



BUSINESS
COMMUNITY SURVEY 2016
Findings Report

Office of Economic Development
Economic Vitality Commission



CITY OF
ISSAQUAH
WASHINGTON

[TABLE OF CONTENTS]

01 Executive Summary	Key Findings	4
	Next Steps	5
02 Introduction	Methodology	6
	Survey Response	7
03 Findings	Demographics	9
	Advantages	11
	Challenges	13
	Economic Conditions	15
	Retention & Expansion	16
	Workforce Trends	18
	City Services	22
04 Conclusion	Discussion	24
	Next Steps	24
05 Appendix	Select Survey Comments	26

WE HEARD YOU!

In 2012, The City of Issaquah surveyed more than 3000 local businesses and nonprofits

Take a look at what we've done since then to address your top five identified needs

Better Transportation

- Worked with Sound Transit to secure a planned light rail corridor along I-90, connecting Issaquah with Bellevue, Redmond, and Seattle
- Advocated for regional bus connectivity, saving 3,350 hours of transit service and adding 2 new stops
- Secured \$16M in grant funding for improvements to enhance local roadway capacity



Grant funding for roadway capacity projects

Greater Visibility

- Revised sign code to enhance flexibility for businesses
- Added new "Spotlight on Businesses" section to City's website
- Increased social media usage to welcome and promote new businesses



People reached through local businesses promotion

More Space

- Provided relocation assistance to 30 businesses
- Changed zoning & impact fees to reduce the financial burden to businesses relocating within Issaquah
- Oversaw construction of 337,000 sq. ft of new commercial space



Square feet of new commercial space

Available Talent

- Trained more than 50 local workers in resume and interview skills at two City-sponsored job fairs
- Worked with local community colleges to increase the number of courses being offered for high-demand skill sets



Job Fairs Job Seekers Participating Businesses

Reliable Electricity

- Worked with Puget Sound Energy to prioritize needed equipment upgrades
- Partnered with PSE and the Issaquah Chamber of Commerce to improve communication and planning for future infrastructure

 **NEW:**
+ Underground lines
+ Trip-proof wires
+ Automated switches
= Less downtime



Infographic shared with more than 2,500 businesses as part of the 2016 Business Community Survey

EXECUTIVE SUMMARY

The purpose of the City of Issaquah's business community survey is to gather and share information in order to attract and retain successful local businesses. The 2016 Business Community Survey builds upon the City's first business survey effort in 2012, updating data on economic, workforce, and related trends; communicating related successes and improvements; and providing opportunities for engagement and outreach with local business owners. This report summarizes 2016 business survey responses for the purpose of guiding future city work plans as well as providing business perspectives to City Council and the wider community on key issues.

The 2016 Business Community Survey was conducted over a period of three months in late spring and early summer and shared with more than 2,500 businesses using a combination of direct mail, online, phone, and in-person communications. A total of 332 businesses completed the survey, for a survey response rate of 13 percent. Overall, the survey carries a ± 5 -6 percent margin of error at a 95 percent confidence level.¹

Key Findings

Local businesses feel very positive about Issaquah as a place to do business, with 84 percent of survey respondents rating the city as "excellent" or "good". This number represents an increase of more than 10 percentage points over 2012, a statistically significant jump.

Businesses in Issaquah are generally doing well, with close to 60 percent of respondents looking to hire additional staff and 33 percent looking to expand their current space or relocate within the city within the next five years. Seventy-seven percent of businesses are reporting stable or increasing profits, up five percent from 2012.

According to survey respondents, Issaquah's primary advantages include the city's natural beauty, proximity to the owner's residence, and general quality of life. Traffic is by far the number one challenge, cited by more than 55 percent of respondents,

¹ Individual questions left blank by some respondents may carry a slightly higher margin of error. Some questions asked only on the long survey form used for online and in-person interviews are excluded.

followed by too much competition (27%) and a lack of space (22%). Another common challenge is parking, which was frequently mentioned in conversations and received the lowest score relative to all other City services.

Compared to 2012, businesses seem better able to recruit and retain employees despite seeing a decline in workforce stability. In talking with employers, there was less of an emphasis on applicants lacking skills and qualifications, and more of an emphasis on the need for affordable workforce housing to alleviate pressure on wage increases.

Next Steps

The findings of this report will be shared with the business community, via business organizations, on the City's website, and also directly with the businesses who took the time to be interviewed. The report has already been shared with the Economic Vitality Commission and the Economic Development Department, which will use the findings to guide their work plans over the next year and beyond with the update of their strategic plan. City staff are also still working one-on-one with businesses that requested specific assistance during the survey process.

As for issues raised of wide significance that cannot be addressed with customized solutions, the City's Economic Development Department plans to use the survey findings to further focus resources of the department's business retention and expansion program. There are several concerns businesses reported that the City is already working to address, such as traffic, parking, and affordable housing. The survey results identify the priorities of the business community and will be used to help craft appropriate solutions.

INTRODUCTION

The year 2016 marks the four year anniversary of the City of Issaquah's formal Business Retention and Expansion Program, designed to promote economic development by helping to support and grow local businesses. At that time, the newly formed City Economic Development Department and Economic Vitality Commission conducted the City's first business community survey to help set a baseline for understanding local economic issues and serve as a guide for programmatic and policy decisions. The 2016 Business Community Survey is largely an update to the 2012 Survey, with some new questions and a few methodological changes.

Methodology

In April of 2016, the City mailed surveys to all businesses with an Issaquah address, totaling more than 2,500 businesses. Respondents had the option to send back the completed paper survey using a provided prepaid envelope, or fill out the survey online. Out of the 2,500 businesses, the City identified a smaller, representative sample of 70 businesses to contact for an in-person, long-form interview.

The survey was promoted via City social media and among members of City partner groups, including the Issaquah Chamber of Commerce, the Downtown Issaquah Association, and the Grand Ridge Plaza Merchant's Association. Reminder postcards were mailed out two weeks prior to the survey close date. For scheduling of in-person interviews, staff reached out to businesses via phone and/or email on at least two separate occasions.

Survey questions were compiled by Economic Development staff and a subcommittee of the Economic Vitality Commission (EVC) made up of Kristi Tripple and Richard Gabel. In-person interviews were conducted by the same group, with help from EVC Chair Karl Leigh. A handful of changes were made in order to facilitate survey completion and analysis. Those changes included the deletion/combination of similar questions and the conversion of open-ended questions to multiple-choice.

The survey was intentionally designed to draw out comments around general challenges, reasons for closing/ relocation, and challenges with workforce retention, in order to help policy makers better understand issues facing the business community. The comments received reflect this push, despite a large majority of respondents who say they feel positive about Issaquah as a place to do business.

All told, the 2016 survey features a representative sample size of 332 businesses. Generally speaking, the 2016 survey is statistically valid at a 95 percent confidence level and a $\pm 5-6$ margin of error. Due to skipped questions, the margin of error varies slightly by question. Responses to questions included only on the long-form survey (administered in-person and online to about 17 percent of total respondents) are not considered statistically valid.

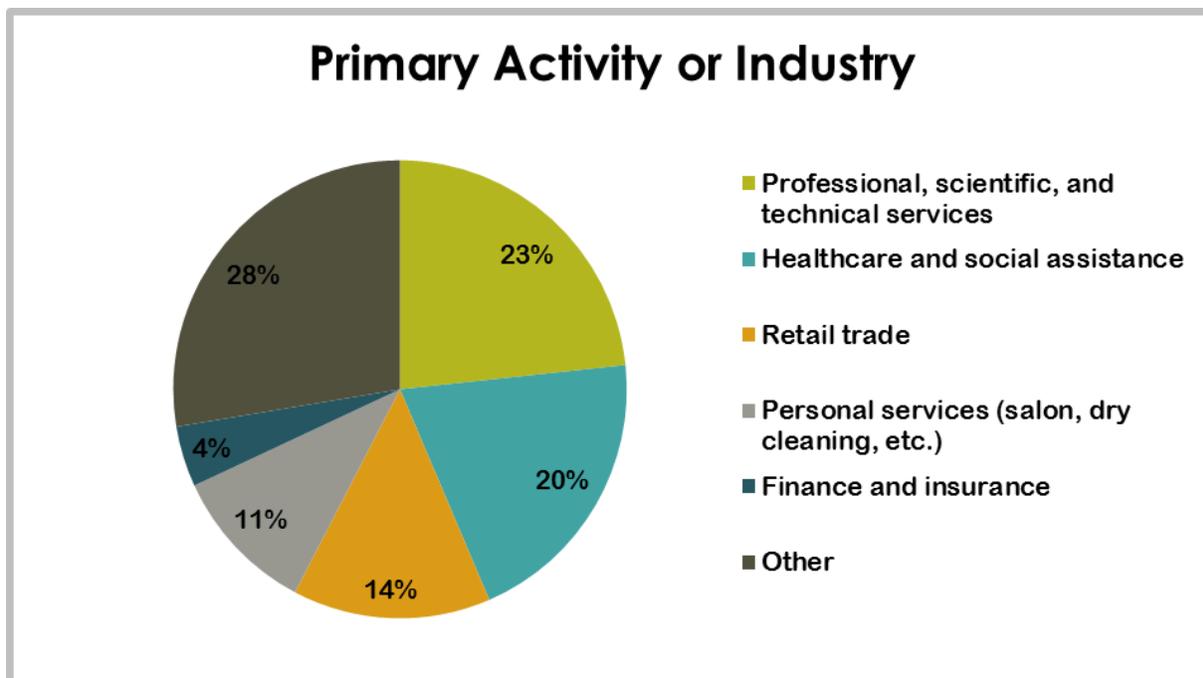
Survey Response

In total, the City received 332 returned surveys, for a response rate of 13 percent. This is a slight increase over the 2012 survey response rate of 12 percent. Of the seventy businesses identified for in-person interviews, twenty agreed to participate.²

Businesses responding to the survey represent a wide range of industries and activities. The top three industries of respondents are:

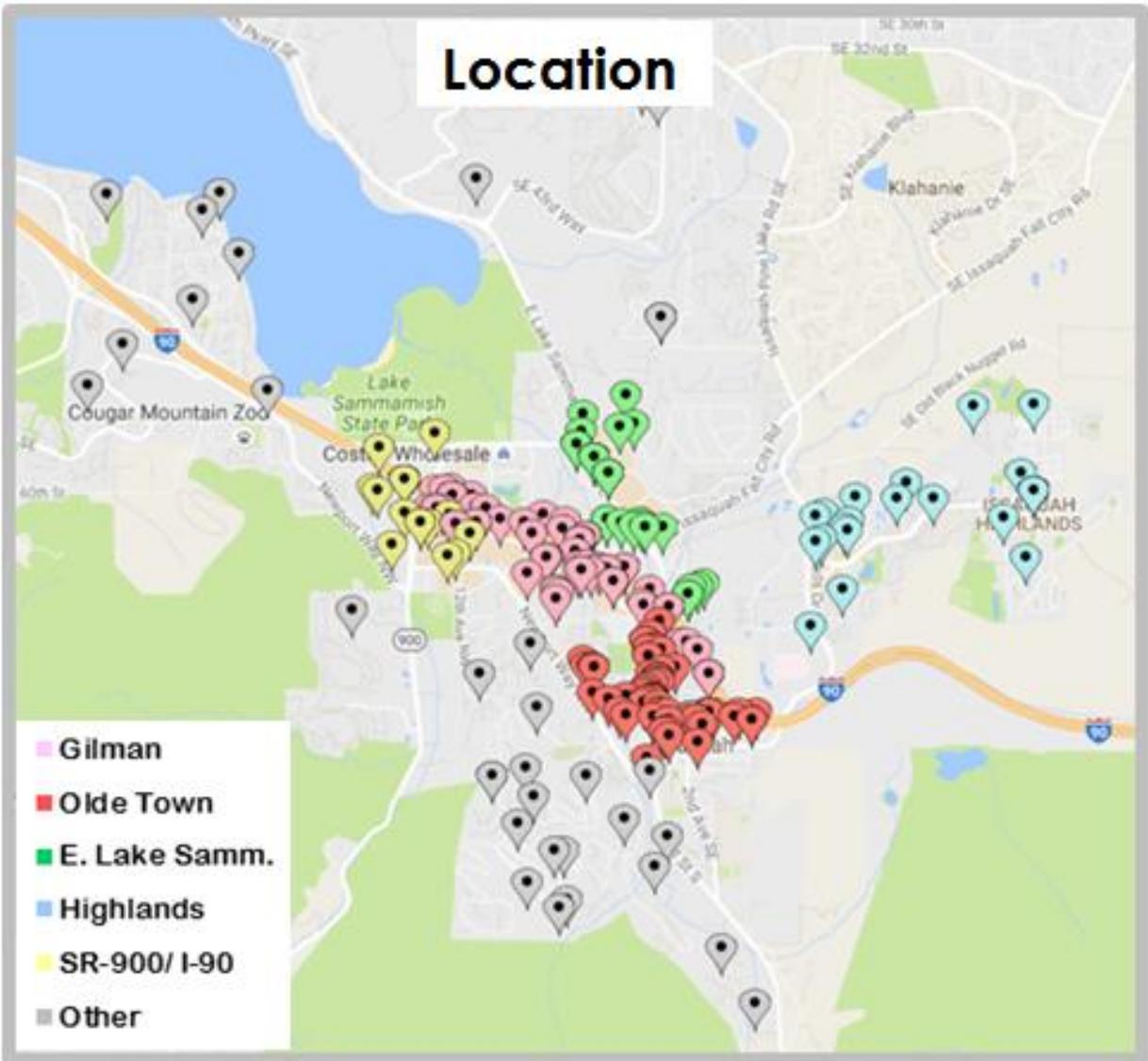
1. Professional, scientific, and technical services
2. Healthcare and social assistance
3. Retail trade

This distribution tracks closely with survey data from four years ago as well as U.S. Economic Census data for Issaquah as a whole.



² Interview responses are included in total response rate.

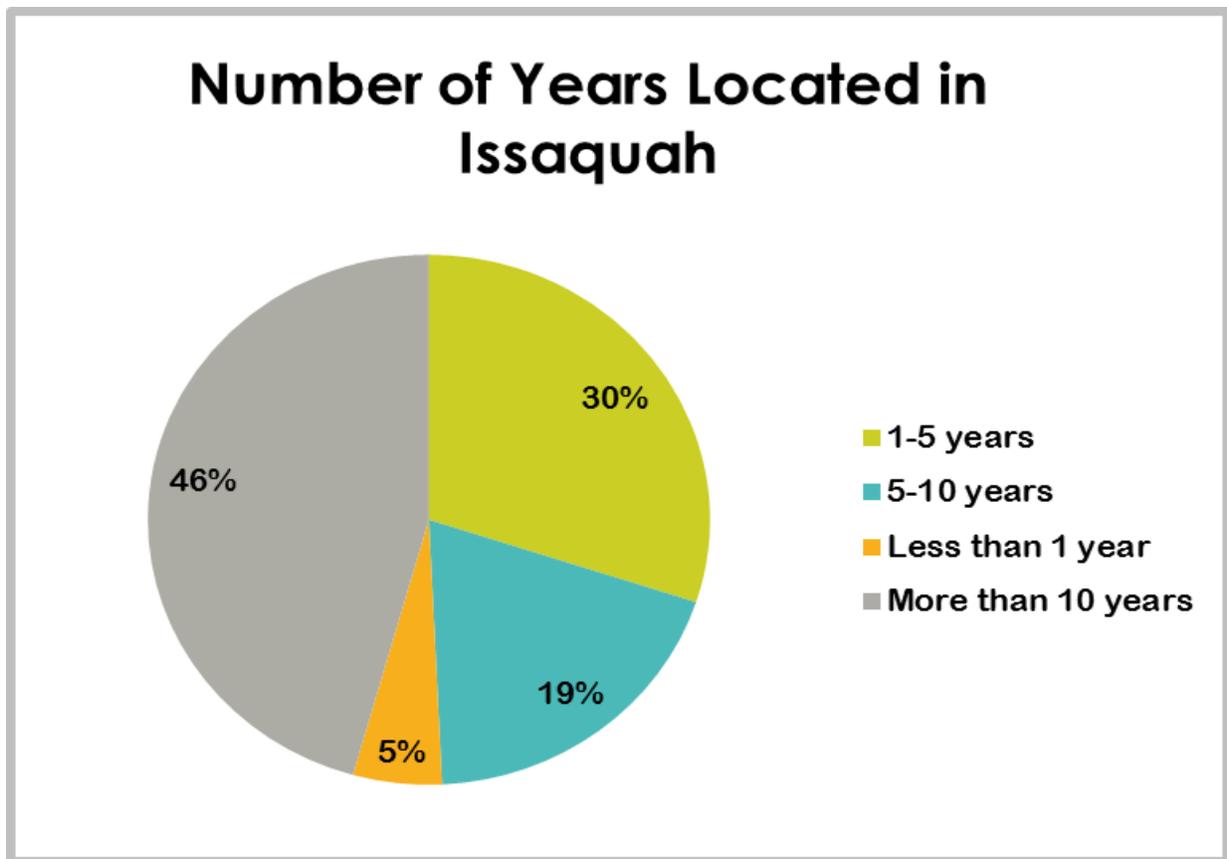
Survey responses also reflect the views of businesses located across Issaquah. The following chart shows the majority of survey respondents are distributed relatively evenly among five designated commercial areas, with twenty-seven percent located along Gilman Rd.; twenty-four percent located in Olde Town; thirteen percent located off East Lake Sammamish; eleven percent located in the Highlands; and eight percent located off SR-900/ I-90. The remaining 23 percent are mostly home-based businesses located in primarily residential areas.



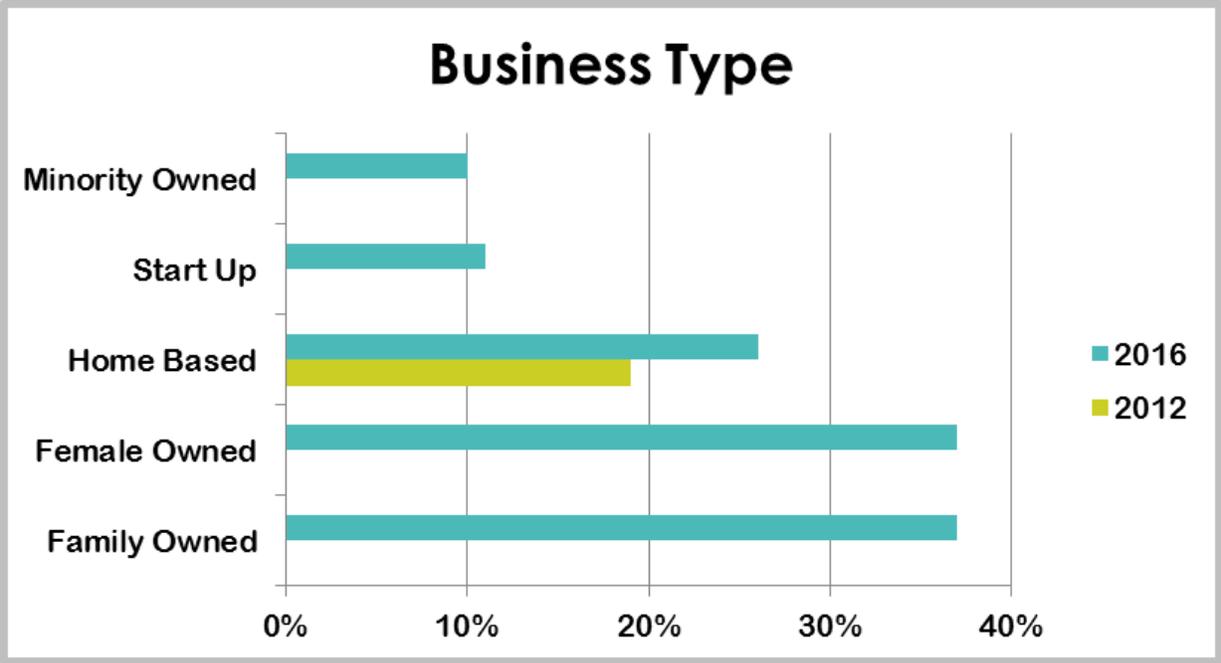
[FINDINGS]

Demographics

The number of registered businesses with a permanent physical presence in Issaquah has grown by more than ten percent since 2012. The city continues to have a mix of new and mature businesses. Close to half of all businesses surveyed have been around for more than ten years, and over a third of businesses are less than five years old. The proportion of new businesses is similar to 2012. These findings can be generalized to business community as a whole.

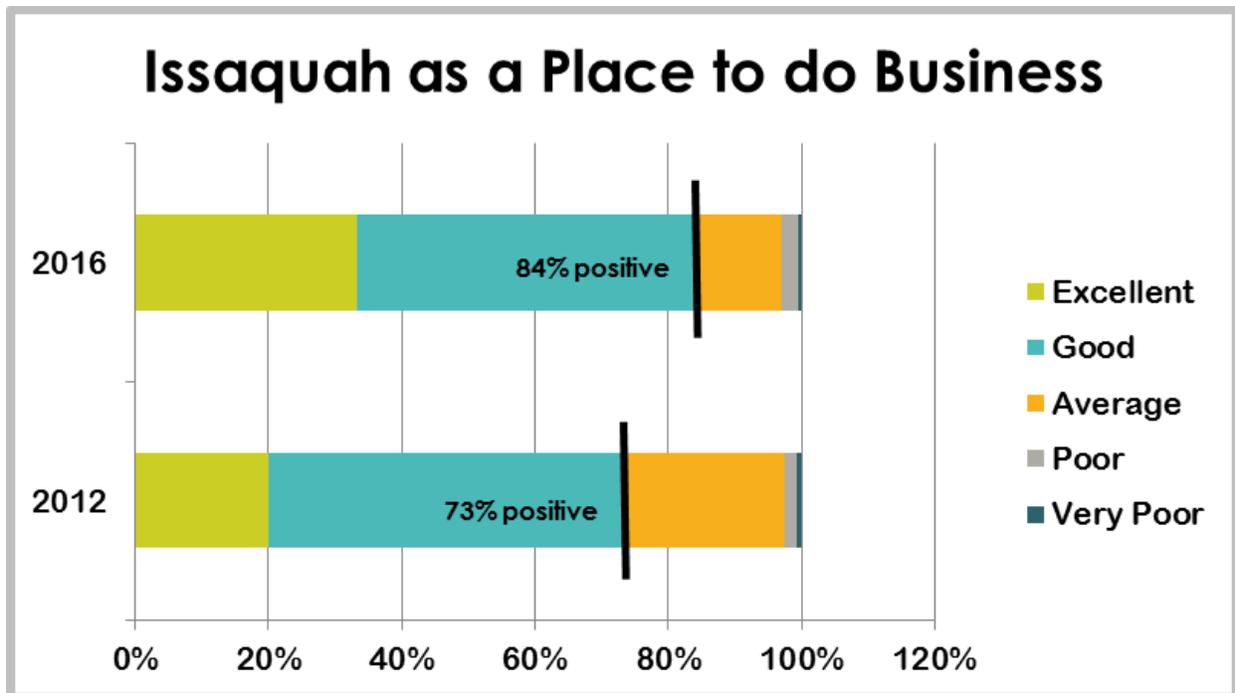


About a third of surveyed Issaquah businesses are family owned. A similar number are female owned, which is well below the proportion of female residents. Likewise, only ten percent of Issaquah businesses are minority owned, despite a local non-white population of more than 20 percent. Slightly more than ten percent of businesses identify as start-ups. The relative number of home-based businesses has grown in the last four years, from fewer than 20 percent in 2012 to more than 25 percent today. These findings can be generalized to the business community as a whole.



Advantages to Doing Business in Issaquah

Survey respondents overwhelmingly rate Issaquah as a good place to do business. Eighty-four percent of Issaquah businesses viewed the city positively in 2016, a statistically significant increase of more than 10 percentage points over the 2012 survey. Even better, the bulk of the increase comes from a jump in businesses rating the city as “Excellent”. Even so, thirteen percent of businesses rated Issaquah as “Average”, while three percent rated Issaquah as “Poor” or “Very poor”.



When asked about advantages Issaquah has to offer, more than 40 percent of surveyed businesses pointed to the city’s natural beauty, the city’s proximity to a place of residence, and the quality of life available. A handful of businesses specifically commented that Issaquah has great parks, trails, library, and schools.

More than 30 percent of surveyed businesses selected “pace of growth” as a top Issaquah advantage. Respondents indicated that existing demographics and the relative level of affluence made Issaquah great from a market perspective. A few businesses expressed excitement about new residential developments, saying that more people meant more customers.

“The best thing about Issaquah is that it’s a desirable place to live. As long as families keep living here and having kids, my business will be successful.”

-- Scott Callan, Owner, The Goddard School

Between 20 and 30 percent of surveyed businesses felt that Issaquah's top advantages included the city's accessibility, safety, close-knit community feel, and current business mix. Five businesses commented that Issaquah was very accessible to I-90, Seattle, and commercial clients. Others businesses commented that they felt very safe working in Issaquah and appreciated the diversity here, both in terms of business mix and workforce.



Challenges to Doing Business in Issaquah

Only four percent of Issaquah businesses have an overall negative view of Issaquah as a place to do business (see chart on p. 11). Challenges do exist, however.



The number one challenge cited, by far, is traffic. More than half of all businesses cited traffic as a major problem, and there wasn't a single interview where traffic issues didn't come up in some fashion. More than 40 respondents took the time to comment specifically on traffic, many of them concentrating on congestion along Front Street.

“Issaquah as a place to do business is good, except when traffic drives me or my clients crazy and I think about moving my office.”

-- Anonymous business owner

For example, Issaquah Nursing & Rehab, located along Front Street South, commented that families of prospective patients regularly exit I-90 only to turn around and cancel their tour because the volume of traffic would prevent them from easily visiting their loved one.

Competition and space are the next biggest challenges. Businesses along Gilman seem more likely to feel they are going head to head with competitors, while businesses in the Highlands are the least likely to view competition as an issue. For the 20 percent of

businesses looking to grow, many noted an increasing shortage of affordable real estate to suit their business needs. One of the businesses contacted for an interview declined the invitation, saying they would be leaving next year anyway due to lack of warehouse space availability. In their view, the Central Issaquah Plan was designed to push out everything but retail, which has left them feeling like there is no longer a place for them in the city.

Survey respondents frequently commented on issues they had with City regulations, specifically the permitting office and the sign code. Many business owners feel that sign code enforcement is too strict and the permitting process is too confusing. At least twenty respondents felt that the City simply has too many regulations, specifically mentioning the commute trip reduction program, storm water regulations, landscaping requirements, land use restrictions, A-frame sign regulations, and the inability to advertise along I-90.

“Be more predictable about rules and regulation changes to reduce risk for businesses.”

-- Bob Power, Vice President, SeaCon

Utilities and rising costs were another set of issues frequently mentioned. Businesses complained about losing power three to four times a year, which required them to invest in costly generators or suffer major losses. A handful of businesses also mentioned wanting faster internet and less expensive water, sewer, and electric.

Once again, we heard about a number of challenges beyond those asked about in the survey. The most frequently volunteered problem was parking, primarily along Front Street and Sunset Way, but also at the Zoo, along Newport Way, and in the Highlands. Many businesses also talked about the need for better infrastructure to improve access to buildings and mitigate traffic. Another major challenge for businesses was growth

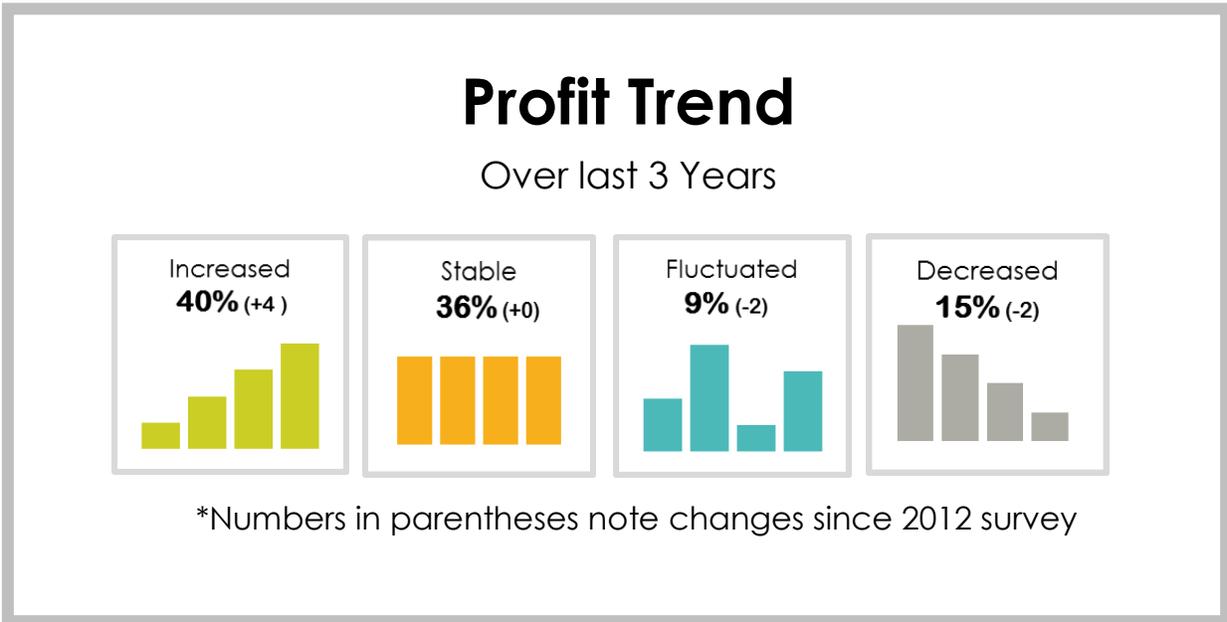
“I like to shop locally [on my break], but when I have to circle the block four times, I might give up on my cupcakes. I’ll just go to Bellevue and back—they have better parking. Issaquah needs a parking structure or something.”

-- Anonymous manager

and new construction. While some businesses talked about an increase in potential customers, others were concerned that Issaquah was losing its charm and that large apartment complexes would exacerbate the traffic problem. Challenges related to workforce access and a need for more affordable housing are covered in depth in the Workforce Trends section.

Economic Conditions

Survey data points to a strong local economy. Businesses in Issaquah have overwhelmingly experienced stable or increasing profits over the past three years. Forty percent of businesses say their profit trend has gone up, compared to 36 percent who said the same in 2012.



Although businesses are doing well overall, many have noted that rising costs are eating into profits. More specifically, increasing rents are putting pressure on businesses. Employees must be compensated more to be able to afford the local cost of living, while employers are paying more to lease their own commercial spaces.

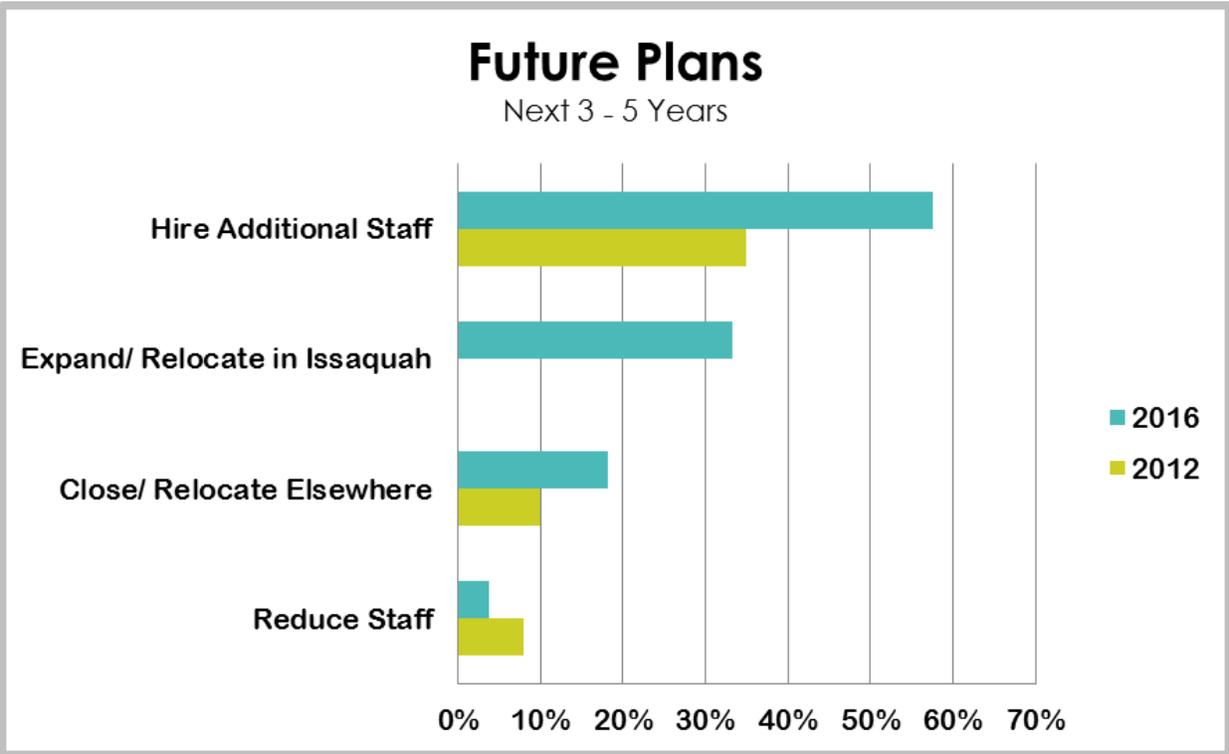
Survey respondents also noted sector-specific economic concerns. Non-profits like the Issaquah Food and Clothing Bank and the Cougar Mountain Zoo mentioned a lack of public funding and available grants as their greatest challenge. Businesses in the healthcare sector, meanwhile, are struggling with falling reimbursements from Medicaid and other insurance providers. Such businesses seemed more likely to experience decreasing profit trends than others.

“If funding wasn’t an issue, we could do so much more... we don’t have the funds to promote the food bank the way we would like to.”

-- Cori Walters, Executive Director, Issaquah Food & Clothing Bank

Retention & Expansion

Businesses in Issaquah have mixed feelings about the future. On one hand, more than half of all businesses are looking to hire additional staff in the next five years, compared to only 35 percent four years ago. On the other hand, 18 percent of businesses are considering closing or relocating outside of the city. That number has jumped since 2012 by eight percentage points, a worrying trend. Reasons for leaving are varied, and include owner retirement, availability of warehouse space, traffic, and long employee commute times. The number of businesses looking reduce staff in the next five years has remained low, hovering below five percent. A full third of businesses are looking to expand or relocate within Issaquah, making find space an even greater challenge.

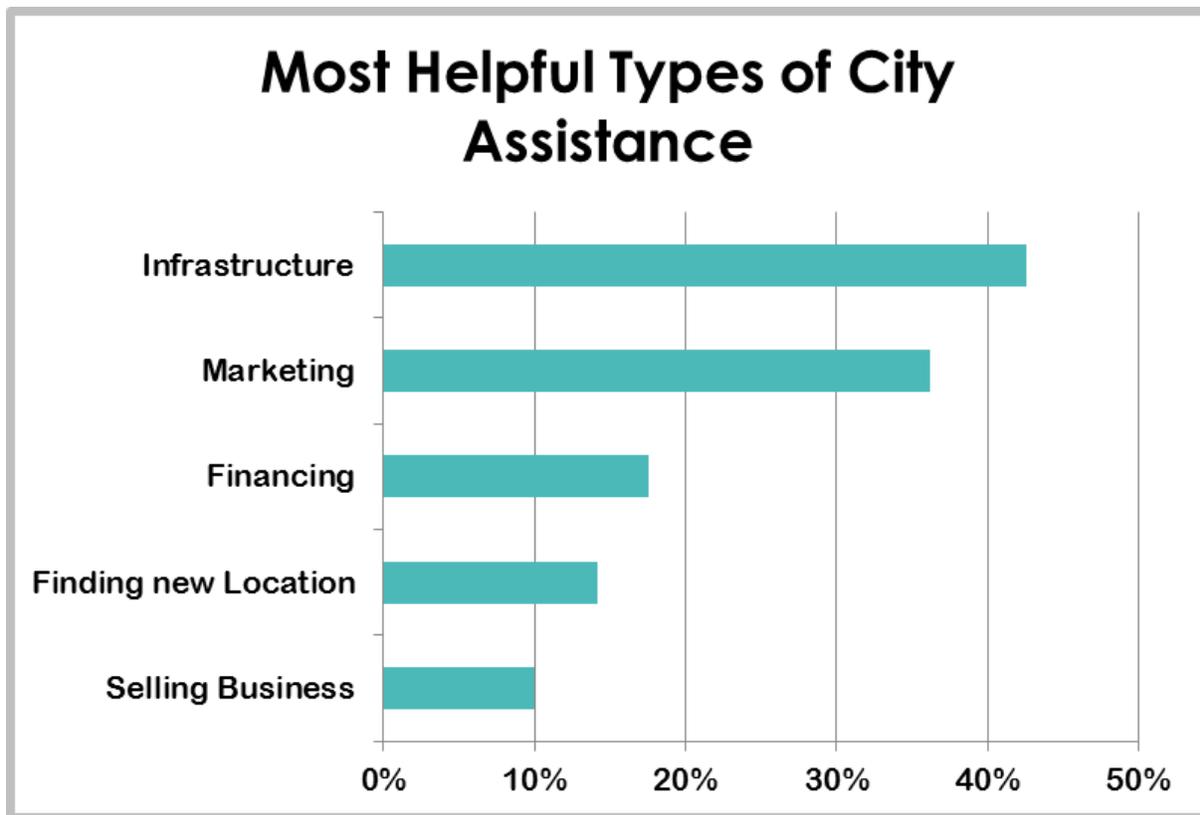


When asked about what types of assistance might be most helpful to businesses, more than 40 percent talked about providing better infrastructure, especially as it relates to traffic congestion and parking. Another 36 percent were looking for help with marketing, including community events and a softening of sign code regulations. A handful of businesses expressed interest in getting help from the City to identify

“I would love to see the City partner with DIA or others to host a home-based business fair and promote our local tech presence.”

-- Anonymous business owner

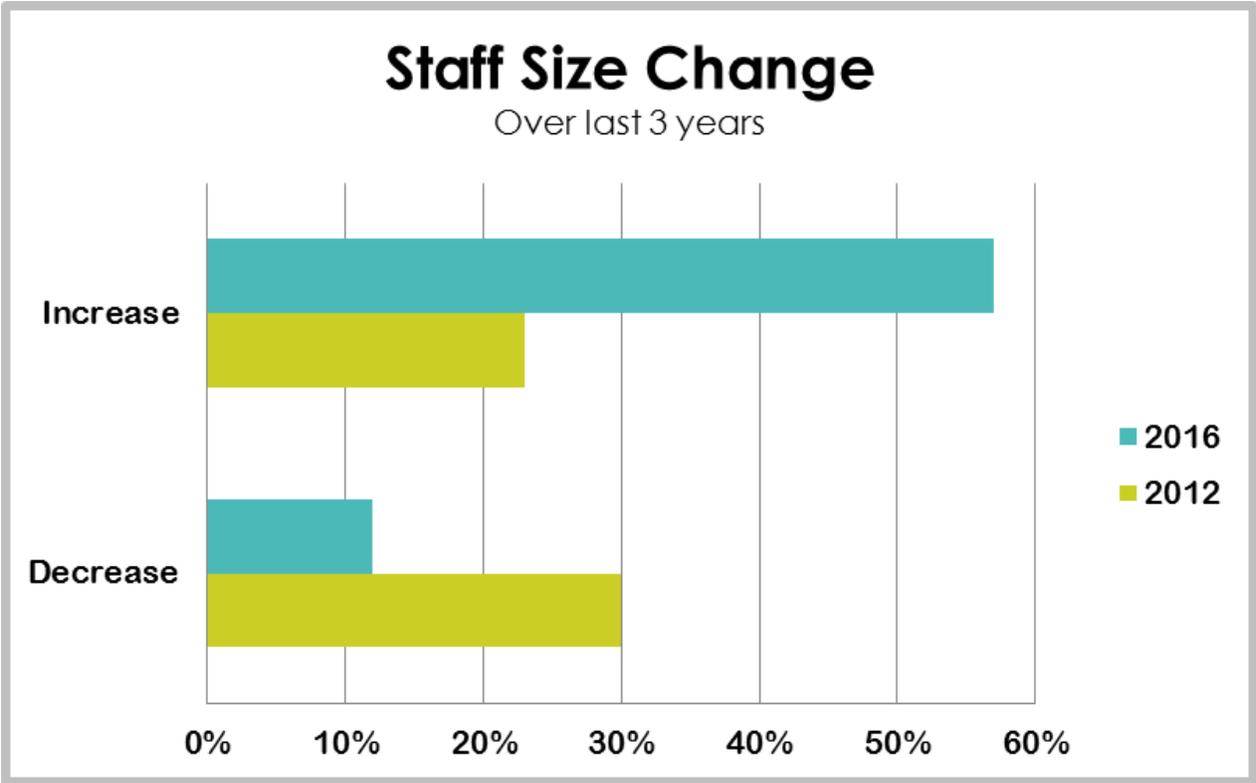
potential tenants for their rental properties or buyers for their businesses. Still other business owners talked about more support for home-based businesses, better communication from the City, and perhaps a special newsletter for local businesses.



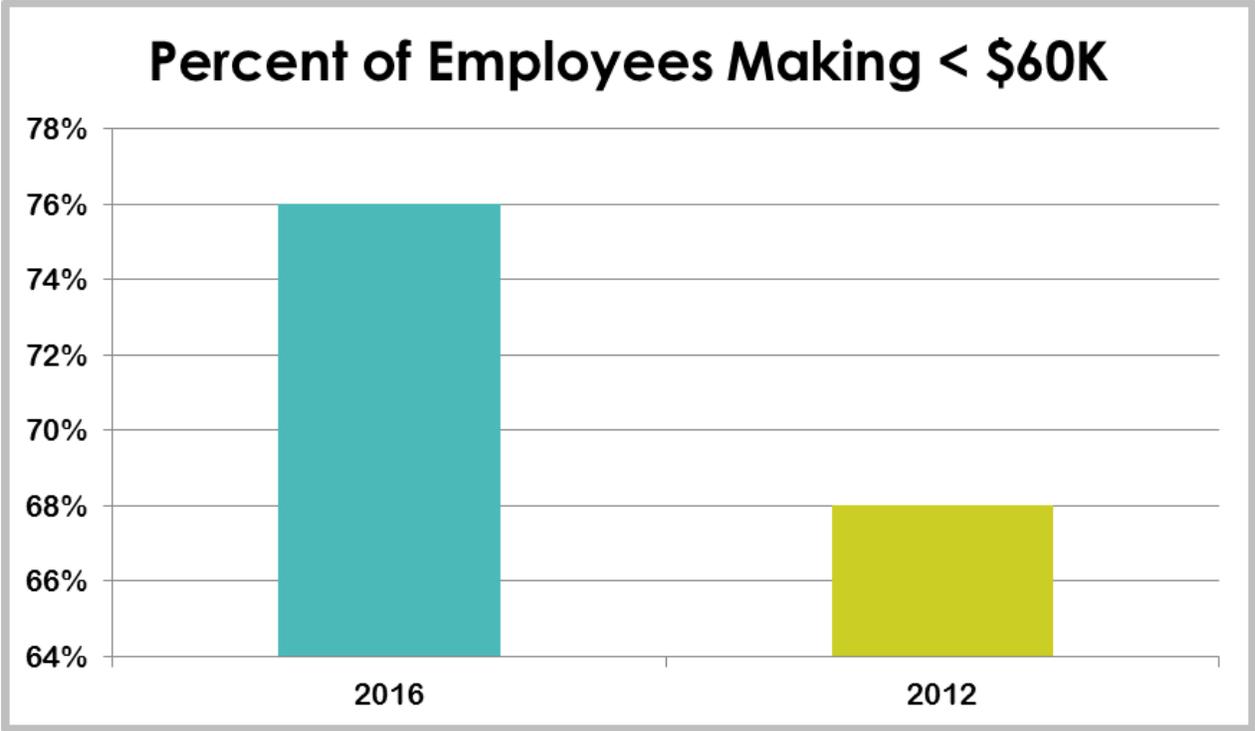
NOTE: The following section summarizes approximately 45 responses from the long-form survey provided both online and as part of the City's in-person interviews with businesses. Due to the small sample size, statements made below should not be considered statistically representative of the larger business community.

Workforce Trends

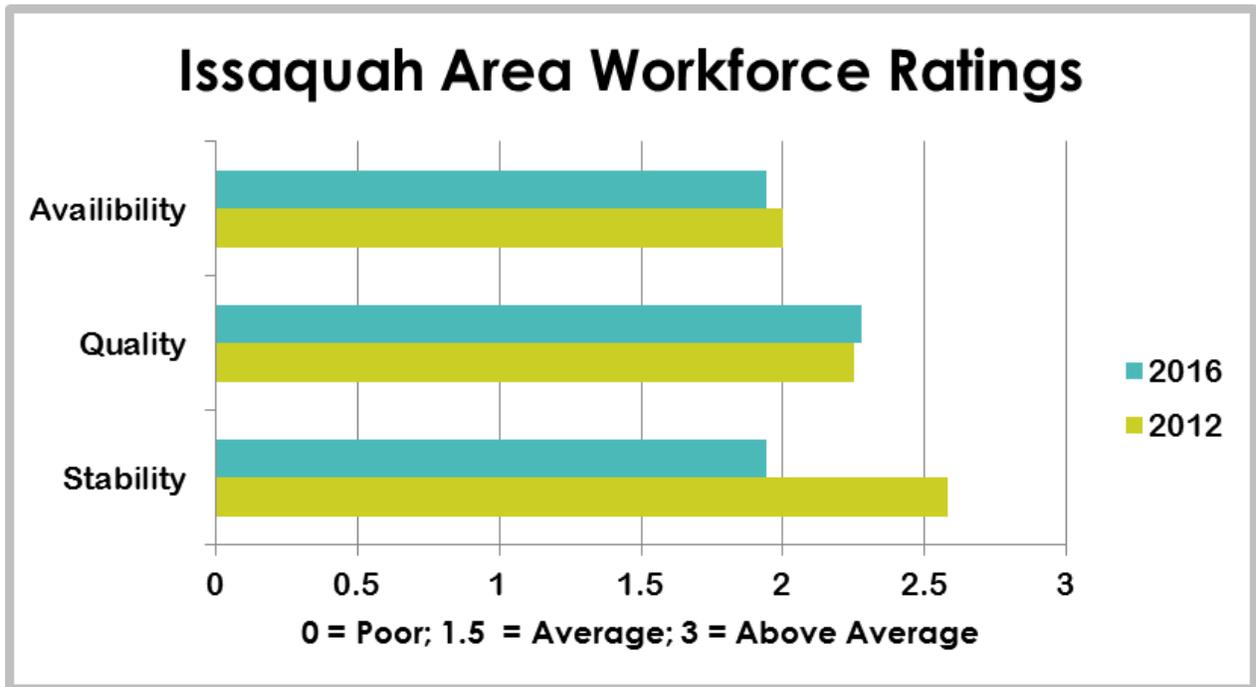
According to survey responses, a majority of Issaquah businesses have seen their workforces grow over the past few years, reversing a downward trend that persisted a few years after the end of the 2008 economic recession. Today, 57 percent of surveyed businesses say they have increased their staff over the last three years, compared to 23 percent saying the same in 2012.



Average employee salaries seem to have fallen slightly in the past four years. Seventy-six percent of those employed by surveyed businesses made less than \$60,000 a year. For comparison, that number was eight points (68%) lower in 2012. In light of this information, it's possible that while many employers have added new positions over the past few years, many of those positions have been low-paid.



Issaquah businesses generally feel okay about the area workforce, ranking job applicants and current employees as “average” in terms of quality and availability. This is similar to views expressed in the 2012 survey. Workforce stability, on the other hand, has shown a marked decline since 2012 and is no longer considered “above average”. This change may indicate that businesses are experiencing greater turnover due to a rebounding economy and a higher cost of living.



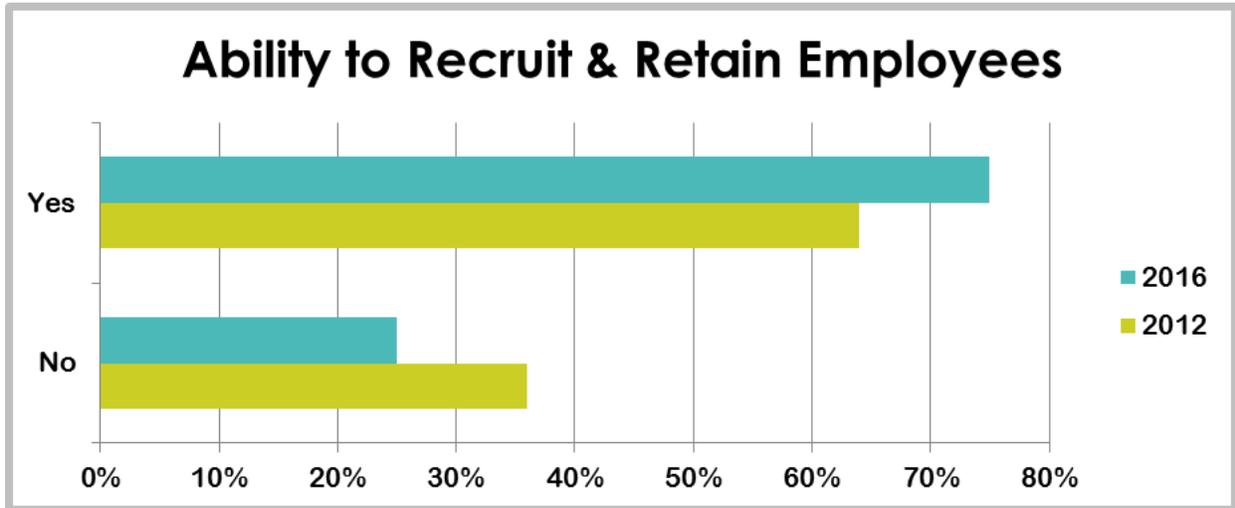
Overall, Issaquah employers are finding it relatively easy to hire qualified employees. A number of businesses mentioned during their interview that job applicants are more highly educated than ever before. A few skill sets remain in great demand, however, including engineering, nursing, early childhood education, and hairdressing, as well as bilingual and customer service skills.

Skill Sets Needed

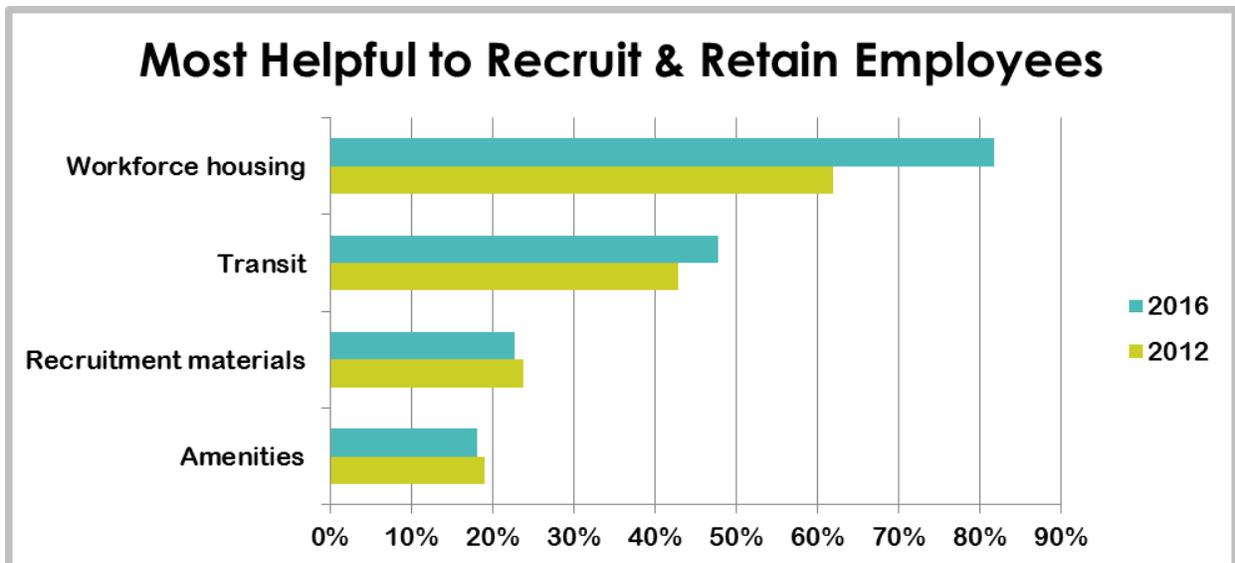
- Certified technical (nurses, teachers)
- Bilingual
- Customer service

Similarly, Issaquah businesses are not generally experiencing major barriers to training employees. Although many businesses mentioned that training requirements for their respective field have grown, they noted that training is easier with all the options available online. For those that did have difficulty training staff, challenges generally revolved around the cost of training rather than availability or awareness of existing training.

Despite seeing a decline in workforce stability, Issaquah employers say that they are able to recruit and retain employees better than they were four years ago. Seventy-five percent of businesses have few problems with employee recruitment and retention, compared to a little over 60 percent in 2012. Businesses in the retail sector reported difficulties at a slightly higher rate, as did businesses located off I-90/ SR 900.

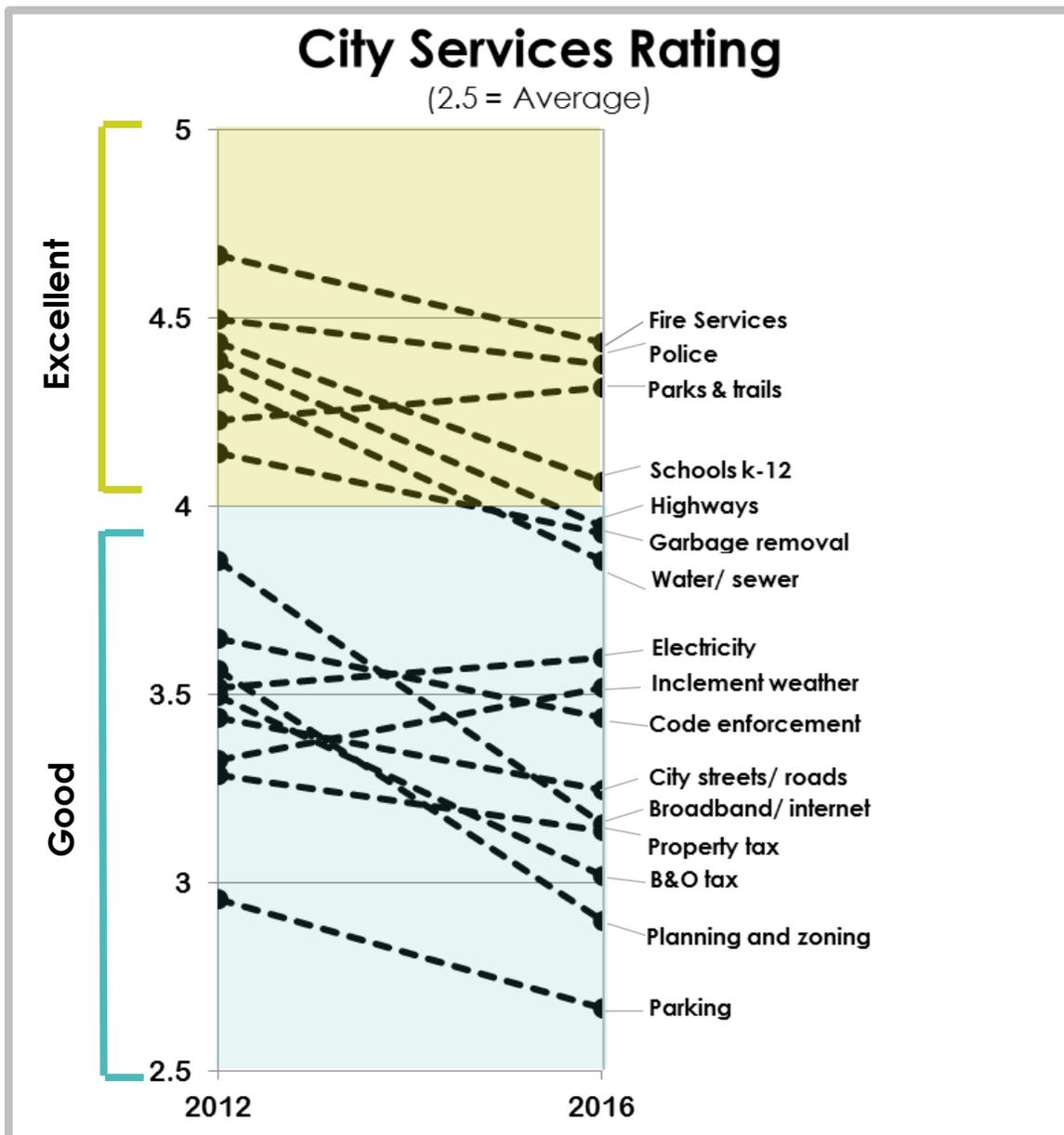


According to survey respondents, more affordable workforce housing in Issaquah would be the most helpful to businesses that are having trouble recruiting and retaining employees, followed by more transit and transportation access to and around Issaquah. More than 80 percent of businesses saw value in affordable housing, a 20 point jump over 2012. Businesses employing lower-paid workers were more likely to view affordable housing as helpful.



City Services

According to survey data, business satisfaction with City-provided services has declined in the past four years.³ While businesses continue to rate all services above average, only parks and trails, electricity, and inclement weather response are experiencing higher levels of approval than in 2012. Services that have seen the biggest decline in satisfaction include broadband/ internet as well as planning and zoning. Due to the small sample size for this question, however, it should be noted that these views are not necessarily representative of the business community as a whole.



³ Includes services provided by other governments or utility providers with which the City has a relationship.

Although businesses generally feel that City staff are responsible and accessible, some spoke of poor treatment and unreturned phone calls. A few firms mentioned that the City did not provide adequate relocation compensation for businesses forced to move

“I pay more taxes to be located in the City, but I believe that’s the right thing to do because of the benefits I receive.”

-- Rocio Gannaway, Owner, Lagarllito's Garden

due to eminent domain. While a handful of respondents expressed gratitude at support they've received from the City in the way of grant funding, social media marketing, and advocacy for preserving bus routes, others said they were unaware of what services were available to them.

[CONCLUSION]

Discussion

Overall, the results of the 2016 Business Community Survey are positive. Eighty-four percent of businesses rate Issaquah as an excellent or good place to do business, and the approval of many core city services remains above average. Many businesses have added staff since the recession, and are doing well financially. According to businesses, Issaquah as a number of advantages, most notably natural beauty and the quality of life afforded. There are, however, a handful of challenges that remain to be addressed.

Throughout the survey process, businesses cited concerns over traffic and transportation infrastructure as a threat to their daily operations and ability to recruit and retain talent. Many firms also said they wanted to see more affordable workforce housing, to make it easier for employees to live nearby. Twenty percent of Issaquah employers are having trouble recruiting the talent they need, especially for nursing, teaching, and customer service positions. Businesses believe there is room for improvement when it comes to municipal-related services such as parking, permitting, sign code regulation, and broadband internet.

Next Steps

The findings of this report will be communicated back to the business community, including the Chamber of Commerce and the Downtown Issaquah Association. The report has already been shared with the Economic Vitality Commission and the City's Economic Development Department, which will use the findings to guide their work plans over the next year and beyond. City staff are also still working one-on-one with businesses that requested specific assistance during the survey process.

As for issues raised of wide significance, the City's Economic Development Department plans to use the survey findings to further focus resources of the department's business retention and expansion program. Survey results and comments will be used to tailor City-sponsored business assistance workshops planned for 2017. There are several concerns businesses reported that the City is already working to address, such as traffic,

parking, and affordable housing. The City will use business community feedback and perspectives gained from this survey effort to help guide solutions.

Many of the City's immediate next steps will focus on addressing the concerns raised by businesses. Equally important to keep in mind, however, is the importance of preserving and strengthening the natural beauty, quality of life, and other economic advantages offered by the Issaquah community.

APPENDIX:

Select Survey Comments

(Excludes one- or two-word comments)

Issaquah as a Place to Do Business

- I feel wonderful and very safe working in Issaquah. I love how beautiful it is here!
- The best thing about Issaquah is that it's a desirable place to live. As long as families keep living here and having kids, my business will be successful.
- Issaquah is great from a market standpoint.
- Issaquah is centrally located to clients' businesses.
- We are able to access to diverse population and workforce.
- Issaquah has the right combination of population and high incomes.
- Issaquah is a good place to do business except for the traffic.
- Honestly speaking, I hardly face any challenges here in Issaquah Highlands. I am very happy with my small business income, so no complaints.

Traffic & Road Infrastructure

- Traffic is problem #1, 2, & 3.
- Traffic is an issue but there's traffic everywhere so it's not a big deal.
- "Traffic! People have a hard time meeting with us at certain times of day"
- Do something about the Front St. Traffic!
- Fix the backup on Issaquah-Hobart road! Traffic is a mess so I might leave.
- Downtown traffic is very bad. Most people are trying to get to May Valley/ Maple Valley. A bypass would be helpful.
- My clients all complained about not enough parking along Sunset Way and traffic congestion along Front Street.
- Issaquah as a place to do business is good, except when traffic drives me or my clients crazy and I think about moving my office.
- Please get rid of these trucks downtown. They are loud and scary.
- We are located across the street from new apartment complex; very concerned about traffic impact. Currently the setup is very bad for the traffic on Gilman Blvd.

- Better traffic flow from E. Lake Sammamish to I 90 at the bottom of Issaquah-Fall City Road.
- The light on E. Lake Sammamish turning left from 56th street is badly timed. The City did a study and made a few adjustments, but it hasn't improved much.
- Issaquah need improved pedestrian crossings.
- Drivers are driving too fast in and around Issaquah.
- Worried that the Atlas apartments will make the traffic problem worse.
- Roads need more maintenance-- cleaning roads, cutting weeds, etc.
- Make it easier to turn into the Meadow Creek office Park or have an alternate entrance to the lot of the connector road under I-90 close to the post office.
- Turning onto Front Street (towards Gilman Blvd) from NW Dogwood Street is dangerous. That intersection should have proper front lighting especially w/ increased traffic on Rainier Blvd to avoid Front Street traffic.
- So long as we don't put parking meters in the city, I am happy. Time enforced parking is ok.
- Do not change East Sunset way to a three lane, no street parking road. That would negatively affect my business.
- Much of E. Lake Sammamish feels run down. Roadway & landscaping poorly maintained. Weeds coming out of sidewalks. Need for street sweeping. Sand built up on sidewalk.
- Street construction has impacted my summer enrollment -- 25-30% drop.
- City and school board should work together on Sunset & 2nd back up.

Parking

- We need more space for parking.
- Need easier parking for customers in the Highlands.
- Turn Bush St. into back-in parking.
- My clients all complain about not enough parking along Sunset Way and traffic congestion along Front Street. I want to see improved car access to my business -- widen Issaquah/ Hobart Road, increase and regulate parking time on Sunset Way.
- I like to shop locally, but when I have to circle the block four times, I might give up on my cupcakes. I'll just go to Bellevue and back—they have better parking. Issaquah needs a parking structure or something.

Affordable Workforce Housing/ Commute

- Housing is not affordable and employees can't make ends meet on lower salaries.

- Lack of affordable housing & long commute makes it difficult to attract qualified staff.
- Affordable housing is needed here for my employees, whether to rent or to buy.
- Need housing nearby where minimum wage workers could afford to live. Most applicants are very young (high school) and don't stay for very long. The more experienced applicants aren't able to afford to live a comfortable distance from the business, and are deterred by the long commute.
- I could hire 15 more people right now but high housing/ living makes it hard to find people willing to work for the wages I can afford.
- Don't think more affordable housing will improve workforce availability.
- Don't want low-income housing. It's not good for business. Workforce housing is preferable.

Permitting & City Regulations

- Make the permitting/ sign code process easier. Simpler process, clearer paperwork. Better customer service at front desk. Would be good to work with the same person throughout.
- High density code impediments are a challenge to my business. If the City's objective is high density, there needs to be more incentives offered.
- Building permit process is stifling my business. The process is too myopic, never taking into account the size of a project.
- Be more predictable about rules and regulation changes to reduce risk for businesses.
- I've had a difficult time working with the permitting office. They seem very cavalier about spending other people's money.
- Commute trip reduction compliance is difficult. Issaquah's standards are more stringent than the state.
- I just put in required landscaping three years ago on Sunset and now the City is considering taking it out to widen the road.
- Regulation kills us from all forms of government. More time is spent on regulation compliance than being able to focus on the business.
- We have to jump through hoops to get a new sign. This process should not be so difficult.
- Visibility is an issue. One challenge is the restriction on total allowable square footage of signage viewable from I-90. As the city grows up, businesses need to have the ability to be recognized.
- Annoyed by A-frame regulations.
- Would love to eliminate the ugly sandwich boards on Gilman.
- I spent over 13 years on a city council in another state & have owned 4 businesses. Issaquah is the most difficult to deal with regarding advertising freedom.

Rising Costs & Other Finance Issues

- Statewide economy is a problem: Increasing minimum wage, out of control taxes, increasing costs to do business in general-- especially small businesses.
- Rental prices are too high.
- Concerned about where small businesses will be able to start-affordable commercial real estate.
- My business is suffering from general cost creep: payroll, rent, and maintenance costs, disproportionate to increased sales.
- Biggest challenge is finances. Don't get grants from the City like [other nonprofit organizations].
- If funding wasn't an issue, we could do so much more... we don't have the funds to promote the food bank the way we would like to.
- Medicaid reimbursements have decreased. We have sicker patients with higher costs.
- Falling insurance reimbursements and Insurance massage pre-authorizations on the rise-- bad for business.

Utilities

- Electricity reliability and internet connectivity are big challenges.
- We lose power 3 or 4 times a year. Not a huge problem, but we do need to follow state regulations for room temperatures, and are worried we'll need to send kids home during a power outage in the winter.
- Electricity has improved- used to be days before it would come back on.
- The power grid is very unreliable.
- Put the utilities underground so we do NOT have power outages that shut us down.
- Frequent power outages are a problem. Difficult for every small business to invest in large enough UPS or backup generators to ensure business operations.
- Water/ sewer could be less expensive, but I understood they have to keep the infrastructure up.

Growth & New Construction

- Well managed growth is needed.
- Focus on making the city "livable" with real balance of green and growth. Not insane growth like we have now. [We're] driving from one ditch to the other; [we need to] hit a middle ground that makes us livable!
- Issaquah used to be an excellent place to do business. Now there are too many new houses/ apartments coming up.

- Perception that growth is out of control. People in this building angry about growth and traffic impacts from growth.
- Can't expand because you guys would rather have an apartment complex than a place of business. When you forget its small businesses that made this town.
- Issaquah density/ hi-rise focus/ lack of single family homes in favor of condos, townhouses making Issaquah lose its charm.
- Would like to continue to see an increase in density.
- The city officials have discouraged growth in the past by pushing out [large employers], which was absolutely terrible.

Workforce Retention, Recruitment, & Training

- Teachers have increasingly more qualifications.
- No challenge attracting employees, but low salaries and housing affordability means there is some turnover. We have mobile society.
- Tough to hire people right now-- the market is hot.
- Difficulty retaining employees at clerk level, even when offered wages competitive to level of skill & experience.
- Difficult to pay competitive wages. Especially at \$15/ hr. Hard to live in this community on the salaries my employees have.
- Don't see a lot of turnover because I pay well-- that's why people are willing to drive far.
- Biggest challenge for attracting and retaining employees is traffic. People have a hard time meeting with us at certain times of day.
- I don't have huge barriers to training. All training done in house. Could be prohibited by cost for some of the trainings I'd like to do.
- Biggest barrier to training is making sure employees are applying to the courses available to them. Quality of training programs is good.
- Need applicants with customer service and computer skills.
- Having trouble finding nursing assistants and front desk staff with healthcare experience.
- Qualified teachers are hard to find. Looking mainly for teachers with early childhood education certification.
- Trouble finding project engineers & supervisors. It takes a month to fill a position on average, which is a long time for us.
- Our positions require licensing. It's hard to find people in the immediate area that are looking for a full-time job that have enough experience.
- The City should work with community colleges to let them know about job openings in Issaquah.
- Bring in more high paying jobs to Issaquah. Bellevue, Redmond, and Kirkland are all doing such a great job of getting larger businesses to expand there.

Public Transit

- Transportation is a huge issue for clientele and some employees.
- Some teachers commute from Seattle by bus, but many are coming from South King County. More bus service connecting Tacoma/ Renton/ Maple Valley would be helpful.
- I want more Sunday bus service.
- I like the 200 that runs around Issaquah. That helps a lot.

Advertising

- Need better local advertising beyond newspaper ads—like interactive advertising and community support.
- A lot of people in Issaquah don't know where we are and say we're hard to find.
- Issaquah would be an excellent place to do business if people knew I was here.
- The city has done informational/ tourism videos that have really helped us.

Taxes

- Property tax is a challenge. Reduce the tax burden.
- I don't like that the City charges B&O tax on gross revenues from outside the city.
- 50% increase in B&O tax at one time was crazy. At least provide for electronic payment.

Space

- Need more industrial spaces.
- Difficult time finding warehouse for boat storage. Looked at moving business.
- Warehouse space is too expensive and the Central Issaquah plan is pushing everything out that's not retail. I'm assuming we'll have to leave next year as less warehouse space is available.
- Would appreciate a list of people interested in rental vacancies. Helpful to target the "right kind of businesses" for downtown.

Other Challenges

- Competitors are a major challenge.
- I have concerns about the homeless/ mentally ill. I have a new encounter every 3-6 months. Sometimes they scare younger students and cause parents worry.
- The lack of performance venues in Issaquah is a challenge for my business.

Other Suggestions & Feedback for the City

- Interested in seeing a list of business owners or investors interested in buying local businesses.
- Extend Salmon Days into Gilman Village.
- I would love to see the City partner with DIA or others to host a home-based business fair and promote our local tech presence.
- Would like a business newsletter from the City. Even if it's every 6 months. Use City of Bellevue as an example.
- Would love to partner with the City to create running friendly community.
- I'm interested in partnership to establish a recital hall or jazz concert space.
- Not providing sufficient relocation expenses after City condemns a property punishes business owners for a choices made by the City.
- Don't feel like I have time to talk to the City. My issues can't be solved by the City.
- Staff accessibility is a big strength. When I call the City, my calls are always returned. I appreciate that the city isn't too big. More personal relationships here than in Seattle or Redmond.
- City staff are competent, patient, and thoughtful.
- I like that the police respond to all calls-- even minor ones. It's obvious the police have been trained in exploitation of the elderly. They have been helpful in prosecution of those issues.
- Wish the police force was more responsive and quicker.
- Schools are good, but they could be better about protecting children and preventing violence.
- Have had issues getting help with new construction problems. Made calls that were never returned.
- The permitting department can be difficult to work with, just a couple people, others are awesome.
- I pay more taxes to be located in the City, but I believe that's the right thing to do because of the benefits I receive.