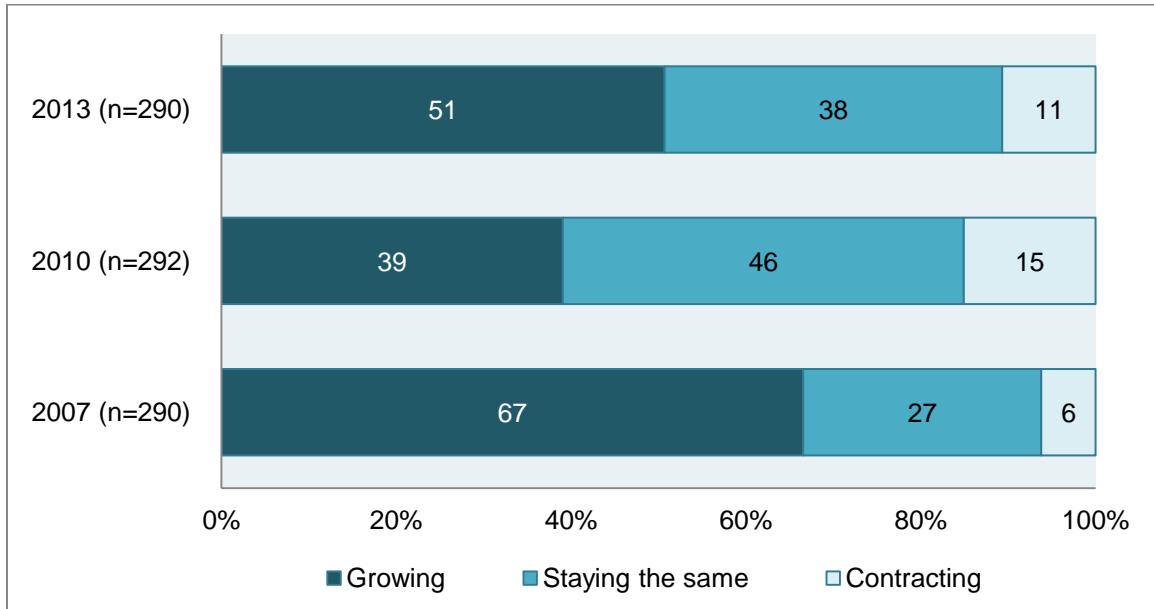


(n=290)

¹ The PNC Economic Outlook, Survey of Small & Middle-Market Business Owners, April 2013 <www.pnc.com>

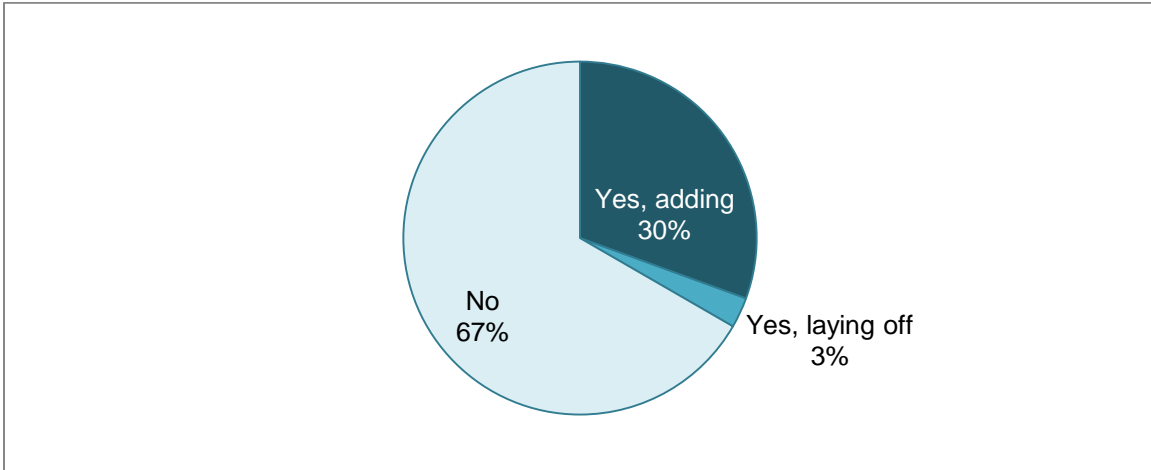
Figure 4 shows that the proportion of Bellingham businesses who expect to grow is up from 2010 (51% vs. 39%). This is still lower than the 67% of businesses who were anticipating growing revenues in 2007.

Figure 4. Year to year comparison: Are you anticipating your company's revenues will be growing, staying the same or contracting relative to the past year?



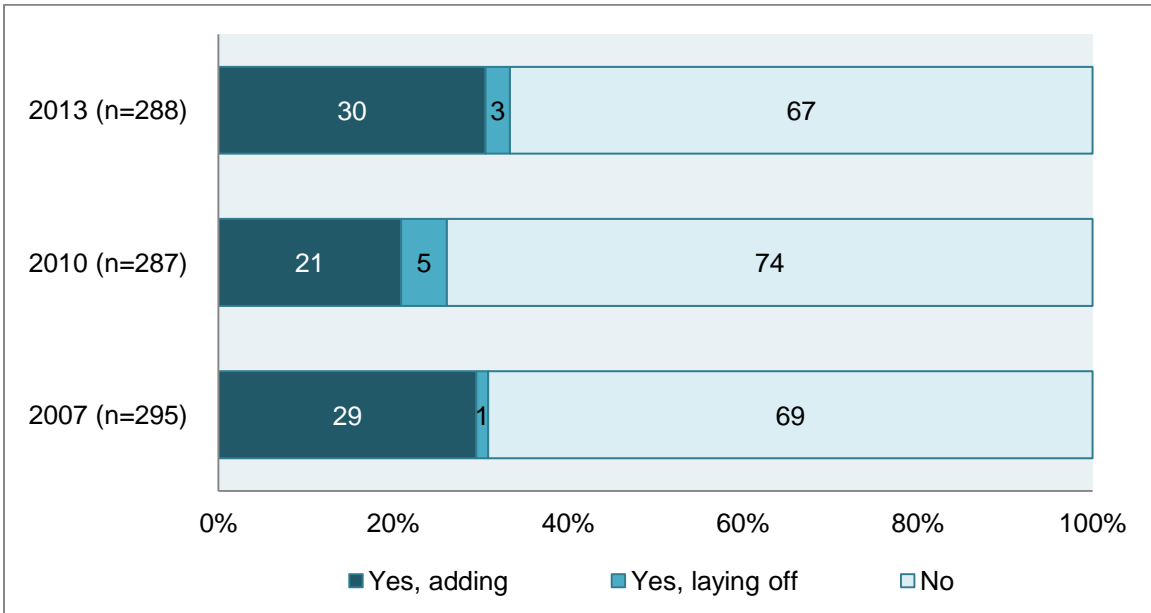
Just under one-third of businesses (30%) said they were looking to add employees in the coming year, with only 3% anticipating some layoffs (Figure 5). The majority (67%) is expecting to maintain its employee base. The overall distribution is a significant shift from 2010, but is very similar to 2007 findings, before the economic downturn.

Figure 5. Are you anticipating adding new employees or laying off any existing employees in the company?



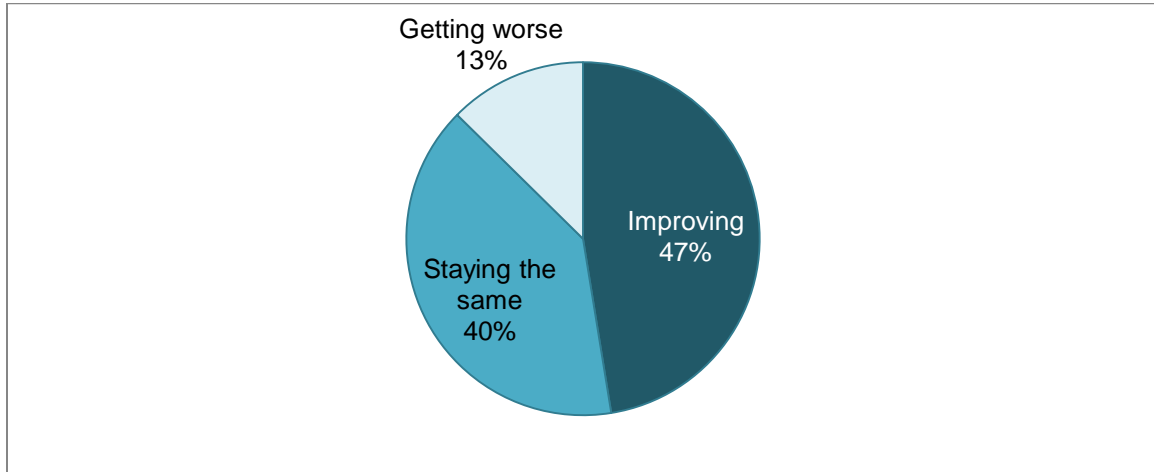
(n=288)

Figure 6. Year to year comparison: Are you anticipating adding new employees or laying off any existing employees in the company?



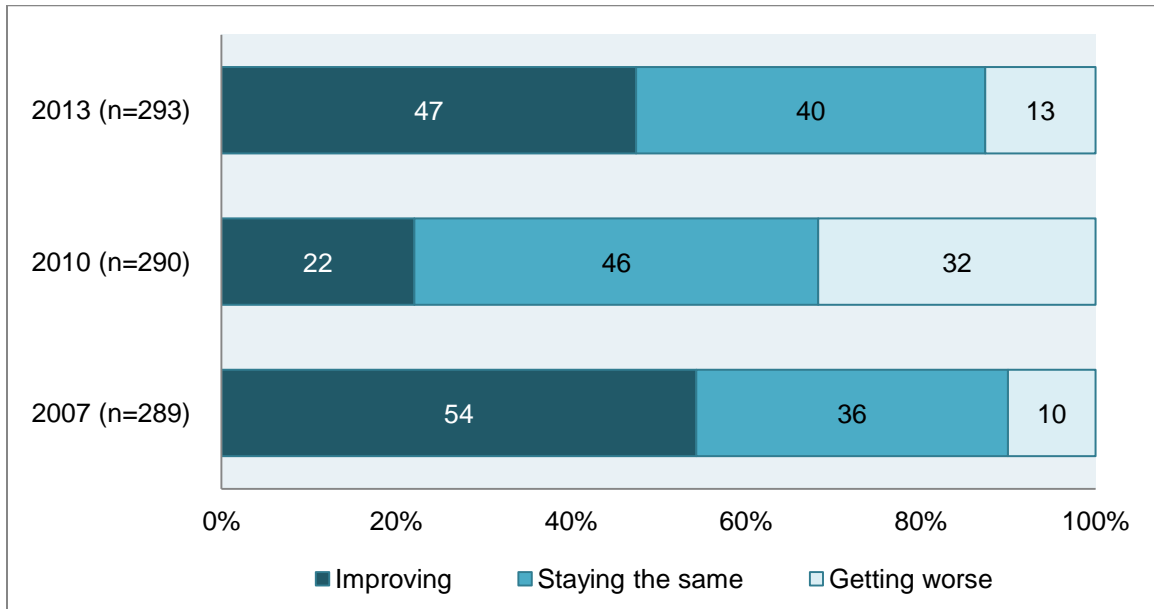
Businesses were asked for their perspective on the economy. Just less than one half said it is *improving* and 13% indicated that they think it is *getting worse*. The balance (40%) said they believe it is *staying the same*. These ratings are significantly more optimistic than in 2010 when only 22% said they saw improvement. The distribution overall is similar to 2007 when 54% said the economy in Bellingham was *improving*.

Figure 7. Overall, would you say the economy in Bellingham is improving, staying the same or getting worse?



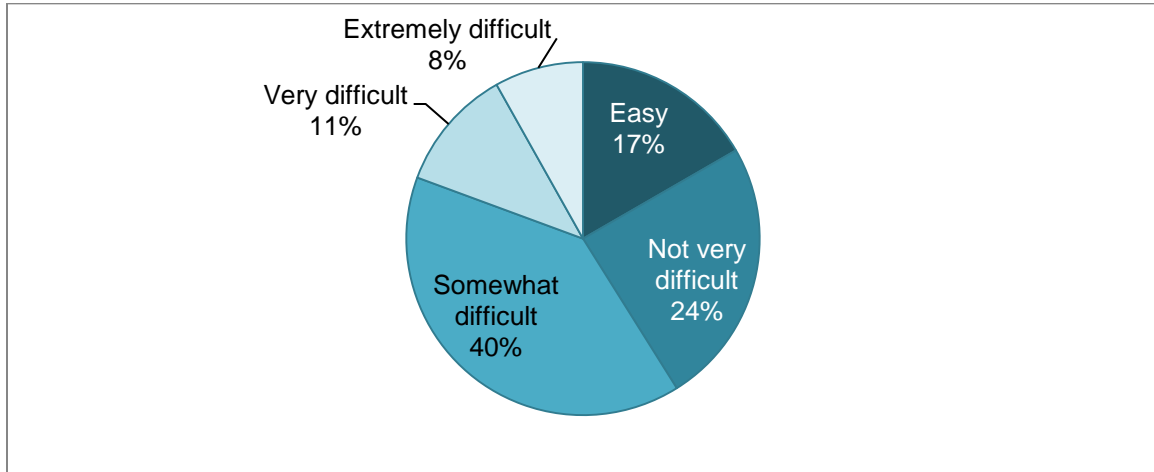
(n=293)

Figure 8. Year to year comparison: Overall, would you say the economy in Bellingham is improving, staying the same or getting worse?



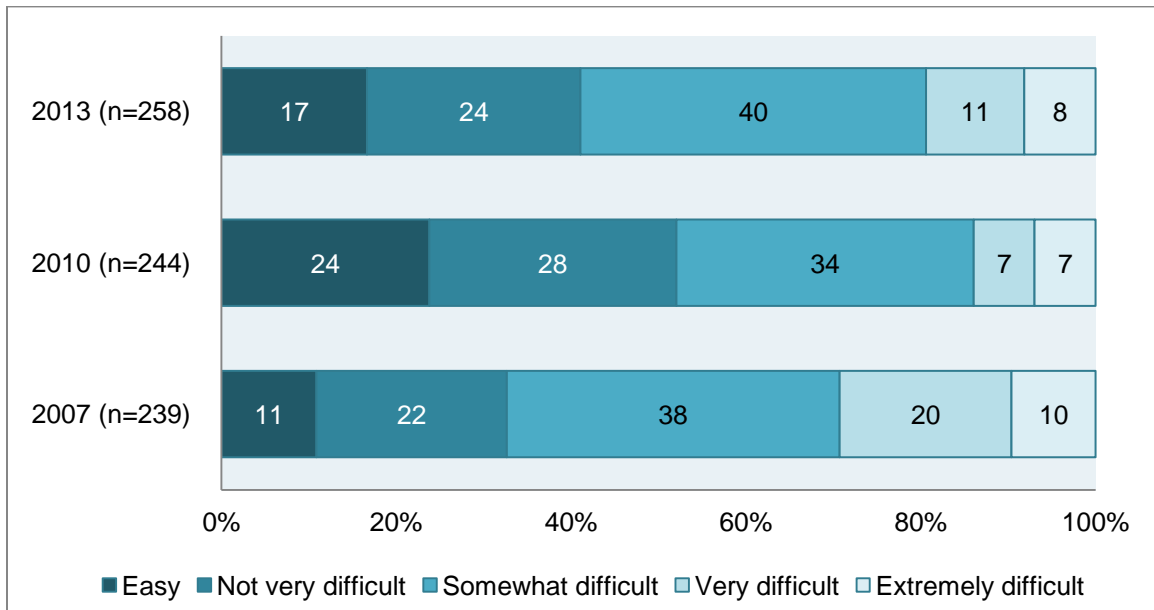
Businesses with employees were asked to rate how difficult it is to find qualified employees to work in their business. One in four (41%) said it was *easy* or *not very difficult* (down from 52% in 2010). On the other end of the scale, 19% said it was *very* or *extremely difficult* (up slightly from 14% in 2010 but still down significantly from 30% in 2007).

Figure 9. How easy or difficult has it been to find qualified employees to work in your business?



(n=258)

Figure 10. Year to year comparison: How easy or difficult has it been to find qualified employees to work in your business?



What would you change?

All respondents were asked what they would change about doing business in Bellingham. Responses were grouped by theme and tallied. Table 1 shows that the largest proportion of respondents didn't know what they would change (32%). Among those respondents who offered a comment, the most common theme was related to reducing taxes and fees to make it less costly to do business in Bellingham (16%). The B&O tax was mentioned repeatedly as well as a general theme of "lower taxes" overall. There were multiple mentions of a lower tax rate for small business.

The second most common theme had to do with being more business friendly (11%). Examples included making business a priority, attracting big business, less regulation, and making the tax code more user friendly.

Another substantial category had to do with business permitting (9%). Costs of permitting were not included in this category. All of these responses related to the quality of building regulations and planning practices in the city.

Nine percent also mentioned something related to transportation, primarily regarding traffic and downtown parking availability.

Table 1. What would you change about doing business in Bellingham?

	<u>n</u>	<u>%</u>
Lower taxes/fees/cost of doing business	47	16
More business friendly government, less regulation	34	11
Easier permitting/simpler building regulations/better planning	27	9
Better/safer transportation/parking/transit/traffic	27	9
Promote economic development/Marketing of Bellingham	18	6
Remove parking meters/reduce cost of parking/enforcement	17	6
Reduce vagrancy, crime and vandalism	12	4
Nothing	13	4
Other	48	16
Don't know/No response	96	32

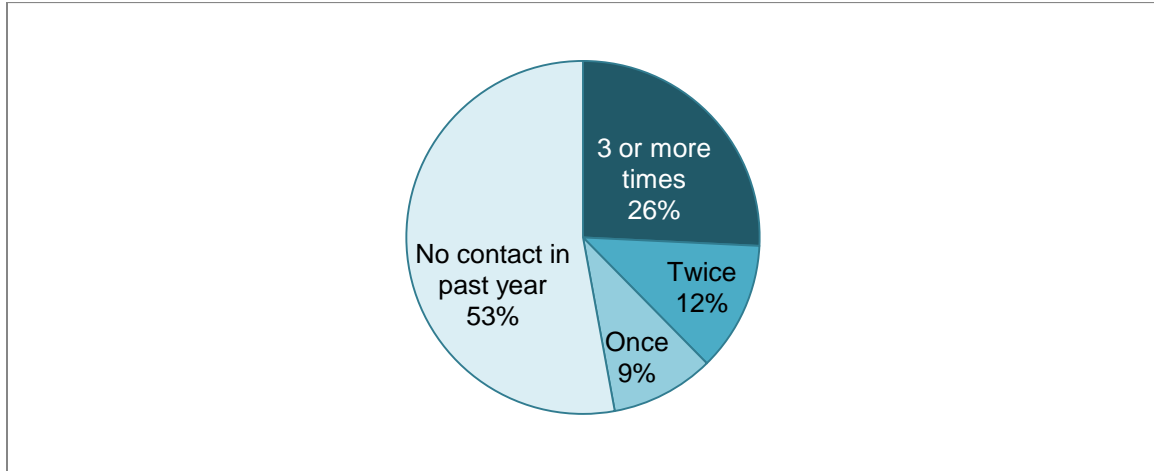
(n=300) Multiple responses were allowed; percentages may total more than 100%

The ranking and relative proportion of the categories was very similar to the 2010 results. The biggest changes were noted in relatively smaller categories. For example the proportion who mentioned the costs of parking doubled from 3% to 6%. Similarly the mentions of vagrancy and crime also doubled (4%, up from 2% in 2010).

LEGACY: QUALITY, RESPONSIVE CITY SERVICES

Businesses were asked how many times their business required interaction with city government during the past year. Figure 11 shows that over half did not require contact in the past year (53%), but those who did require contact tended to have more than one experience (38%).

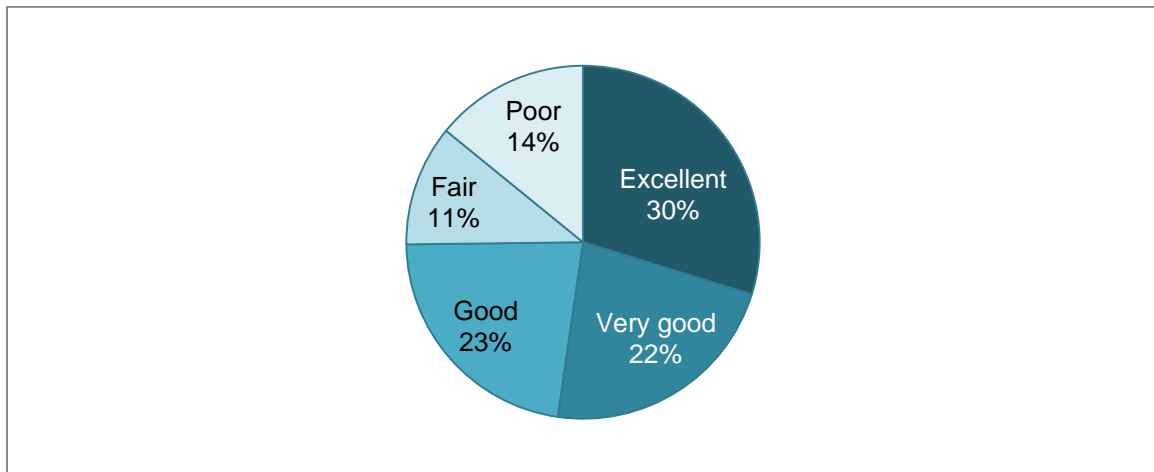
Figure 11. Outside of paying taxes and utility bills, how many times, if at all have your business needs required interaction with city government during the past year?



(n=295)

Respondents who had interaction(s) with the city were asked to rate the quality of each of their contact experiences. Figure 12 shows the ratings provided for each interaction (262 ratings among 137 respondents). Just over half (52%) of their experiences were rated *excellent* or *very good*. One-quarter of their experiences (25%) were described as *fair* or *poor*.

Figure 12. How would you rate your experience with the city about that?



(n=262 ratings from 137 businesses)

These ratings compare favorably to the ratings provided in 2010 where 41% of respondents rated their experiences as *excellent* or *very good*. However slight modifications in wording preclude direct comparison. See the research methods section in Appendix A for more detail.

Respondents were also asked to describe the purpose of their interactions.

Approximately 40% of the 262 experiences described by 137 businesses who had contact with the city in the past year (19% of all businesses) were described as interactions with police and fire departments, and approximately 15% were described as interactions with permits or the planning department. Another 7% involved public works and the balance was ambiguous or undefined in terms of a specific department. The ratings were reviewed for patterns among the types of interactions.

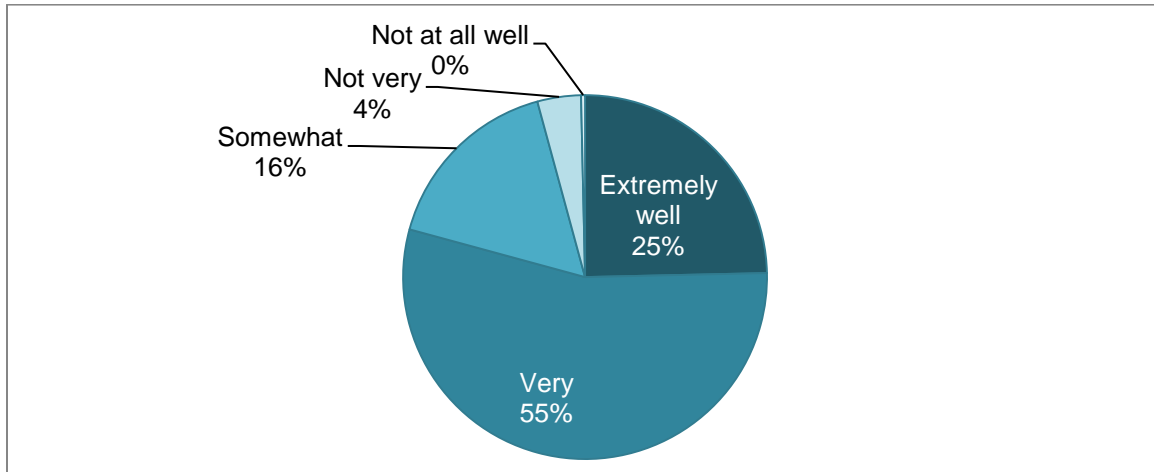
One third of the less favorable ratings (*poor* and *fair*) were associated with the handling of vagrancy. Another third mentioned building and permits. The remaining third of unfavorable ratings covered a wide variety of topics, including parking, storm water, and inspections (fire and health). Police tended to dominate the interactions rated as *excellent* for a wide range of interactions including theft and handling vagrancy. Other types of interactions that were rated as *excellent* multiple times include inspections, public works and water utilities.

This item is considered a top level key measure that maps directly to the legacy area “Vibrant Sustainable Economy”.

City service ratings

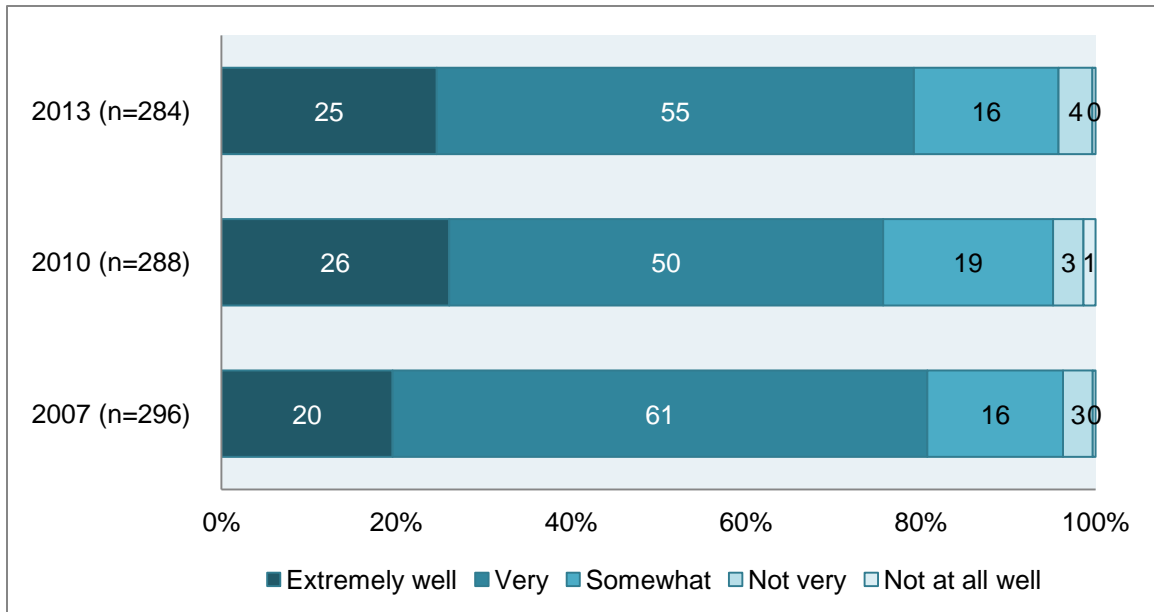
Businesses were asked to rate how well the City of Bellingham does in providing various services. Figure 13 shows that a solid majority of businesses (80%) said the city does *very* or *extremely well* at providing public safety services (including police and fire protection and emergency medical services). The ratings are fairly similar to 2010 and 2007 (Figure 14).

Figure 13. City service ratings for public safety, including police & fire protection and emergency medical services



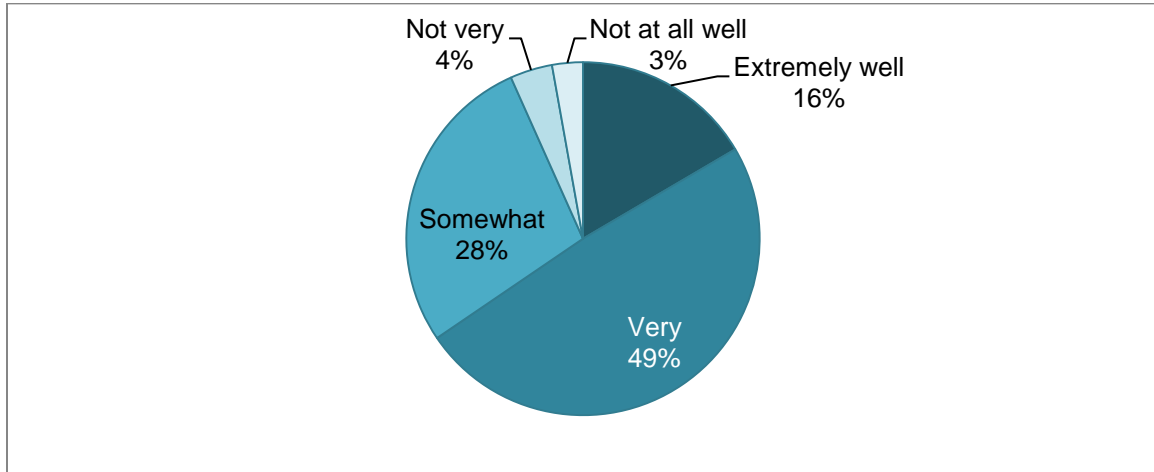
(n=284)

Figure 14. Year to year comparison: Public safety, including police & fire protection and emergency medical services



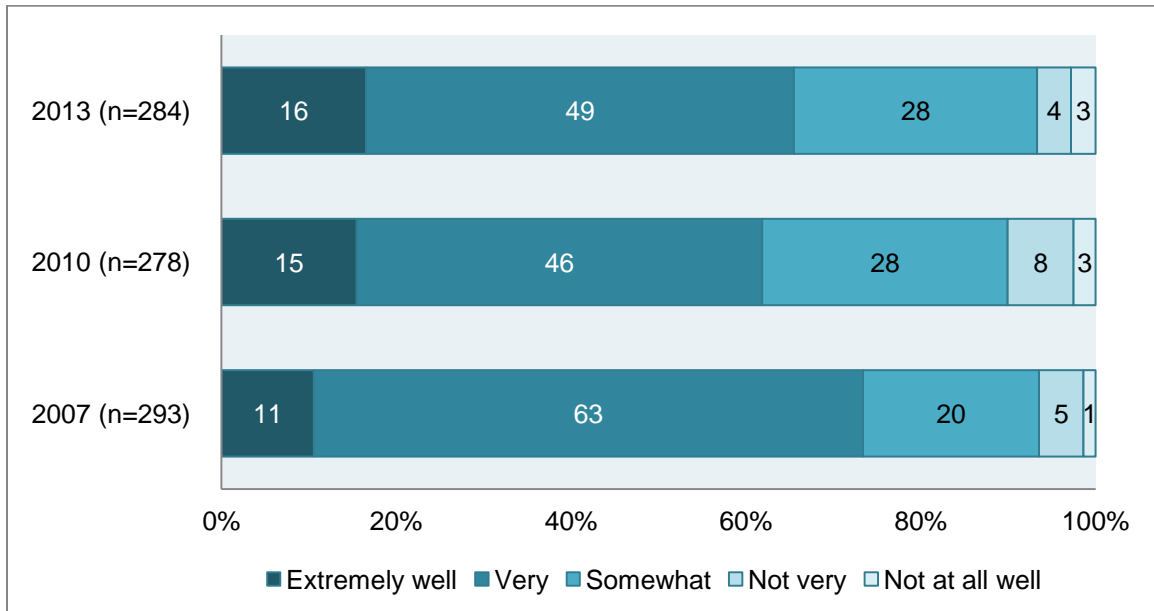
Businesses were asked to rate how well the City of Bellingham does in providing utilities. Figure 15 shows that 65% of businesses said that the city does *very* or *extremely well* at providing utilities. This is similar to 2010 but still lower than 2007 (74% *very* or *extremely well*).

Figure 15. City service ratings for utilities, including water, sewer, and storm drainage



(n=284)

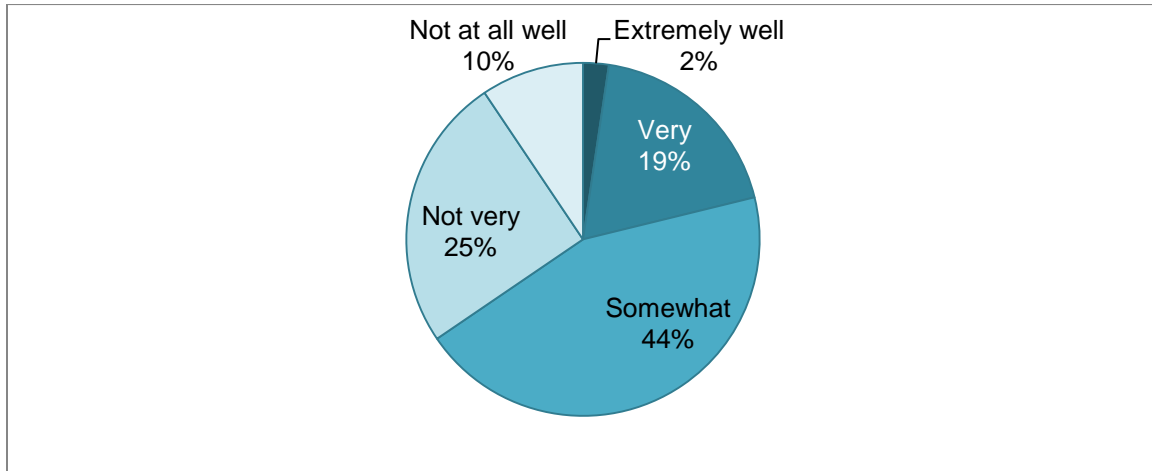
Figure 16. Year to year comparison: Utilities, including water, sewer, and storm drainage



The items regarding both public safety and utilities are considered top level key measures that map directly to the legacy area “Quality Responsive City Services”.

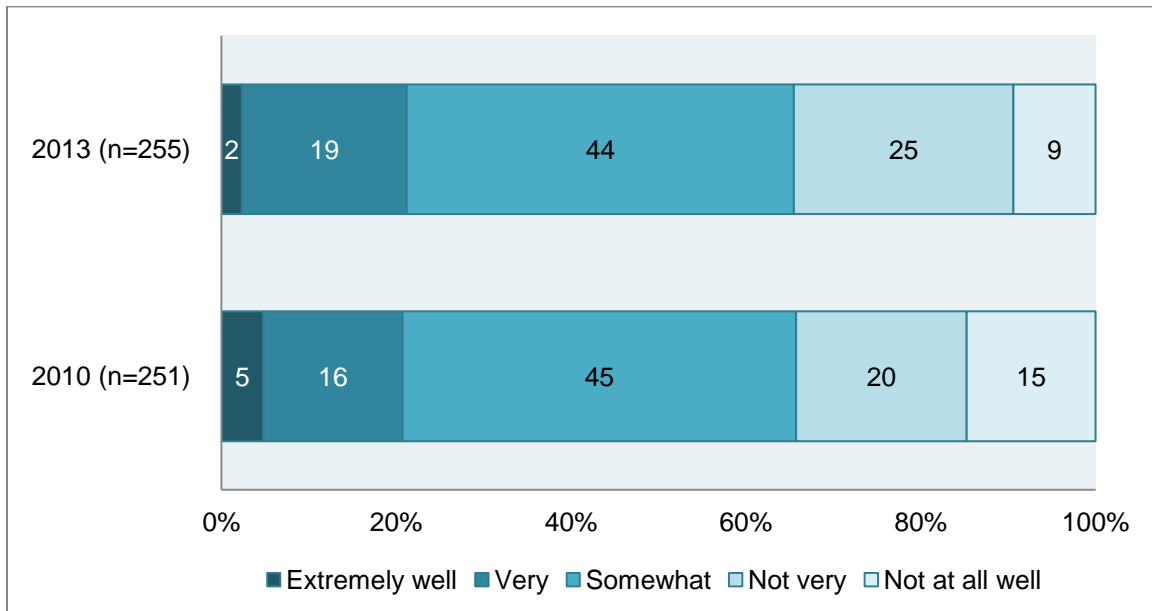
Businesses were also asked to rate how well the City of Bellingham does in land use planning and planning for growth. Figure 17 shows that just over one-fifth (21%) said that the city does *extremely* or *very well* with land use planning. A fairly large segment (44%) gave the middle rating of *somewhat*. This distribution of responses remains virtually unchanged from 2010, the first year that this question was included in the survey (see Figure 18).

Figure 17. City service ratings for land use planning and planning for growth



(n=255)

Figure 18. Year to year comparison: Land use planning and planning for growth



The other service areas that were rated (cultural resources and transportation) are presented later in the report in conjunction with their related legacy areas.

Economic development services

Businesses were asked to identify what businesses and services they have found useful in sustaining or expanding their business. Table 2 shows that the single most frequently mentioned service by far was banking services (28%). Respondents also talked about business support organizations (12%) like the Small Business Development Center, SCORE and Sustainable Connections. Ten percent of respondents mentioned WorkSource. Forty-four percent said they weren't sure or that they didn't use services to sustain or expand their business.

Eleven percent (11%) mentioned some "other" service. Examples included the library, state agencies like Department of Revenue, along with local businesses and specific private services.

Table 2. What business service or services have you found useful in sustaining or expanding your business?

	<u>n</u>	<u>%</u>
Bank or credit union	83	28
Business support services: SBDC, SCORE, Sustainable Connections	36	12
WorkSource	30	10
Technical support/IT services/social media services	11	4
Chamber commerce/ tourism/visitors bureau	10	3
WWU/ BTC/ WCC	9	3
Professional associations/ networking group (TAG, Downtown Partnership, Fairhaven Merchants Association, misc.)	9	3
Specific city department (planning, health, tax office)	5	2
Word of mouth	4	1
CPA/accounting services	3	1
Other	34	11
Don't know/none/not applicable	131	44

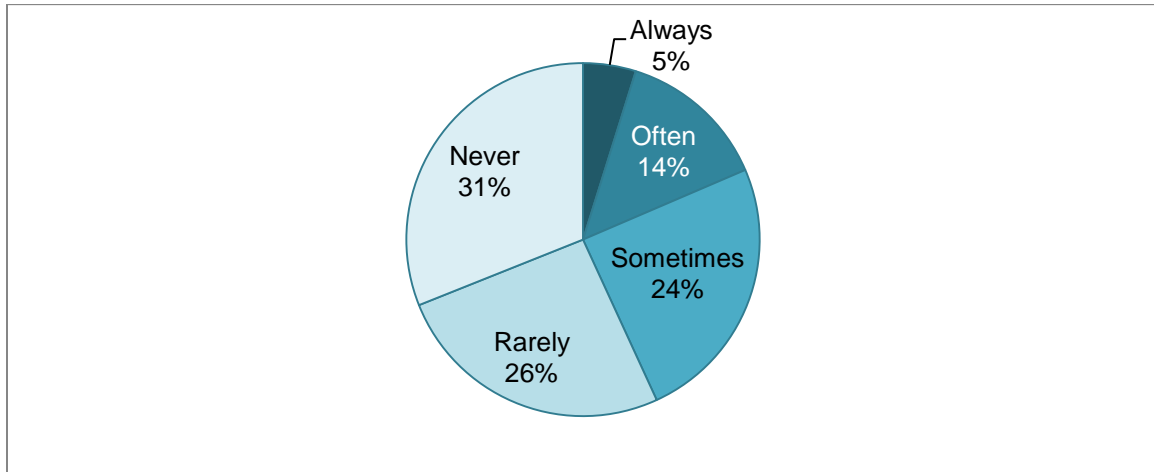
(n=300) Multiple responses were allowed; percentages may total more than 100%

LEGACY: EQUITY AND SOCIAL JUSTICE

Attracting qualified employees

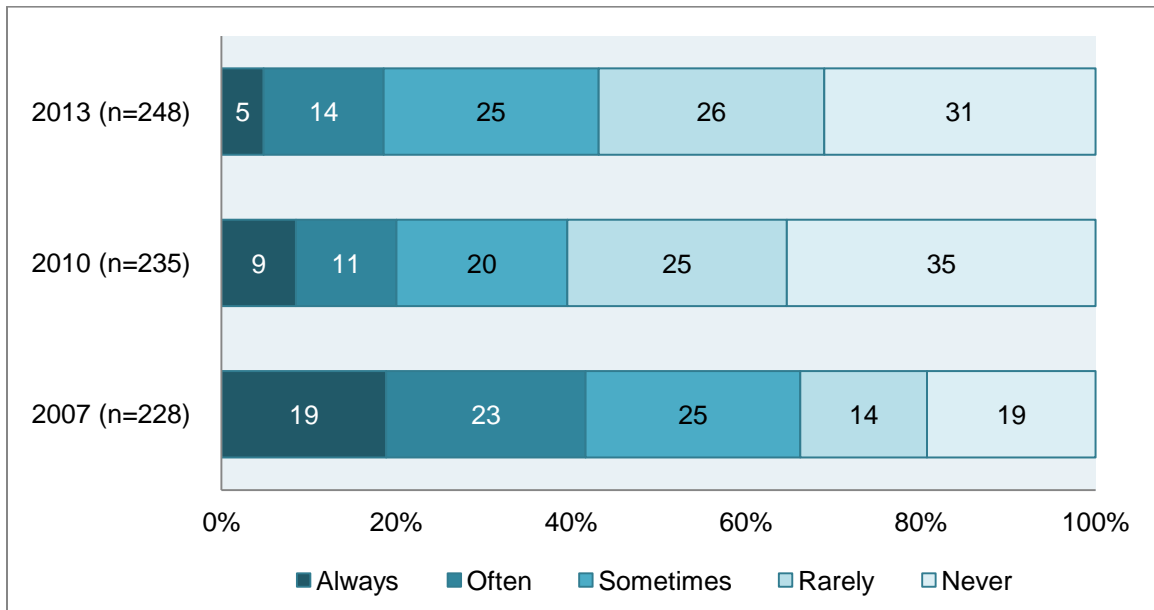
Businesses with employees were asked about different factors that might impact their ability to attract or keep qualified employees. Figure 19 shows that 19% said that the cost of housing is *often* or *always* an issue, with nearly one-third (31%) saying that this is *never* an issue. This is very similar to how businesses responded in 2010. In 2007, housing was a much more pressing issue for employers.

Figure 19. How often, if at all, does the cost of housing in Bellingham and the surrounding area impact your ability to attract or keep qualified employees?



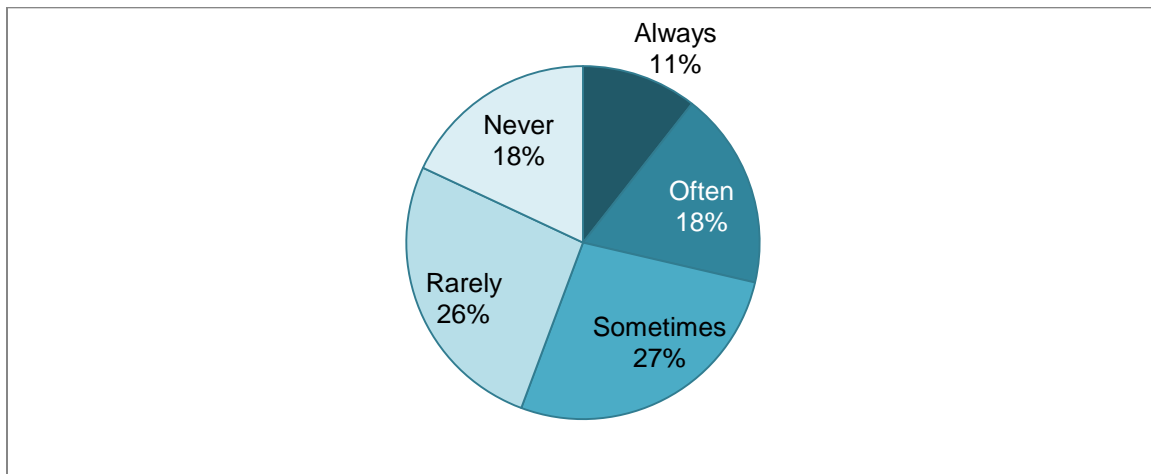
(n=248)

Figure 20. Year to year comparison: How often, if at all, does the cost of housing in Bellingham and the surrounding area impact your ability to attract or keep qualified employees?



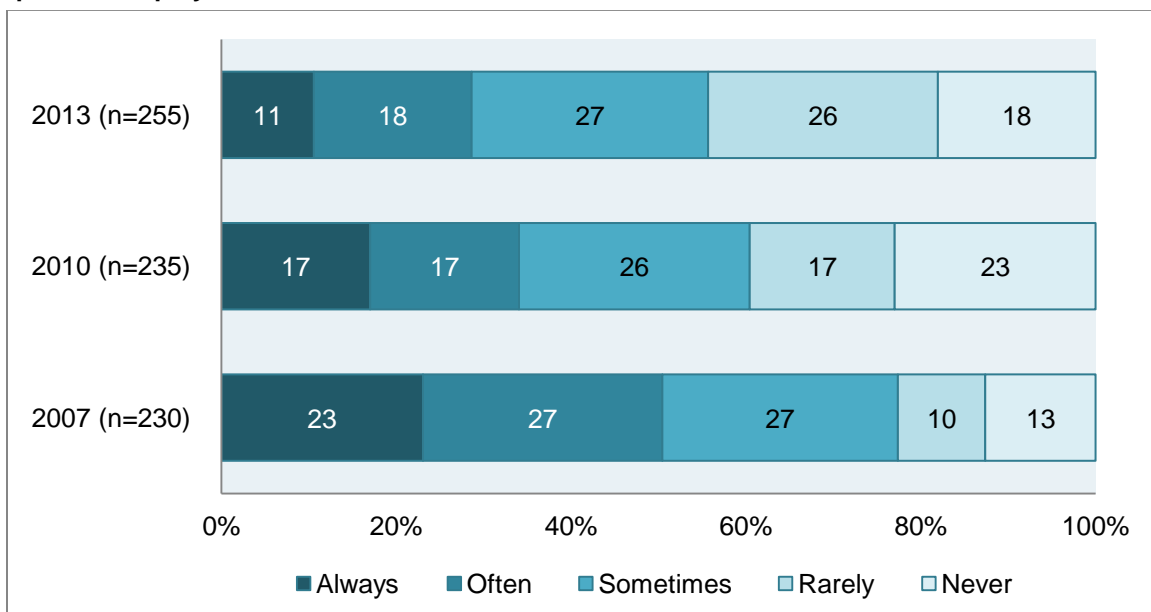
Businesses with employees were also asked about how often their ability to provide competitive compensation impacts their ability to attract or keep qualified employees. Figure 21 shows that 29% said that their ability to provide competitive compensation is *often* or *always* an issue, with 18% saying that this is *never* an issue. Figure 22 shows an overall trend towards businesses being less concerned about their ability to provide competitive compensation as an impact on attracting or keeping qualified employees (29% see it as *often* or *always* an issue, down from 34% in 2010 and 50% in 2007).

Figure 21. How often, if at all, does your ability to provide competitive compensation, which is wages and benefits, impact your ability to attract or keep qualified employees?



(n=255)

Figure 22. Year to year comparison: How often, if at all, does your ability to provide competitive compensation, which is wages and benefits, impact your ability to attract or keep qualified employees?



The item regarding the cost of housing is considered a top level key measure that maps directly to the legacy area “Equity and Social Justice”.

Businesses were asked if there is anything else that keeps them from being able to attract or keep qualified employees. Table 3 shows that most respondents (74%) said there was nothing else or did not provide a comment. The remaining quarter was asked to elaborate. Most comments addressed a lack of revenue or work, finding qualified or motivated employees, city or state policies, and the competition of other companies or other cities.

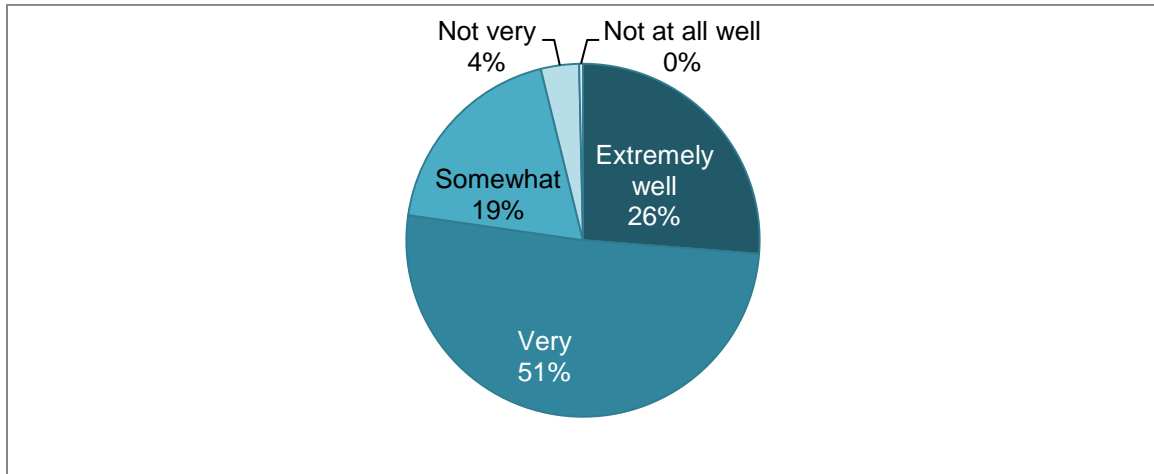
Table3. Is there anything else that keeps you from being able to attract or keep qualified employees?		
	<u>n</u>	<u>%</u>
No, nothing else; No comment	221	74
Revenues/ Lack of Work	20	7
Finding qualified/skilled/experienced/motivated employees	18	6
City or State policies, regulations, and taxes	12	4
Competition	10	3
Other	24	8

(n=300) Multiple responses were allowed; percentages may total more than 100%

LEGACY: ACCESS TO QUALITY OF LIFE AMENITIES

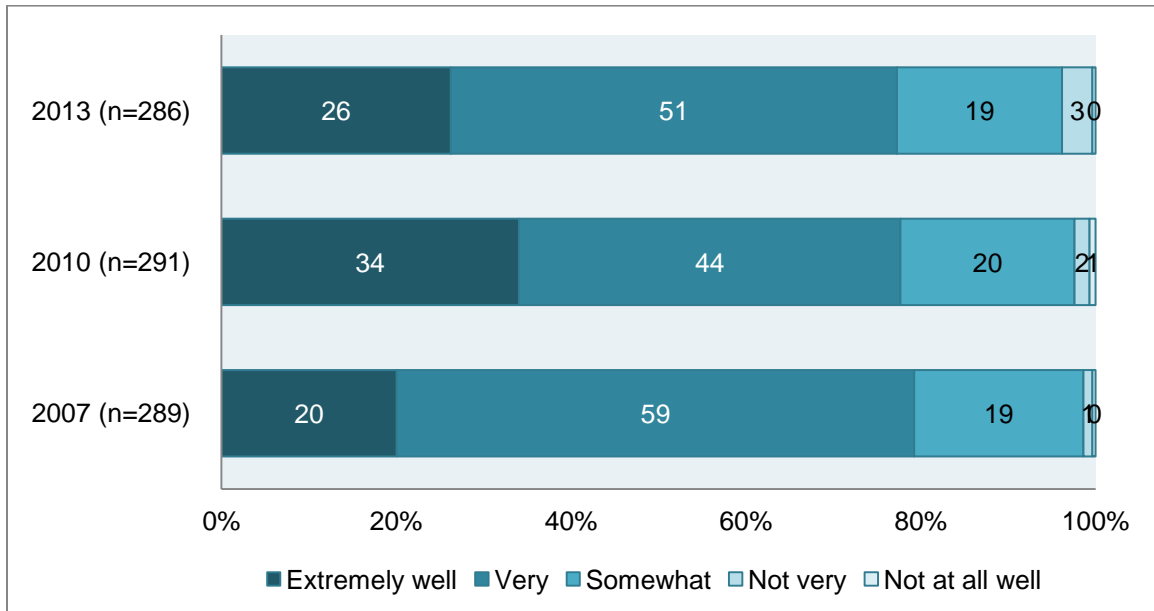
Businesses were asked how well the city does providing cultural and recreational programs and facilities such as parks, recreation, libraries, theaters and museums. Over three-quarters (77%) said that the city does *very* or *extremely well* with cultural and recreational programs and facilities. Only 4% said they do this *not very well* or *not at all well*. Figure 24 shows some small movement in the proportion of the most favorable ratings, but the 2013 ratings are not statistically different than either of the past two survey periods.

Figure 23. City service ratings for cultural and recreational programs and facilities such as parks; recreation; libraries; theaters and museums



(n=286)

Figure 24. Year to year comparison: Cultural and recreational programs and facilities such as parks; recreation; libraries; theaters and museums

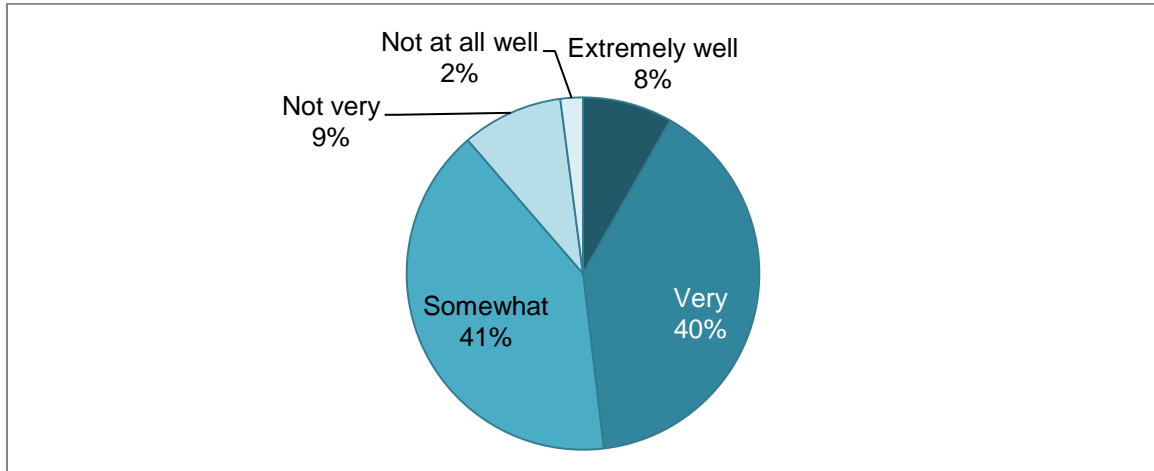


This item is considered a top level key measure that maps directly to the legacy area “Quality of Life Amenities”.

LEGACY: MOBILITY AND CONNECTIVITY OPTIONS

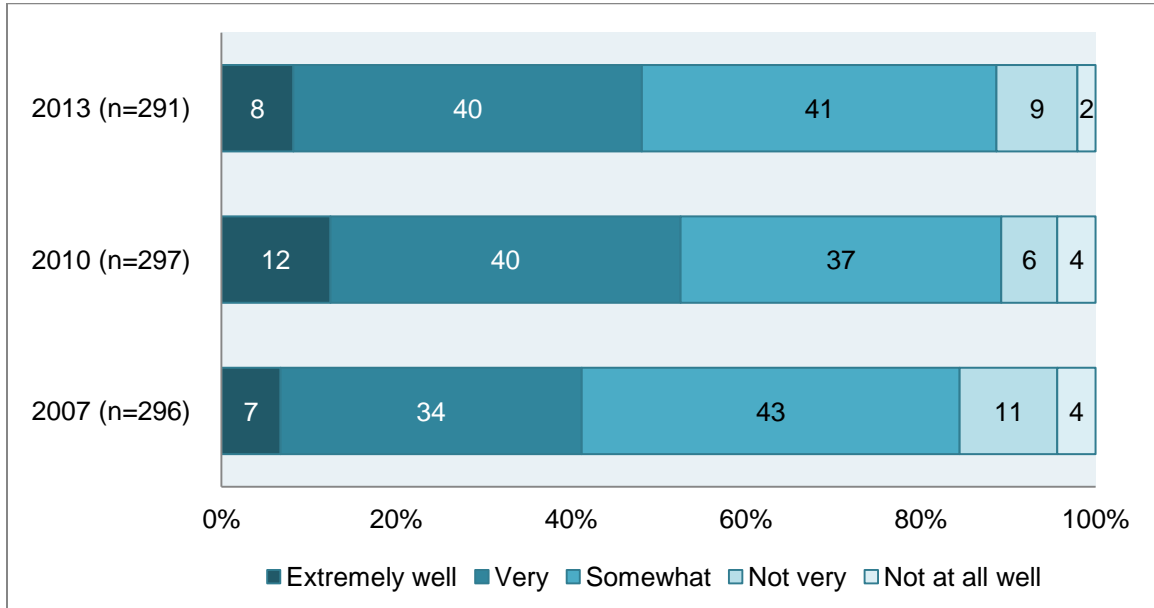
Businesses were asked how well the city does at providing transportation services, including street maintenance and lighting, traffic management, bicycle and pedestrian access, and parking. Just under half (48%) said that the city does *very* or *extremely well* with transportation. Eleven percent said they do this *not very well* or *not at all well*. Figure 26 shows some small shifts but the 2013 ratings are not statistically different than either of the past two survey periods.

Figure 25. City service ratings for transportation, including street maintenance and lighting; traffic management; bicycle and pedestrian access; and parking



(n=291)

Figure 26. Year to year comparison: Transportation including street maintenance and lighting; traffic management; bicycle and pedestrian access; and parking



This item is considered a top level key measure that maps directly to the legacy area “Mobility and Connectivity Options”.

LEGACY: SAFE AND PREPARED COMMUNITY

Businesses were asked to give a “school letter grade” (A, B, C, etc.) to city police, fire and emergency medical services. Figure 27 shows that emergency medical services received the highest rating, with 66% giving these services an “A.” A slightly smaller proportion awarded an “A” to the fire department (62%). And Bellingham Police got the top grade from less than half of those surveyed (43%). These ratings are very similar to 2010, the first time these questions were included in the survey.

Figure 27. From the perspective of your business, if you were to give a school letter grade to Bellingham's Police Services/Fire Services/EMS, would you give them an...

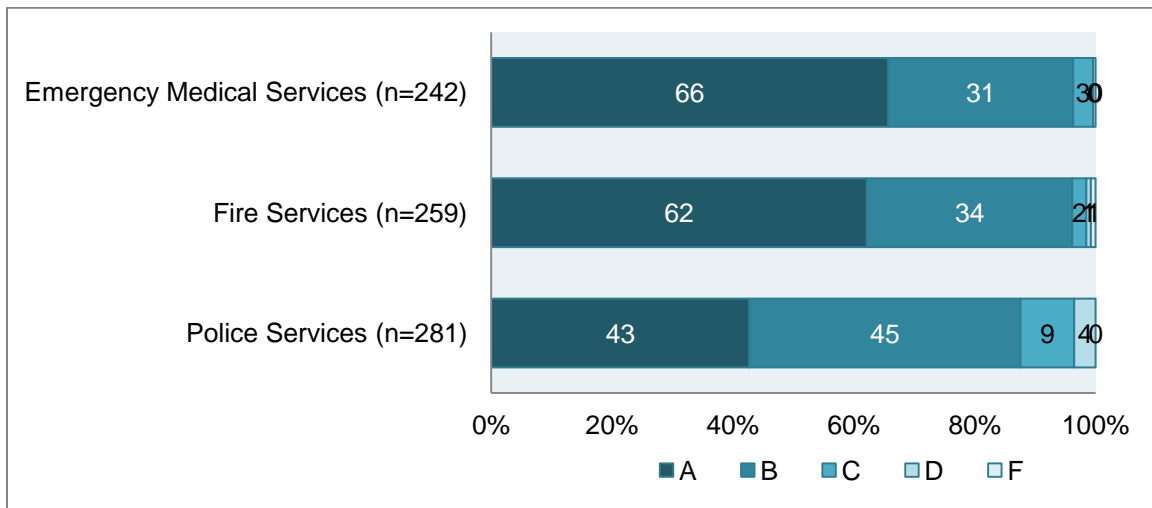
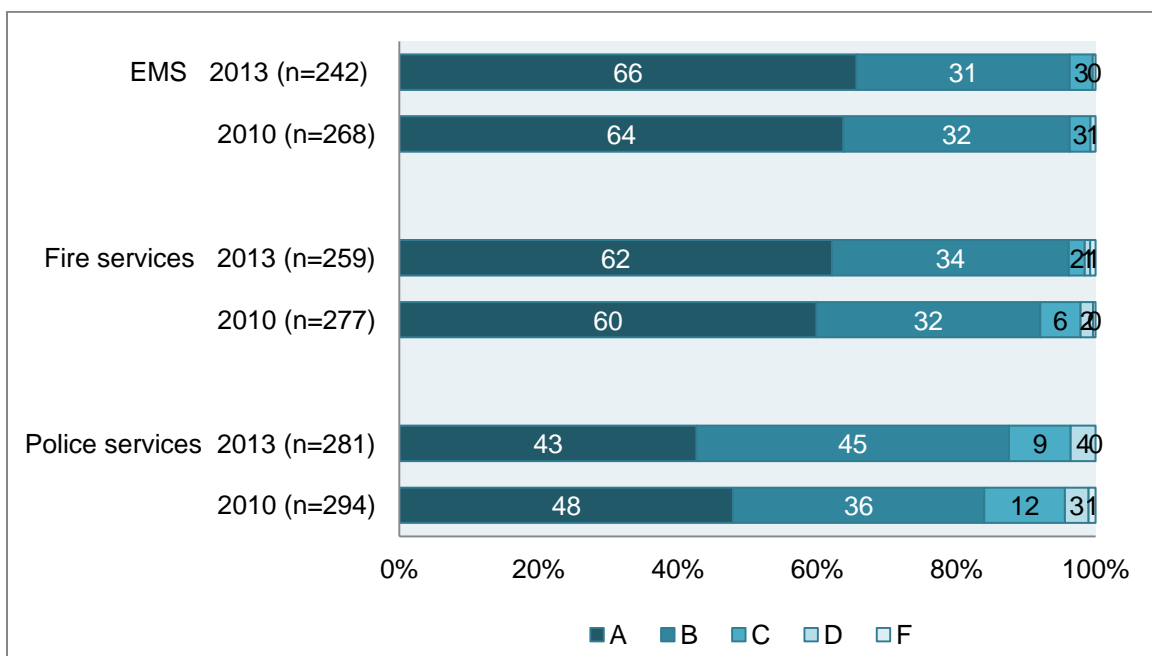
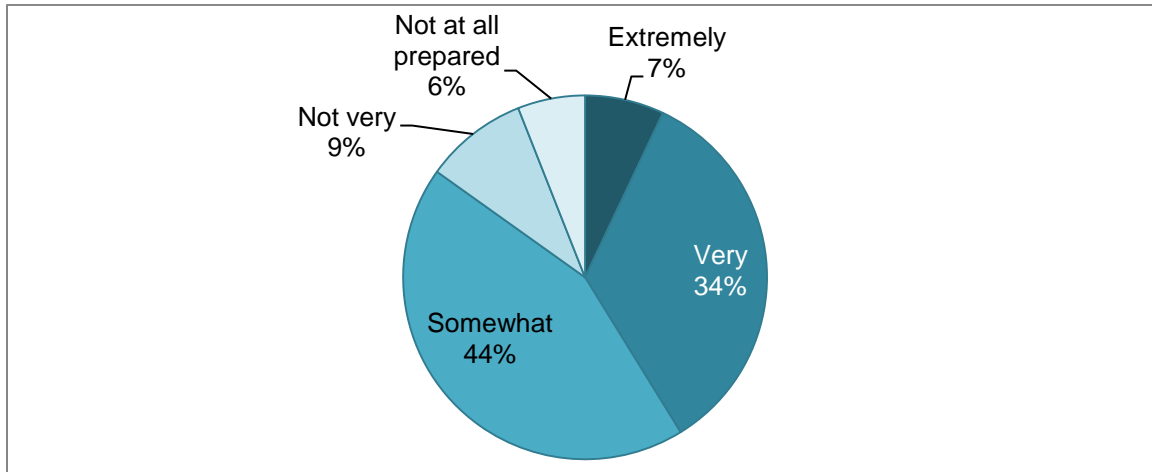


Figure 28. Year to year comparison: Ratings of Bellingham's Police Services/Fire Services/EMS



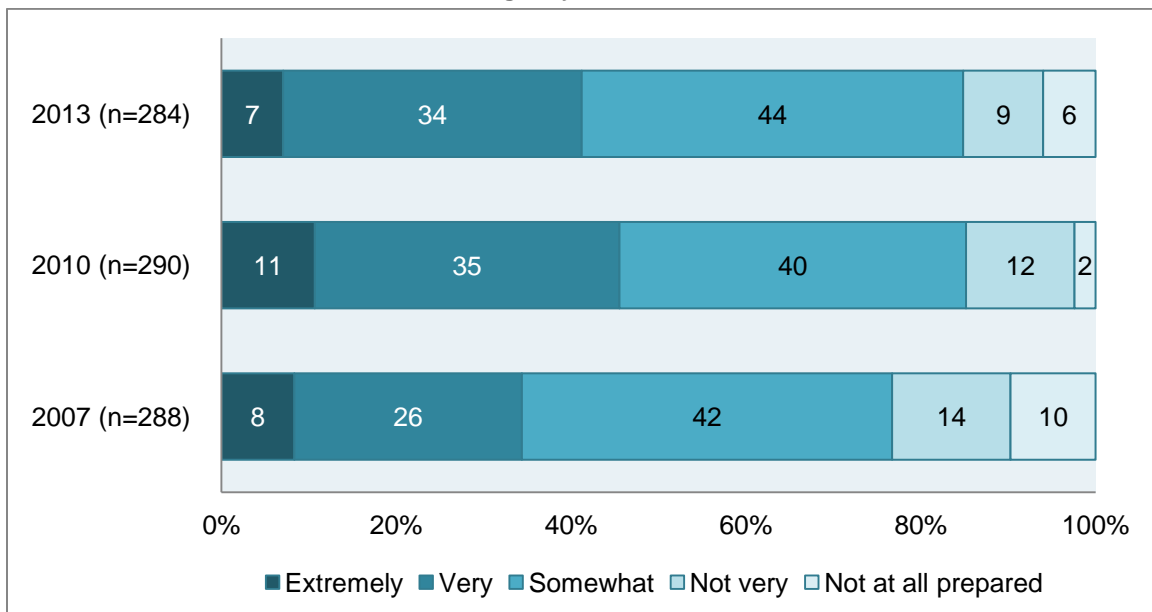
Businesses were asked about their emergency preparedness. Roughly four out of ten (41%) said that their companies were *very* or *extremely well prepared* to handle a natural disaster. This proportion is down slightly, but not significantly, from 2010 (46%).

Figure 29. How well prepared would you say the company is to handle a natural disaster or state of emergency?



(n=284)

Figure 30. Year to year comparison: How well prepared would you say the company is to handle a natural disaster or state of emergency?



CONCLUSION

Results for several areas identified as priorities in the city's *Legacies and Strategic Commitments* show improvement since 2010, which was the heart of the recession. In particular there were significant improvements in:

- Ratings of Bellingham as a place to do business
- Economic outlook in terms of the local economy, revenue growth and hiring
- Ease of finding qualified employees

None of these have recovered to the level of the 2007 ratings.

Businesses' ability to provide competitive compensation has improved steadily over the six-year research period, and the impacts of housing cost have steadily declined.

City service ratings have remained fairly stable.

Legacies and Strategic Commitments

Most items in the survey are related to areas of Legacies and Strategic Commitments. Five of the top level Legacies and Commitments are directly addressed by seven specific items in the survey. These were noted throughout the survey and itemized here in Table 4 with a bullet point summarizing the relevant metric(s).

Overall, the primary improvement was noted in the area of Vibrant, Sustainable Economy. Other areas remained stable from 2010 with a slight upward trend.

Table 4. Metrics associated with Legacies and Strategic Commitments		
Legacy/Commitment	Survey Item	Metric
Vibrant, Sustainable Economy	Rating of Bellingham as a place to do business	39% said it was <i>excellent</i> or <i>very good</i> , up from 29% in 2007
Vibrant, Sustainable Economy	Rating effectiveness of services provided by city during past year	Among the 47% who have interacted with the city in past year, 52% of the interactions were rated as <i>excellent</i> or <i>very good</i>
Quality, Responsive City Services	Rating of how well the city of Bellingham does in providing public safety	Public safety is viewed as a strength, with 80% saying the city does this <i>very</i> or <i>extremely well</i>
Quality, Responsive City Services	Rating of how well the city of Bellingham does in providing utilities	65% rated city as doing <i>very</i> or <i>extremely well</i> in providing utilities; this was similar to 2010, but lower than 2007 (74%)
Equity and Social Justice	Rating of housing costs as an impact on local business' ability to attract/keep qualified employees	19% of businesses with employees said that the cost of housing is <i>often</i> or <i>always</i> an issue, this was similar to 2010 and lower than 2007 (42%)

Access to Quality of Life Amenities	Rating of how well the city of Bellingham does in providing cultural and recreational programs and facilities	77% rated city as doing <i>very</i> or <i>extremely well</i> in providing cultural and recreational programs and facilities; this was similar to 2010 and 2007 findings
Mobility and Connectivity Options	Rating of how well the city of Bellingham does in providing transportation	48% said that the city does <i>very</i> or <i>extremely well</i> with transportation; this was similar to 2010 and 2007 findings

APPENDIX A: RESEARCH METHODS

This survey project sampled from comprehensive business listings provided by InfoUSA. The list contained business contact information for the senior-most person in the company. Sampled businesses were sent a letter from the Mayor's office notifying them of the project. Each sampled business was called attempted up to four times during November 2013. In all, the 300 responses were collected in the 10-minute, 39-item survey. This represents a 11% response rate and a margin of error of 6%.

BUSINESS CHARACTERISTICS

Respondents were asked several questions that described their business.

Number of employees

Businesses surveyed had between zero and 2,000 employees. The average number of employees was 17, down slightly, but not significantly, from 25 in 2010(see Table A2).

	<u>2007</u>	<u>2010</u>	<u>2013</u>
Mean Number	20	25	17
	%		
Less than 5 employees	49	49	52
5-9 employees	20	22	22
10-19 employees	14	14	12
20+ employees	17	14	14

Number of years in operation

Businesses were asked how many years they have been operating in Bellingham. Table A3 shows that the average number of years in operation was 21, similar to 2010.

	<u>2007</u>	<u>2010</u>	<u>2013</u>
Mean Number	18	22	21
	%		
Up to 2 years	9	6	6
3-5 years	18	12	12
6-10 years	18	20	18
11-20 years	25	26	25
21-40 years	21	26	28
41+ years	9	11	11

Total gross revenues

Gross revenues reported by the businesses surveyed remained fairly consistent from 2007, with the bulk of respondents (62% in 2010) reporting revenues under \$500,000.

Table A4. Total gross revenues from Bellingham business location			
	<u>%</u>		
	<u>2007</u>	<u>2010</u>	<u>2013</u>
Under \$100,000	15	23	22
\$100,000 to under \$500,000	37	39	40
\$500,000 to under 1 million	17	15	13
1 million to under 2.5 million	16	13	14
2.5 million to under 5 million	7	5	5
5 million to under 10 million	3	2	3
10 million or more	5	3	5

APPENDIX B: SURVEY FREQUENCIES

The first set of questions has to do with your economic outlook. Overall, how would you rate Bellingham as a place to...

		Frequency	Percent	Valid Percent
Valid	Or poor	9	3.0	3.1
	Fair	53	17.7	18.0
	Good	119	39.7	40.3
	Very good	79	26.3	26.8
	Excellent	35	11.7	11.9
	Total	295	98.3	100.0
Missing	Don't know	4	1.3	
	Refused	1	.3	
	Total	5	1.7	
Total	300	100.0		

In 2014, are you anticipating your company's revenues will be growing, staying the same or contracting relative to the past year?

		Frequency	Percent	Valid Percent
Valid	Contracting	31	10.3	10.7
	Staying the same	112	37.3	38.6
	Growing	147	49.0	50.7
	Total	290	96.7	100.0
Missing	Don't know	8	2.7	
	Refused	2	.7	
	Total	10	3.3	
Total	300	100.0		

In 2014 are you anticipating adding new employees or laying off any existing employees in the company?

		Frequency	Percent	Valid Percent
Valid	Yes, adding	88	29.3	30.6
	Yes, laying off	8	2.7	2.8
	No	179	59.7	62.2
	No employees	13	4.3	4.5
	Total	288	96.0	100.0
Missing	Don't know	11	3.7	
	Refused	1	.3	
	Total	12	4.0	
Total	300	100.0		

Overall, would you say the economy in Bellingham is improving, staying the same or getting worse?

		Frequency	Percent	Valid Percent
Valid	Getting worse	37	12.3	12.6
	Staying the same	117	39.0	39.9
	Improving	139	46.3	47.4
	Total	293	97.7	100.0
Missing	Don't know	6	2.0	
	Refused	1	.3	
	Total	7	2.3	
Total	300	100.0		

**How easy or difficult has it been to find qualified employees to work in your business?
Would you say it's been...**

		Frequency	Percent	Valid Percent
Valid	Extremely difficult	21	7.0	8.1
	Very difficult	29	9.7	11.2
	Somewhat difficult	102	34.0	39.5
	Not very difficult	63	21.0	24.4
	Easy	43	14.3	16.7
	Total	258	86.0	100.0
Missing	Don't know	4	1.3	
	Not applicable	37	12.3	
	Refused	1	.3	
	Total	42	14.0	
Total	300	100.0		

How often, if at all, does the cost of housing in Bellingham and the surrounding area impact your ability to attract or keep qualified employees? Would you say...

		Frequency	Percent	Valid Percent
Valid	Or never impacts your ability	77	25.7	31.0
	Rarely	64	21.3	25.8
	Sometimes	61	20.3	24.6
	Often	34	11.3	13.7
	Always	12	4.0	4.8
	Total	248	82.7	100.0
Missing	Don't know	15	5.0	
	Not Applicable	37	12.3	
	Total	52	17.3	
Total	300	100.0		

How often, if at all, does your ability to provide competitive compensation, which is wages and benefits, impact your ability to attract or keep qualified employees? READ LIST IF NECESSARY - RECORD ONE ANSWER

		Frequency	Percent	Valid Percent
Valid	Or never impacts your ability	46	15.3	18.0
	Rarely	67	22.3	26.3
	Sometimes	69	23.0	27.1
	Often	46	15.3	18.0
	Always	27	9.0	10.6
	Total	255	85.0	100.0
Missing	Don't know	4	1.3	
	Not Applicable	40	13.3	
	Refused	1	.3	
	Total	45	15.0	
Total	300	100.0		

Is there anything else that keeps you from being able to attract or keep qualified employees?

		Frequency	Percent	Valid Percent
Valid	No	189	63.0	69.2
	Yes (RECORD COMMENTS ON NEXT SCREEN)	84	28.0	30.8
	Total	273	91.0	100.0
Missing	Don't know	5	1.7	
	Not Applicable	22	7.3	
	Total	27	9.0	
Total	300	100.0		

If you could change anything about doing business in Bellingham, what would you change?

		Frequency	Percent	Valid Percent
Valid	Gave answer	234	78.0	100.0
Missing	Don't know	62	20.7	
	Refused	4	1.3	
	Total	66	22.0	
Total		300	100.0	

Outside of paying taxes and utility bills, how many times, if at all have your business needs required interaction with City government during the past year? READ IF NECESSARY Interactions with the city could include police, public works, or any other...

		Frequency	Percent	Valid Percent
Valid	No contact in past year	156	52.0	52.9
	Once	28	9.3	9.5
	Twice	35	11.7	11.9
	3 or more times	76	25.3	25.8
	Total	295	98.3	100.0
Missing	Don't know	5	1.7	
Total		300	100.0	

Thinking about your interaction with the city, what was the purpose of that interaction?

		Frequency	Percent	Valid Percent
Valid	Gave answer (ENTER ON NEXT SCREEN)	26	8.7	100.0
Missing	Don't know	2	.7	
	System	272	90.7	
	Total	274	91.3	
Total		300	100.0	

How would you rate your experience with the city about that? Would you say it was...

		Frequency	Percent	Valid Percent
Valid	Poor	2	.7	7.4
	Fair	3	1.0	11.1
	Good	7	2.3	25.9
	Very good	10	3.3	37.0
	Excellent	5	1.7	18.5
	Total	27	9.0	100.0
Missing	Refused	1	.3	
	System	272	90.7	
	Total	273	91.0	
Total		300	100.0	

Thinking about your first interaction with the city, what was the purpose of that interaction?

		Frequency	Percent	Valid Percent
Valid	Gave answer (ENTER ON NEXT SCREEN)	107	35.7	100.0
Missing	Don't know	3	1.0	
	Refused	1	.3	
	System	189	63.0	
	Total	193	64.3	
Total		300	100.0	

How would you rate your experience with the city about that? Would you say it was...

		Frequency	Percent	Valid Percent
Valid	Poor	17	5.7	15.5
	Fair	12	4.0	10.9
	Good	32	10.7	29.1
	Very good	17	5.7	15.5
	Excellent	32	10.7	29.1
	Total	110	36.7	100.0
Missing	Don't know	1	.3	
	System	189	63.0	
	Total	190	63.3	
Total		300	100.0	

Thinking about your second interaction with the city, what was the purpose of that interaction?

		Frequency	Percent	Valid Percent
Valid	Gave answer (ENTER ON NEXT SCREEN)	101	33.7	100.0
Missing	Don't know	9	3.0	
	Refused	1	.3	
	System	189	63.0	
	Total	199	66.3	
Total		300	100.0	

How would you rate your experience with the city about that? Would you say it was...

		Frequency	Percent	Valid Percent
Valid	Poor	8	2.7	15.1
	Fair	3	1.0	5.7
	Good	8	2.7	15.1
	Very good	9	3.0	17.0
	Excellent	24	8.0	45.3
	Refused	1	.3	1.9
	Total	53	17.7	100.0
Missing	System	247	82.3	
Total		300	100.0	

Thinking about your third interaction with the city, what was the purpose of that interaction?

		Frequency	Percent	Valid Percent
Valid	Gave answer (ENTER ON NEXT SCREEN)	61	20.3	100.0
Missing	Don't know	12	4.0	
	Refused	3	1.0	
	System	224	74.7	
	Total	239	79.7	
Total		300	100.0	

How would you rate your experience with the city about that? Would you say it was...

		Frequency	Percent	Valid Percent
Valid	Poor	10	3.3	13.7
	Fair	11	3.7	15.1
	Good	12	4.0	16.4
	Very good	23	7.7	31.5
	Excellent	17	5.7	23.3
	Total	73	24.3	100.0
Missing	Don't know	3	1.0	
	System	224	74.7	
	Total	227	75.7	
Total		300	100.0	

Cultural and recreational programs and facilities such as Parks; Recreation; Libraries; Theaters and Museums READ IF NECESSARY How would you rate how well the City of Bellingham does in providing Cultural and recreational programs and facilities such ...

		Frequency	Percent	Valid Percent
Valid	Not at all well	1	.3	.3
	Not very	10	3.3	3.5
	Somewhat	54	18.0	18.9
	Very	146	48.7	51.0
	Extremely well	75	25.0	26.2
	Total	286	95.3	100.0
Missing	Don't know	14	4.7	
Total		300	100.0	

Transportation including street maintenance and lighting; traffic management; Bicycle and pedestrian access; and Parking READ IF NECESSARY How would you rate how well the City of Bellingham does in providing Transportation including street maintenance...

		Frequency	Percent	Valid Percent
Valid	Not at all well	6	2.0	2.1
	Not very	27	9.0	9.3
	Somewhat	118	39.3	40.5
	Very	116	38.7	39.9
	Extremely well	24	8.0	8.2
	Total	291	97.0	100.0
Missing	Don't know	9	3.0	
Total		300	100.0	

Utilities, including Water, Sewer, and Storm Drainage READ IF NECESSARY How would you rate how well the City of Bellingham does in providing Utilities, including Water, Sewer, and Storm Drainage? READ LIST IF NECESSARY - RECORD ONE ANSWER

		Frequency	Percent	Valid Percent
Valid	Not at all well	8	2.7	2.8
	Not very	11	3.7	3.9
	Somewhat	79	26.3	27.8
	Very	139	46.3	48.9
	Extremely well	47	15.7	16.5
	Total	284	94.7	100.0
Missing	Don't know	16	5.3	
Total		300	100.0	

**Land use planning and planning for growth READ IF NECESSARY How would you rate how well the City of Bellingham does in providing Land use planning and planning for growth?
READ LIST IF NECESSARY - RECORD ONE ANSWER**

		Frequency	Percent	Valid Percent
Valid	Not at all well	24	8.0	9.4
	Not very	64	21.3	25.1
	Somewhat	113	37.7	44.3
	Very	48	16.0	18.8
	Extremely well	6	2.0	2.4
	Total	255	85.0	100.0
Missing	Don't know	43	14.3	
	Refused	2	.7	
	Total	45	15.0	
Total		300	100.0	

Public Safety, including police & fire protection and emergency medical services READ IF NECESSARY How would you rate how well the City of Bellingham does in providing Public Safety, including police & fire protection and emergency medical services? ...

		Frequency	Percent	Valid Percent
Valid	Not at all well	1	.3	.4
	Not very	11	3.7	3.9
	Somewhat	47	15.7	16.5
	Very	155	51.7	54.6
	Extremely well	70	23.3	24.6
	Total	284	94.7	100.0
Missing	Don't know	15	5.0	
	Refused	1	.3	
	Total	16	5.3	
Total		300	100.0	

From the perspective of your business, if you were to give a school letter grade to Bellingham's Police Services, would you give them an...

		Frequency	Percent	Valid Percent
Valid	A	120	40.0	42.7
	B	126	42.0	44.8
	C	25	8.3	8.9
	D	10	3.3	3.6
	Total	281	93.7	100.0
Missing	Don't know	18	6.0	
	Refused	1	.3	
	Total	19	6.3	
Total		300	100.0	

From the perspective of your business, if you were to give a school letter grade to Bellingham's Fire Services, would you give them an...

		Frequency	Percent	Valid Percent
Valid	A	161	53.7	62.2
	B	88	29.3	34.0
	C	6	2.0	2.3
	D	2	.7	.8
	F	2	.7	.8
	Total	259	86.3	100.0
Missing	Don't know	39	13.0	
	Refused	2	.7	
	Total	41	13.7	
Total	300	100.0		

From the perspective of your business, if you were to give a school letter grade to Bellingham's Emergency Medical Services, would you give them an ...

		Frequency	Percent	Valid Percent
Valid	A	159	53.0	65.7
	B	74	24.7	30.6
	C	8	2.7	3.3
	D	1	.3	.4
	Total	242	80.7	100.0
Missing	Don't know	57	19.0	
	Refused	1	.3	
	Total	58	19.3	
Total	300	100.0		

How well prepared would you say the company is to handle a natural disaster or state of emergency? Would you say it is...

		Frequency	Percent	Valid Percent
Valid	Or not at all prepared	17	5.7	6.0
	Not very	26	8.7	9.2
	Somewhat	124	41.3	43.7
	Very	97	32.3	34.2
	Extremely	20	6.7	7.0
	Total	284	94.7	100.0
Missing	Don't know	14	4.7	
	Refused	2	.7	
	Total	16	5.3	
Total	300	100.0		

Would you tell me how many people are currently working in the company in Bellingham?
READ IF NECESSARY Please include seasonal, temporary, part-time, full time, on-call employees, as well as yourself. IF DON'T KNOW / NOT SURE, SAY: Just give me y...

		Frequency	Percent	Valid Percent
Valid	1	33	11.0	11.6
	2	45	15.0	15.8
	3	33	11.0	11.6
	4	31	10.3	10.9
	5	26	8.7	9.2
	6	12	4.0	4.2
	7	10	3.3	3.5
	8	13	4.3	4.6
	9	5	1.7	1.8
	10	10	3.3	3.5
	11	1	.3	.4
	12	6	2.0	2.1
	13	5	1.7	1.8
	14	5	1.7	1.8
	15	5	1.7	1.8
	17	1	.3	.4
	18	1	.3	.4
	19	2	.7	.7
	20	3	1.0	1.1
	22	1	.3	.4
	23	1	.3	.4
	24	1	.3	.4
	25	5	1.7	1.8
	26	1	.3	.4
	27	1	.3	.4
	28	1	.3	.4
	30	1	.3	.4
	31	1	.3	.4
	32	1	.3	.4
	33	1	.3	.4
	34	1	.3	.4
	35	2	.7	.7
	37	1	.3	.4
	40	2	.7	.7
	44	1	.3	.4
	49	1	.3	.4
	50	3	1.0	1.1
	58	1	.3	.4

	60	4	1.3	1.4
	70	3	1.0	1.1
	80	1	.3	.4
	220	1	.3	.4
	2000	1	.3	.4
	Total	284	94.7	100.0
Missing	99997	2	.7	
	99999	1	.3	
	System	13	4.3	
	Total	16	5.3	
Total		300	100.0	

How many years has the business been operating in Bellingham? PROBE FOR APPROXIMATE NUMBER - RANGE = 1 - 150 IF LESS THAN 1 YEAR - ENTER 1 IF DON'T KNOW - ENTER 777 IF REFUSED - ENTER 999

		Frequency	Percent	Valid Percent
Valid	1	10	3.3	3.4
	2	7	2.3	2.4
	3	15	5.0	5.1
	4	10	3.3	3.4
	5	11	3.7	3.8
	6	7	2.3	2.4
	7	9	3.0	3.1
	8	6	2.0	2.0
	9	5	1.7	1.7
	10	27	9.0	9.2
	11	6	2.0	2.0
	12	6	2.0	2.0
	13	8	2.7	2.7
	14	5	1.7	1.7
	15	12	4.0	4.1
	16	7	2.3	2.4
	17	3	1.0	1.0
	18	8	2.7	2.7
	19	4	1.3	1.4
	20	16	5.3	5.5
	21	6	2.0	2.0
	22	6	2.0	2.0
	23	6	2.0	2.0
	24	1	.3	.3
	25	13	4.3	4.4
	26	2	.7	.7

	27	4	1.3	1.4
	28	2	.7	.7
	29	1	.3	.3
	30	10	3.3	3.4
	32	7	2.3	2.4
	33	1	.3	.3
	34	3	1.0	1.0
	35	6	2.0	2.0
	36	3	1.0	1.0
	37	2	.7	.7
	38	2	.7	.7
	39	1	.3	.3
	40	9	3.0	3.1
	41	1	.3	.3
	42	2	.7	.7
	44	1	.3	.3
	45	6	2.0	2.0
	46	2	.7	.7
	52	1	.3	.3
	60	3	1.0	1.0
	64	2	.7	.7
	76	1	.3	.3
	80	1	.3	.3
	90	1	.3	.3
	109	1	.3	.3
	113	1	.3	.3
	115	1	.3	.3
	116	1	.3	.3
	119	1	.3	.3
	Total	293	97.7	100.0
Missing	777	7	2.3	
Total		300	100.0	

What were the total gross revenues from your Bellingham business location in the last fiscal year? Would you say...

		Frequency	Percent	Valid Percent
Valid	Under \$100,000	53	17.7	21.7
	\$100,000 to under \$250,000	61	20.3	25.0
	\$250,000 to under \$500,000	36	12.0	14.8
	\$500,000 to under \$1 million	31	10.3	12.7
	\$1 million to under \$2.5 million	33	11.0	13.5
	\$2.5 million to under \$5 million	12	4.0	4.9
	\$5 million to under \$10 million	7	2.3	2.9
	Or \$10 million or more	11	3.7	4.5
	Total	244	81.3	100.0
Missing	Don't know	27	9.0	
	Refused	29	9.7	
	Total	56	18.7	
Total	300	100.0		

RECORD RESPONDENTS GENDER

		Frequency	Percent	Valid Percent
Valid	Male	182	60.7	60.7
	Female	118	39.3	39.3
	Total	300	100.0	100.0

APPENDIX C: LEGACIES AND STRATEGIC COMMITMENTS

“We are working today so future generations will benefit from ...”



Legacies and Strategic Commitments

Adopted by Bellingham City Council
July 13, 2009