

Business Case: Expanding the IT Cluster

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Agenda

- Update: IT Cluster Overview
- Needs of IT Firms
- Synergies that keep Kirkland unique for IT Clustering
- Next Steps

IT Cluster Overview

- A cluster is a regional concentration of interconnected companies
 - Requirements often include:
 - ease of transportation
 - skilled labor and neighborhood proximity
 - access to higher education and research
 - access to diverse retail and entertainment
 - entrepreneurial atmosphere
 - Access to financing
- IT firms have the best projected employment growth in King County

Fastest Growing Occupations in King County: Employment Projections

<u>Occupation</u>	<u>2006</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>	<u>Growth Rate</u>
Computer and Information Scientists, Research	931	1,373	442	47.5	4.0
Chiropractors	655	964	309	47.2	3.9
Computer Software Engineers, Systems Software	11,827	16,803	4,976	42.1	3.6
Multi-Media Artists and Animators	3,367	4,772	1,405	41.7	3.5
Computer Programmers	8,745	12,353	3,608	41.3	3.5

Source: Washington State Employment Security Department www.workforceexplorer.com

IT Cluster Recent or Anticipated Growth Examples

- Inrix anticipating doubling employees
- Google – new campus has capacity to add hundreds of employees
- Nintendo – locating in Kirkland
- Monolith expansion – partnership with Times Warner Interactive

IT Cluster : Infrastructural Needs

- Availability of high-bandwidth telecom connections (fiber optic)
- Stable power supply
- Facilities with a flexible design to allow for custom improvements and expansion
 - Developers starting to building facilities that meet the needs of IT companies
 - EXAMPLES
 - Google Complex
 - Building A – 2nd fl. 31,000 sq. ft. general office space
 - 1st fl. 2000 sq. ft. computer room for mainframe, rest divided between work out room, health clinic and other amenities
 - Parkplace – Touchstone Proposal

IT Cluster: Draws to Locations

- The 'Coolness' Factor
 - Professional and social networking opportunities
 - Entertainment and recreational amenities
 - nighttime attractions (music, restaurants, etc.)
 - museums, theatres, art galleries
 - parks, open spaces and the lake!
 - retail and restaurants in close proximity
 - Accessibility to larger urban centers

City of Kirkland Policy Efforts

- **Financial Support**
 - Commit \$60,000 annually to KDA- promotes vital, amenity driven downtown core
- **Cultural Events**
 - Art Walk combined with Jazz Fest
 - Kirkland Uncorked
 - Sustainable September
 - Wednesday Market
 - Seasonal Observances
- **Marketing, Promotion and Business Support**
 - City Tourism Office
 - Pursues an active destination marketing campaign
 - Economic Development Office
 - Marketing/Recruitment Materials and Video
 - Tactical recruitment of new businesses
 - Logistical and informational support for current businesses
- **Zoning**
 - Changed zoning for more compact neighborhood development overlooking downtown
 - Allows for preservation of historic housing stock, while fostering compact development and affordable housing

Kirkland as the Synergy

- Downtown remains the glue of the IT cluster appeal
- Coolness of Lakeside setting
- Access to people and transportation
- Vibrant retail and services core continues expanding
- Without these, Kirkland is not attractive to IT...

The Next Steps: Suggestions and Brainstorm

1. The Kirkland “cluster strategy” is a piece of a larger strategy to keep Kirkland “cool”
 - smart growth and more compact development with IT focus
 - promote expanded retail and services downtown
 - promote active involvement with neighborhood organizations
2. Establish ongoing technical development advisory group
 - lobby, critical needs (like polytechnic campus)
 - advising city and developers on tech firm requirements
 - recruiting firms who match requirements
3. Other strategies?