

The No. 1 champion: Bellevue, Wash.

Abundant tech talent. Gorgeous views. (But costly homes and taxes.)

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PHOTO: JONATHAN SPRAGUE/REDUX
Earl Overstreet enjoys Enatai Beach Park near his office in Bellevue, Wash.



PHOTO: DAVID JOHANSON VASQUEZ/BIG PICTURE PHOTO

BELLEVUE, WASH. (FORTUNE Small Business) -- Earl Overstreet, Chief Executive Officer of [General Microsystems](#) (GMI) in Bellevue, travels fewer than five times a year for business. But he visits the Mercer Slough Nature Park, across the street from his office, every day on his lunch break. He walks across a wooden bridge, gazes at Bellevue's rising downtown - and then turns away.

Over the past ten years Overstreet has watched the city evolve from a bedroom community into an urban center of skyscrapers and 117,000 inhabitants (the latest population figures, according to the local chamber of commerce), but he's more eager to point out blackberry bushes and red-tailed hawks.

"When you're surrounded by mountains and nature," he says, "you can't help but be content."

Overstreet, 60, and his wife, Barb, the firm's CFO, spend free time hiking, kayaking, and biking around the area. While new businesses are cropping up quickly, most office buildings are still enveloped by greenery - the city boasts 90 parks and 50 miles of trail.

"Taxes [including a 0.1496% business tax on gross receipts] and property costs are high," says Overstreet, "but it's a premium for the living conditions."

The median home sale price hovers at \$500,000 (the metro area averages about \$400,000), but Bellevue, lying 20 minutes from Seattle, also boasts low crime rates, great schools, and excellent health care. Nearly 60% of locals over 25 have at least a bachelor's degree. The city expects to add 15,500 jobs by 2010, up 11.5% from 2006.

Bellevue's strategic location helps fire growth. GMI, whose revenue rose from \$6 million in 2002 to \$28 million last year, is based near its suppliers - Hitachi ([HIT](#)), Symantec ([SYMC](#)), Sun Microsystems ([JAVA](#), [Fortune 500](#)) - as well as customers such as Boeing ([BA](#), [Fortune 500](#)) and Starbucks ([SBUX](#), [Fortune 500](#)).

"Many of our employees came from our clients," Overstreet says.

The city is also a font of tech talent, thanks to the Microsoft ([MSFT](#), [Fortune 500](#)) campus in nearby Redmond. Many former Microsofties have launched startups in Bellevue. Current employees pour wealth into a growing service sector.

Overstreet points out that many small businesses in Bellevue operate globally - not surprising considering that 40% of the population is nonwhite or foreign-born.

"We do have a glittering downtown now," he says, "but it's the diversity that attracts entrepreneurs like me." ■

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[A temple of glass](#): Boutique hotelier Provenance Hotels opened its newest art-themed spot in March, Tacoma's Hotel Murano.