

PLANNING COMMISSION AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Comprehensive Plan Update, Economic Development Element

DEPARTMENT: Planning & Community Development

PRESENTED BY: Miranda Redinger, Associate Planner
Rachael Markle, AICP, Director P&CD

- | | | |
|---|---|--|
| <input type="checkbox"/> Public Hearing | <input checked="" type="checkbox"/> Study Session | <input type="checkbox"/> Recommendation Only |
| <input type="checkbox"/> Discussion | <input type="checkbox"/> Update | <input type="checkbox"/> Other |

INTRODUCTION & BACKGROUND

On January 5, 2012, staff and Commissioners discussed the proposed process for the Comprehensive Plan Update and public involvement. To date, Commissioners have held preliminary discussions about the Community Design; Parks, Recreation, and Open Space; Transportation; Natural Environment; Capital Facilities; and Utilities Elements. The subject of tonight's agenda item will be the Economic Development Element. Originally, the Housing Element was also scheduled for tonight's agenda, but staff anticipates that there will be more extensive discussion by the Commission regarding housing issues, so it has been moved to the May 17th agenda. Also, because both co-chairs of the City's Green Team will be presenting at tonight's meeting on other topics, staff thought that the Commission may be interested in an introduction to the newly launched *forevergreen* Sustainability Indicator Tracking website.

RELEVANT COUNCIL AND VISION 2029 FRAMEWORK GOALS

2012-2014 Council Goal 1: Strengthen Shoreline's economic base.

2010-2012 Council Goal 3: Improve Economic Development Opportunities in Shoreline.

FG6: Make decisions that value Shoreline's social, economic, and cultural diversity.

FG15: Create a business friendly environment that supports small and local businesses, attracts large businesses to serve the community and expand our jobs and tax base, and encourages innovation and creative partnerships.

FG16: Encourage local neighborhood retail and services distributed throughout the city.

DISCUSSION

Attachments A, B, D, and E are similar to previous packets in that they contain goals and policies, and analysis sections of the element in both track change and "clean" versions. Attachment C is an adaptation of the Economic Development Strategy, adopted by Council in 2011, that has been converted into Comprehensive Plan format. Commission should provide direction about how to best incorporate these goals and policies into the revised goals and policies of the Comprehensive Plan, unless they would prefer wholesale replacement.

The City has been focused on Economic Development since its incorporation, and is nearing completion of the Aurora Corridor Improvement Project. While this major renovation of a primary north/south arterial was intended to accomplish many objectives, including safety and stormwater management, one of the main goals was increasing potential for economic development. The City has also initiated other planning endeavors meant to be conducive to

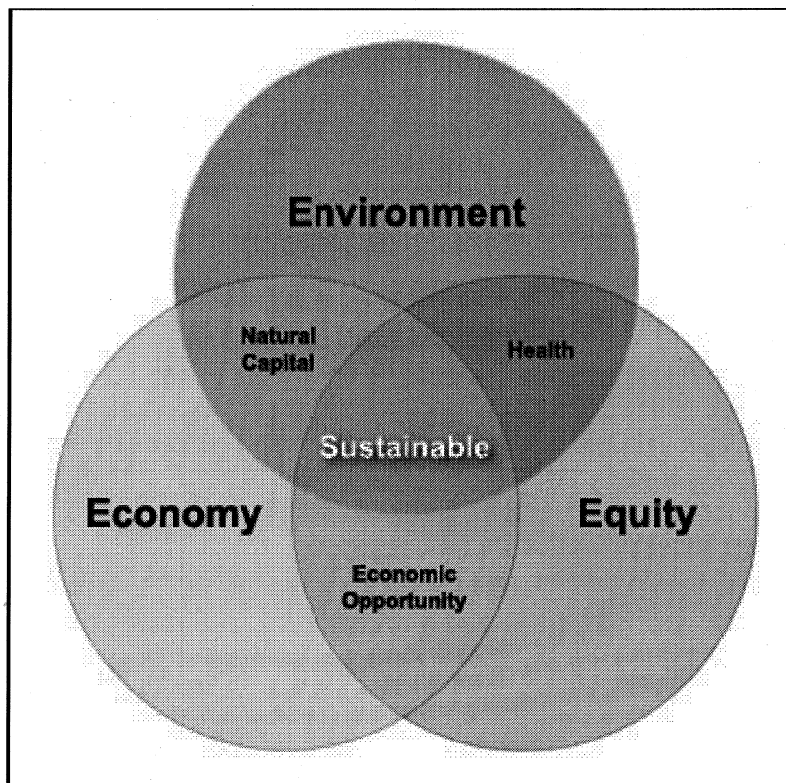
Approved By: Project Manager  Planning Director _____

economic development interests, such as the Southeast Neighborhoods Subarea Plan and the Town Center Subarea Plan. Currently, Planning and Community Development staff are examining business zoning to make regulations more clear, to provide smooth transitions between uses, and to encourage local business and job growth in order to diversify our tax base.

The Economic Development Manager is also working on a number of projects to attract businesses to Shoreline, to increase local employment opportunities and availability of goods and services. Potential opportunities include large sites, such as Aurora Square and Fircrest, as well as business corridors like Ballinger Way and 15th Avenue NE. One of the reasons that Rob Bennett, Executive Director of the Portland Sustainability Institute, was asked to present at the April 25th Speaker's Series event was because of the potential for Shoreline to develop "EcoDistricts" or nodes of commercial and mixed-use activity.

Light-rail Station Area Planning and the 3 prongs of Sustainability

Shoreline has made remarkable strides since Council first set the 2007 Goal to "Create an environmentally sustainable community." Forty-two of the fifty recommendations from the Environmental Sustainability Strategy have been accomplished or are in process. However, to create a truly sustainable community, there are two other areas that must be addressed, as represented in the graph below that depicts the "3 pronged" or "3E" approach to sustainability,



As Shoreline prepares for the arrival of light rail and two likely stops within city limits, the community, staff, and decision-makers have an opportunity to incorporate all three facets of sustainability to create an excellent quality of life for current residents and future generations. Station areas represent the potential to incorporate environmentally-preferable building practices and multi-modal transportation systems that enable residents to be less automobile-dependent, with economic development opportunities that provide jobs and services to the neighborhood, and a consideration for families and individuals who are not able to afford market rate housing and/or a vehicle, and would benefit greatly from proximity to transit.

Several policies in the draft Station Area Framework Goals address the need to consider Environment, Economy, and Equity in development of policy and regulations for these potential Transit-Oriented Communities (TOC).

Policy SA6: Allow and encourage uses in station areas that will foster the creation of communities that are socially, environmentally and economically sustainable and are supported by planned minimum and maximum residential densities.

Policy SA7: Develop land use regulations for station areas that: include transit supportive densities; encourage existing businesses; enhance property values; encourage the creation of jobs; are built sustainably; encourage affordable housing stock; and attract investment.

NEXT STEPS

Commission will discuss the Housing Element on May 17th, and the Land Use Element and Map on June 7th. The only remaining Element will be the Shoreline Master Program (SMP), which will be based on the final document adopted by City Council. Council held its first Study Session on the SMP on April 23, 2012, but due to changes proposed by the Department of Ecology since the Planning Commission public hearing and recommendation, the City Attorney advised that Council should hold another public hearing. That public hearing is scheduled for May 14th, with adoption of the SMP preliminarily scheduled for May 29th.

Staff is still working on finalizing the last presentation of the Speaker's Series. Staff will likely not schedule the final event for the 4th Wednesday as several complaints have been received about conflicting meetings from people that wish to attend.

If you have questions or comments prior to the meeting, please contact Miranda Redinger at (206) 801-2513 or by email at mredinger@shorelinewa.gov.

ATTACHMENTS

- Attachment A- Economic Development Element, Goals & Policies, track change version
- Attachment B- Economic Development Element, Goals & Policies, clean version
- Attachment C- Economic Development Element, Goals & Policies, adaptation of Economic Development Strategy
- Attachment D- Economic Development Element, Analysis, track change version
- Attachment E- Economic Development Element, Analysis, clean version

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Economic Development Element Goals & Policies

Introduction

The intent of the Economic Development Element is to improve the quality of life by encouraging a greater number and variety of ~~thriving~~ commercial businesses that provide services and create employment opportunities for Shoreline residents, as well as grow the tax base to take the burden off of residential property tax.

The policies in this element address five aspects of creating a healthy economic climate for Shoreline: Quality of Life, Sustainable Revenue Sources, Job Base, Opportunities for Economic Development and the City's Role. The policies presented in this element will guide future City actions that, together with private sector actions, will produce a strong economy. The results, in turn, will preserve and improve the quality of life that Shoreline's residents and workers currently enjoy.

The *Economic Development-Supporting Analysis* section of this Plan contains the background data and analysis that describe the existing economic conditions of the City and provides the foundation for the following goals and policies.

Economic Development Goals

Goal ED I: Maintain and improve the quality of life in the community by:

- ~~Strengthening residential neighborhoods, i.e., less tax burden, funds for enhancement projects, providing more retail choices~~
- Increasing job opportunities and the job base, including professional services
- Providing goods and services to local and regional populations
- Reducing reliance on residential property tax to fund capital improvement projects city operations and capital improvements
- Providing quality public services
- Preserving community character
- Incorporating environmental quality and social equity as part of a three prong approach to sustainability ~~Protecting environmental quality~~
- Diversifying the economic base to help stabilize the economy.
- ~~Promoting-Concentrating opportunities along Bus Rapid Transit corridors and Transit Oriented Development nodes~~ areas to be served by light rail efficient transportation systems

~~Goal ED II: **Promote** Support economic development and retail and office activity so as to maintain sustainable to diversify sources of revenue and expand the job base.~~

~~Goal ED III: Increase and diversify Shoreline's job base so that citizens' livelihoods can improve.~~

~~Goal ED IV: Create and leverage opportunities for economic development.~~

~~Goal ED V: **Improve** Facilitate the City's role to facilitate and initiate private sector economic development opportunities through partnerships and coordinating funding opportunities.~~

Economic Development Policies

Quality Of Life

ED1: Improve economic vitality by:

- ~~Encouraging~~ Promoting existing businesses
- Recruiting new businesses
- ~~Encouraging economic services for the community~~
- ~~Cooperating~~ Assisting with businesses to create strategies and action plans
- ~~Assuring~~ Encouraging increased housing density around commercial districts served by high capacity rapid transit
- Developing design guidelines to enhance commercial areas

~~ED2: Promote nonmotorized connections between commercial businesses and services and residential neighborhoods.~~

~~Pursue efforts to encourage businesses to maintain attractive site, landscaping, and building designs that improve the character of the commercial districts and neighborhoods. REDUNDANT to policies in Community Design Element~~

Sustainable Revenue Sources

~~ED3: **Promote the growth of Shoreline's population needed to support a sustainable economy and community by locating multi story residential and mixed use buildings within areas that will be served by bus rapid transit and light rail.**~~

~~ED3: Encourage and support retail and office activity within the City.~~

~~ED4: Encourage and support revitalization and construction spending within the City.~~

~~ED5: Encourage land uses which increase the City's tax base. REDUNDANT TO GOALS~~

Expand the Job and Tax Bases

~~ED6: Work Coordinate with the Shoreline's educational systems community college to maintain and enhance the quality of education providing train a workforce that is~~

~~prepared for emerging jobs markets highly employable, diverse and well-trained workforce.~~

ED7: ~~Increase and improve~~ Diversify and expand the City's job base, allowing people to work and shop in the community.

ED8: ~~Encourage increased availability of advanced technological resources needed for job creation and retention.~~ OBSOLETE

Comment [sc1]: If this means increase the availability of broadband, we no longer need this policy.

ED9: ~~Emphasize attracting~~ Attract living wage jobs to the community.

ED10: ~~Work to improve the mix and balance of jobs available in Shoreline.~~ REDUNDANT TO ED7

Opportunities for Economic Development

ED11: ~~Reeognize~~ Focus on the Aurora Corridor as the economic core of the City ~~with potential for revitalization, providing services, jobs, opportunities, and becoming and activity center for Shoreline.~~

ED12: Revitalize ~~existing neighborhood~~ business districts ~~as appropriate to thrive and~~ better serve the local community.

ED13: ~~Recognize regional commercial and office areas that can be revitalized to better serve the broader community, improve retail sales tax revenue, and increase the jobs base in Shoreline.~~ REDUNDANT

ED14: Encourage and support home-based businesses in the City, provided that signage, parking, storage, and noise impacts are compatible with neighborhoods.

Comment [r2]: Note to Planning Commission – how does this policy relate to your “parking lot” issues regarding parking & impacts?

ED15: Support and retain small businesses ~~and create an environment where new businesses can flourish for their jobs and services that they provide to the community.~~

ED16: Maintain an inventory of commercial sites and provide this information to prospective developers.

ED17: ~~Encourage a mix of businesses that complement each other and provide variety to the community to create activity and economic momentum.~~

ED18: ~~Encourage partnerships with non-private or public entities to participate in the economic well-being of the community.~~ REDUNDANT TO ED21

City Role

ED19: ~~Actively recruit and promote new businesses to take advantage of market opportunities, to improve Shoreline's image and to provide services to the community.~~ REDUNDANT, BUT INCLUDE “RECRUIT” INTO ANOTHER POLICY

- ED20:** Direct capital improvements to key areas to promote the City's image, create a sense of place, and to grow and attract businesses.

- ED21:** Actively work with other jurisdictions, agencies, economic development organizations and local business associations to stimulate business retention and implement interlocal and regional strategies.

- ~~**ED22:** Promote the "Main Street Program" concept with local business districts using its four points for revitalization:

 - Encourage effective, successful business organizations.
 - Create physical improvement plans to direct private and public development and enhancement programs.
 - Help develop image building business promotions to improve their viability and attract businesses.
 - Encourage economic restructuring to help existing businesses thrive.~~ OBSOLETE

- ~~**ED23:** Ensure adequate transportation capacity serving commercial areas to support and promote economic development.~~ OBSOLETE

- ~~**ED24:** Ensure sufficient land use designations and zoning provisions to support businesses.~~

- ~~**ED25:** Ensure suitably zoned sites for a range of desirable employment based uses.~~
ED24 & 25 SUPERCEDED BY BUILDABLE LANDS

- ED26:** Use reasonable incentives and development flexibility to ~~assure~~ encourage quality development that improves the image of the City such as:
 - Development agreements,
 - Tax credits,
 - Land assembly,
 - Infrastructure improvements,
 - Expediting permitting processes,
 - Public/private partnerships,
 - Grants, loans or revenue bonds, and
 - Local Improvement Districts (LID).

- ~~**ED27:** Ensure~~ Provide a customer service-oriented permitting process for commercial improvements, expansions, and developments.

- ~~**ED28:** Work with local businesses to create economic development strategies and action plans that further the goals of the Comprehensive Plan.~~ REDUNDANT

- ~~**ED29:** Use~~ Conduct market research as needed to guide the City's economic development strategies and to assist businesses.

- ~~**ED30:** Provide economic information such as market studies, vacant land inventories and sources of public assistance to existing and potential commercial development within the community.~~ REDUNDANT

~~ED31: Facilitate public/private entities to negotiate and cooperate on projects, issues, and problems of local importance. OBSOLETE~~

ED32: Coordinate and initiate financial assistance for businesses, when appropriate, using county, state and federal program funds, facility grants, loans and revolving loan funds.

Comment [m3]: What does this have to do with economic development? Add words to make the connection.

~~ED33: Consider the potential for commercial development that takes advantage of access to I-5 on east-west arterials linking to I-5. OBSOLETE~~

~~ED34: Identify and encourage projects that will stimulate additional desired development. REDUNDANT~~

ED35: Consider working with local existing businesses to planned for shared provide parking for existing-redeveloping commercial areas.

~~ED36: Support and attract economic development with reliable infrastructure. OBSOLETE~~

ED37: Ensure that infrastructure can meet the needs of existing and planned future commercial development including utilities, communication, transportation, and high-technology facilities.

~~ED38: Encourage and promote business districts by creating physical plans to improve the appearance and function of their streets, sidewalks, utilities, access, lighting, buildings, signage, landscaping, etc. OBSOLETE~~

ED39: Support public/private partnerships to facilitate or fund infrastructure improvements that will result in increased economic opportunity.

~~ED40: Support regional policies for jobs / housing balance in Shoreline. SUPERSEDED BY CPP'S~~

EDxx: Provide incentives for land uses that enhance the City's vitality through a variety of regulatory and financial strategies including, but not limited to:

Comment [j4]: Moved here from LU3

- ~~— Priority permit review~~
- ~~— Road system reclassification~~
- ~~— Property valuation based on current use~~
- ~~— Reduced impact fees~~
- ~~— Tax abatement~~
- ~~— Methods similar to tax increment financing~~
- ~~— Provision of infrastructure through a private-public partnership~~
- ~~— Transfer of development rights~~
- ~~— Master plans for large sites with clustering of development to preserve open space~~
- ~~— Flexibility of site and building design if performance standards are met which give equal or better design and protection than the zone~~

Comment [s5]: City doesn't have authority to do this

EDxx Encourage the redevelopment of key, underused parcels through incentives and public/private partnerships.

Comment [j6]: Moved here from LU29

Economic Development Element Goals & Policies

Introduction

The intent of the Economic Development Element is to improve the quality of life by encouraging a greater number and variety of commercial businesses that provide services and create employment opportunities for Shoreline residents, as well as grow the tax base to take the burden off of residential property tax.

The policies in this element address five aspects of creating a healthy economic climate for Shoreline: Quality of Life, Sustainable Revenue Sources, Job Base, Opportunities for Economic Development and the City's Role. The policies presented in this element will guide future City actions that, together with private sector actions, will produce a strong economy. The results, in turn, will preserve and improve the quality of life that Shoreline's residents and workers currently enjoy.

The *Economic Development-Supporting Analysis* section of this Plan contains the background data and analysis that describe the existing economic conditions of the City and provides the foundation for the following goals and policies.

Economic Development Goals

Goal ED I: Maintain and improve the quality of life in the community by:

- Increasing job opportunities and the job base, including professional services
- Providing goods and services to local and regional populations
- Reducing reliance on residential property tax to fund capital improvement projects
- Providing quality public services
- Preserving community character
- Incorporating environmental quality and social equity as part of a three prong approach to sustainability
- Diversifying the economic base to help stabilize the economy
- Concentrating opportunities along Bus Rapid Transit corridors and Transit Oriented Development nodes

Goal ED II: Promote retail and office activity to diversify sources of revenue and expand the job base.

Goal ED V: Facilitate private sector economic development through partnerships and coordinating funding opportunities.

Economic Development Policies

Quality Of Life

- ED1:** Improve economic vitality by:
- Promoting existing businesses
 - Recruiting new businesses
 - Assisting businesses to create strategies and action plans
 - Encouraging increased housing density around commercial districts
 - Developing design guidelines to enhance commercial areas

Expand Job and Tax Bases

- ED2:** Coordinate with the community college to train a workforce that is prepared for emerging jobs markets
- ED3:** Diversify and expand the City's job base, allowing people to work and shop in the community.
- ED4:** Attract living wage jobs to the community.

Opportunities for Economic Development

- ED5:** Focus on the Aurora Corridor as the economic core of the City.
- ED6:** Revitalize neighborhood business districts to better serve the local community.
- ED7:** Encourage and support home-based businesses in the City, provided that signage, parking, storage, and noise impacts are compatible with neighborhoods.
- ED8:** Support and retain small businesses and create an environment where new businesses can flourish.
- ED9:** Maintain an inventory of commercial sites and provide this information to prospective developers.
- ED10:** Direct capital improvements to key areas to promote the City's image, create a sense of place, and to grow and attract businesses.
- ED11:** Actively work with other jurisdictions, agencies, economic development organizations and local business associations to stimulate business retention and implement interlocal and regional strategies.
- ED12:** Use reasonable incentives and development flexibility to encourage quality development.

- ED13:** Provide a customer service-oriented permitting process for commercial improvements, expansions, and developments.
- ED14:** Use market research as needed to guide the City's economic development strategies and to assist businesses.
- ED15:** Coordinate and initiate financial assistance for businesses, when appropriate, using county, state and federal program funds, facility grants, loans and revolving loan funds.
- ED16:** Support public/private partnerships to facilitate or fund infrastructure improvements that will result in increased economic opportunity.
- ED17:** Provide incentives for land uses that enhance the City's vitality through a variety of regulatory and financial strategies including, but not limited to:
- Priority permit review
 - Road system reclassification
 - Property valuation based on current use
 - Reduced impact fees
 - Tax abatement
 - Methods similar to tax increment financing
 - Provision of infrastructure through a private-public partnership
 - Transfer of development rights
 - Master plans for large sites with clustering of development to preserve open space
 - Flexibility of site and building design if performance standards are met which give equal or better design and protection than the zone
- ED18:** Encourage the redevelopment of key, underused parcels through incentives and public/private partnerships.

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Economic Development Element Goals & Policies

Introduction

The intent of the Economic Development Element is to improve the quality of life of Shoreline residents by improving opportunities for sustainable economic growth. *Place Making* provides the central theme guiding economic development in Shoreline. Fred Kent calls Place Making the thing that “turns a City from a place you can’t wait to get through into a place you never want to leave.”

The *Economic Development-Supporting Analysis* section of this Plan contains the background data and analysis that describe the existing economic conditions of the City and provides the foundation for the following goals and policies.

Economic Development Goals

- Goal ED I: Promote and sponsor improvements and events throughout Shoreline that attract investment.
- Goal ED II: Grow revenue sources that support City programs.
- Goal ED III: Support employers and new businesses ~~starts~~ that create more and better jobs.
- Goal ED IV: Encourage sustainable multi-story buildings ~~that efficiently enhance neighborhoods.~~
- Goal ED V: Promote and support vibrant activities and businesses that bring money into Shoreline.
- Goal ED VI: Promote and foster broad-based partnerships that benefit all participants.

Economic Development Policies

- ED1: Practice the Activities of Place Making
 - a. Creating cachet
 - b. Building infrastructure
 - c. Collaborating
 - d. Serving businesses
 - e. Honing legislation
- ED2: Focus efforts on City-shaping Place Making Projects

- a. Creating a dynamic Aurora corridor neighborhood
- b. Reinventing Aurora Square
- c. Unlocking the Fircrest ~~Surplus-Excess~~ Property
- d. Planning the Light Rail Station Areas

ED3: Foster On-going Place Making Projects

- a. Town Center Development Area
- b. Echo Lake Development Area
- c. North City Development Area
- d. Richmond Beach Development Areas
- e. Ridgecrest Development Areas
- f. Ballinger Development Area
- g. Attracting Mid-sized Businesses
- h. Farmers Market Launch
- i. Expansion of Events and Festivals
- j. Surplus Institutional Property
- k. Enhancing the Community College
- l. Attracting Artists and Trendsetters

Economic Development Element Supporting Analysis

Background and Context

Shoreline has always been known as a desirable place to live, learn and play. However, an area’s livability is also enhanced by being a desirable place to work and shop. Shoreline residents mostly travel elsewhere for higher-wage jobs and for more complete shopping opportunities. The quality of Shoreline’s economy is affected by healthy businesses that provide goods and services, reliable public services, the area’s natural and built attractiveness, good schools, strong neighborhoods and efficient traffic circulation. Maintaining the community’s quality of life requires a strong and sustainable economic climate.

2012-2017 Economic Development Strategic Plan

After a year-long collaborative process, the City of Shoreline Office of Economic Development adopted the 2012-2017 Economic Development Strategic Plan. The Strategic Plan seeks to achieve Sustainable Economic Growth by supporting “place making” projects that realize the six Council Guidelines for Sustainable Economic Growth:

- **Multiple areas** – improvements and events throughout the City that attract investment
- **Revenue** – growing revenue sources that support City programs
- **Jobs** – employers and business starts that create more and better jobs
- **Vertical growth** – sustainable multi-story buildings that efficiently enhance neighborhoods
- **Exports** – vibrant activities and businesses that bring money into Shoreline
- **Collaboration** – broad-based partnerships that benefit all participants

The following economic development ideas were suggested during the 1998 Comprehensive Plan planning process

- ~~• Provide a full range of commercial services and retail that are oriented to serve the community;~~
- ~~• Increase the City’s role with incentives and private/public partnerships;~~
- ~~• Direct city public works improvements to improve designated areas;~~

Comment [sc1]: GMA requirement: (7) An economic development element establishing local goals, policies, objectives, and provisions for economic growth and vitality and a high quality of life. The element shall include: (a) A summary of the local economy such as population, employment, payroll, sectors, businesses, sales, and other information as appropriate; (b) a summary of the strengths and weaknesses of the local economy defined as the commercial and industrial sectors and supporting factors such as land use, transportation, utilities, education, workforce, housing, and natural/cultural resources; and (c) an identification of policies, programs, and projects to foster economic growth and development and to address future needs. A city that has chosen to be a residential community is exempt from the economic development element requirement of this subsection.

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Comment [sc2]: Should be updated to reflect Economic Plan goals from Eco Dev mgr

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- Encourage more family wage employment opportunities;
- Encourage businesses to upgrade services and appearances;
- Improve the economic viability along Aurora; and
- Improve City image and create City identity.

Existing Conditions Population and Employment

Overview

The City of Shoreline has a total land area of 12 square miles, encompassing fourteen neighborhoods and two major transportation corridors. Shoreline has approximately 53,000 residents and provides approximately 16,400 jobs.

Shoreline’s major employment centers include two sizable retail developments on the Aurora Corridor: Aurora Village (anchored by Costco and Home Depot) and Aurora Square. There are additional neighborhood retail concentrations on 15th NE, Ballinger Way, and in Richmond Beach.

In order to understand the city’s economic strengths and weaknesses, Table ED-1 compares the City of Shoreline with King County, and with the Seattle-Tacoma-Bellevue Metropolitan Statistical Area (which includes King, Snohomish, and Pierce Counties), but the City serves a potential trade area approximately three times that size, extending south into Seattle, north into Snohomish County, and east to Kenmore and Lake Forest Park. A study of retail opportunities prepared for the City identified a ten minute trade area around three key sites in Shoreline. The characteristics of the population within that trade area are summarized in the following table.

Comment [sc3]: Has this been updated?

**Table ED-1
Comparative Demographics
City of Shoreline
10 Minute Trade Area Demographics**

Comment [sc4]: Update if possible

	<u>15th NE and NE 175th Shoreline</u>	<u>N175th and Aurora King County</u>	<u>Seattle-Tacoma- Bellevue MSA N 155th and Aurora</u>
201002 Estimated Population	449,42353,007	489,5741,931,249	3,439,809492,433
Median Age	44.1	37.1	36.8
Labor Force Population (Population, age 16-64)	36,302	1,353,507	2,372,574
Population Growth 1990-2000	5.70%	5.51%	5.67%
2002 Estimated Households	62,927	81,399	83,740
Labor Force Population, Percent of Total Population	68.5%	70.1%	69.0%

Median Average Household Income	\$66,476,79,684	\$67,711,76,726	\$64,821,80,708
Residential Property Value	\$131,909	\$133,193	\$133,253
Median Age	38	38	38

Sources: *US Census 2000, 2010; Puget Sound Regional Council "Covered Employment" Estimates; Community ID*

There are currently two sizable retail developments on the Aurora Corridor in Shoreline: Aurora Village and Aurora Square, as well as neighborhood retail concentrations on 15th NE, Ballinger Way, and in Richmond Beach. The "big box" retail stores (Costco, Home Depot) on Aurora seem to be doing well; on the Corridor is thriving at present; however, it is difficult to predict whether this type of use will continue to thrive beyond the next few years. Questions have been raised during the course of the market discussions about what to expect in the long term future for these types of developments and for Aurora Village in particular. Aurora Village will probably remain a retail mall in the foreseeable future due to its size and location, although the tenants may change. Although at a high visibility corner site for retail, Aurora Village is not a high amenity site, and wouldn't likely attract such uses as high technology or research and development. Land values will likely continue to dictate retail uses on this site. Aurora Square enjoys a large site area, and several anchor tenants. Studies for the City have identified an opportunity to redevelop the site as a stronger destination retail center.

- Comment [sc5]: update
- Comment [sc6]: update

Market Area Population Population Trends and Forecasts

Population growth and household creation within the City generate demand for new residential development. Population and income growth within the local and extended trade areas provide much of the support for new commercial and retail. Much of the potential development in the City. Household creation is discussed in the Comprehensive Plan Housing Element Supporting Analysis. The population of the extended trade area was summarized above. The population and income growth trends and forecasts are within the City itself is summarized in the following tables.

**Table ED-2
City of Shoreline and Region
Historic Population Growth Comparison**

Average Ann. Gr

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	Annual Percent Change						
	19906	2000	201004	201102	19906-2000	2000-2010	201000-201100
Central Puget Sound—4	3,056,800	53,2963,2	53,0073,3	53,2003,3	0.2%4.4	-0.1%	0.41.1%
CountyShoreline	52,109	75,857	23,710	62,010	%		3
King County	1,507,319	1,737,034	1,931,249	1,942,600	1.53%	1.1%	0.68%
ShorelineSeattle	1,628,800	1,737,046	1,758,312	1,774,312			
-Tacoma-	2,559,164	3,043,878	3,439,809	3,461,750	1.92.0%	1.3%	0.6-
Bellevue MSA	48,195	53,296	53,421	53,250			0.4%

Source: Puget Sound Regional Council, 2002 Small Area Forecasts 1990, 2000, 2010 US Census; OFM April 1, 2011 estimates

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**Table ED-3
City of Shoreline and Region
Projected Forecast Population Growth Comparison**

	2010 (actual)00	202040	20320	20430	Projected Average Ann. - Growth		
					2010 00- 2021 0	2021 0- 2032 0	2032 0- 2043 0
Central Puget Sound Region (MSA plus Kitsap County)Ce ntral Puget Sound -4 County	3,690,942 5,809	4,148,693 1,410	4,544,179 5,823	4,988,135 5,800	1.24 %	1.04 %	1.0%
King County	1,942,600 7,034	2,075,426 9,695	2,234,775 9,985	2,401,521 3,079	0.7%	0.89 %	0.78 %
Shoreline Forecast Analysis Zone Group*Fore cast Analysis Zones	68,097	69,190	70,273	70,692	0.2%	0.2%	0.1%
Richland Highlands	35,243	35,684	36,556	37,765	0.1%	0.2%	0.3%
North City	31,813	33,431	34,658	35,575	0.5%	0.4%	0.3%
Total	67,056	69,112	71,214	73,340	0.3%	0.3%	0.3%

Source: 2010 Census; Puget Sound Regional Council; 2006 Small Area Forecasts
*Forecast Analysis Zones follow census tract boundaries that include areas outside the City. Due to changes in census tract boundaries, the 2010 total population for Shoreline FAZ group is based on 2006 projections, not actual census count.

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There are several conclusions that can be drawn from the population data presented above:

- The 2003 population in the City is 52,730, approximately 25 percent of the population of the extended trade area.
- The average annual population growth from 1996 to 2003 was 1.3 percent, comparable to County and region.
- Projected growth for Shoreline Forecast Analysis Zones (including Lake Forest Park) of .3 percent per year is lower than projected rate for region and county.

The demographic characteristics of the City's population were identified in the 2000 US Census (See Table ED-4 below).

Table ED-4
Shoreline, King County, and Washington
State Demographic Characteristics

	Washington	King County	Shoreline
Average Household Size	2.53	2.39	2.50
Housing Tenure			
Owner-Occupied	64.6%	59.8%	68.0%
Renter-Occupied	35.4%	40.2%	32.0%
Education Attainment			
High School Graduate or Higher	87.1%	90.3%	90.2%
Bachelors Degree or Higher	27.7%	40.0%	37.3%
Graduate or Professional Degree	9.3%	13.3%	11.4%

Source: 2000 US Census Demographic Profiles

Population characteristics differ slightly from those for the County in terms of higher average household size, higher incidence of owner-occupied housing, and lower levels of educational attainment.

The following tables present detailed information on age and income in the City.

Table ED-5
Shoreline, King County & Washington
State Population Age Comparison 2000

	Washington		King County		Shoreline	
	Number	% Total	Number	% of Total	Number	% of total
Under 5 years	394,306	6.7%	105,321	6.1%	2,769	5.2%
5 to 9 years	425,909	7.2%	111,162	6.4%	3,268	6.2%
10 to 14 years	434,836	7.4%	109,992	6.3%	3,662	6.9%
15 to 19 years	427,968	7.3%	108,261	6.2%	3,485	6.6%
20 to 24 years	390,185	6.6%	116,597	6.7%	2,844	5.4%
25 to 34 years	841,130	14.3%	294,443	17%	6,782	12.8%

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35 to 44 years	975,087	16.5%	308,823	17.8%	9,329	17.6%
45 to 54 years	845,972	14.4%	259,136	14.9%	8,641	16.3%
55 to 59 years	285,505	4.8%	83,442	4.8%	2,605	4.9%
60 to 64 years	211,075	3.6%	58,085	3.3%	1,926	3.6%
65 to 74 years	337,166	5.7%	88,884	5.1%	3,604	6.8%
75 to 84 years	240,897	4.1%	68,348	3.9%	2,888	5.4%
85 years & older	84,085	1.4%	24,540	1.4%	1,225	2.3%
TOTAL	5,894,121	100%	1,737,034	100%	53,025	100%
Median Age	35.3		35.7		39.3	

Source: 2000 Census Demographic Profile

Table ED-6

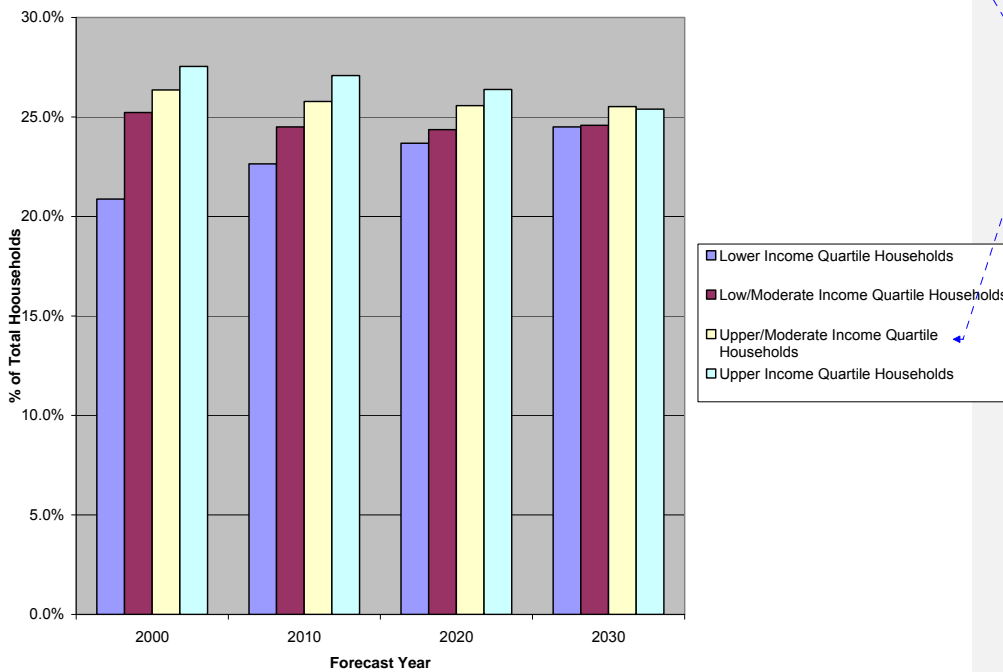
Shoreline, King County & Washington State Household Income Comparison 1999

	Washington		King County		Shoreline	
	Number	% Total	Number	% of Total	Number	% of total
Less than \$10,000	171,863	7.6%	45,534	6.4%	1,247	6.0%
\$10,000 to \$14,999	124,848	5.5%	30,146	4.2%	856	4.1%
\$15,000 to \$24,999	265,131	11.7%	66,414	9.3%	1,737	8.4%
\$25,000 to \$34,999	284,630	12.5%	77,320	10.9%	2,505	12.1%
\$35,000 to \$49,999	398,434	17.1%	111,224	15.6%	3,622	17.5%
\$50,000 to \$74,999	486,392	21.4%	150,548	21.2%	4,963	23.9%
\$75,000 to \$99,999	264,498	11.6%	96,885	13.6%	2,917	14.1%
\$100,000 to \$149,999	188,513	8.3%	81,613	11.5%	2,011	9.7%
\$150,000 to \$199,999	47,615	2.1%	24,479	3.4%	468	2.3%
\$200,000 or more	49,337	2.2%	27,072	3.8%	420	2.0%
TOTAL	2,272,264	100%	711,235	100%	20,746	100%
Median Household Income	45,776		53,157		51,658	

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Source: 2000 Census Demographic Profile

Figure ED-1: Projected Household Distribution by Regional Income Quartiles



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The age and income data presented on the previous two pages support the following conclusions.

• The median age in Shoreline is higher than that for King County. 14.7 percent of Shoreline's population is 65 years or older.

• The median household income at \$51,658 in 1999 is 2.8 percent below that for King County.

• City households had higher than regional average share of upper income households in 2000, but that share is projected to trend toward a normal share by 2030.

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Employment Trends

Forthcoming update of this section will include:

- *updated employment/sector data*
- *Figure ED-2 updated and converted to pie charts*
- *Table ED-8 updated and explanation provided for importance of jobs/housing balance (i.e. economic dynamism is supported by a mix of residents/employees and various land uses) – this table will also be shortened by selecting only 4 or 5 peer cities for comparison*
- *Information on income levels may be moved to this section as well*

Employment within the City is a measure of the current level of economic activity, in terms of both number of jobs and distribution among employment sectors.

**Table ED-7
City of Shoreline Employment by Sector**

	1995		1998		2001		Avg. Ann. Growth	
	#	% of Total	#	% of Total	#	% of Total	1995-1998	1998-2001
Construction/Resource	570	4.2%	610	4.1%	759	5.0%	2.3%	7.6%
FIRES*	4,170	30.9%	5,060	34.2%	5557	36.3%	6.7%	3.2%
Manufacturing	330	2.4%	170	1.1%	274	1.8%	-19.8%	17.2%
Retail	3,160	23.4%	3,560	24.1%	4,265	27.9%	4.1%	6.2%
WCTU**	310	2.3%	340	2.3%	500	3.3%	3.1%	13.7%
Education	3,030	22.5%	3,080	20.8%	2,366	15.5%	0.5%	-8.4%
Government	1,920	14.2%	1,980	13.4%	1,583	10.3%	1.0%	-7.2%
TOTAL	13,490	100%	14,800	100%	15,304	100%	3.1%	1.1%

*Finance Insurance Real Estate Services

** Wholesale Communication Transportation Utilities

Sources: Washington State Dept. of Employment Security; Puget Sound Regional Council

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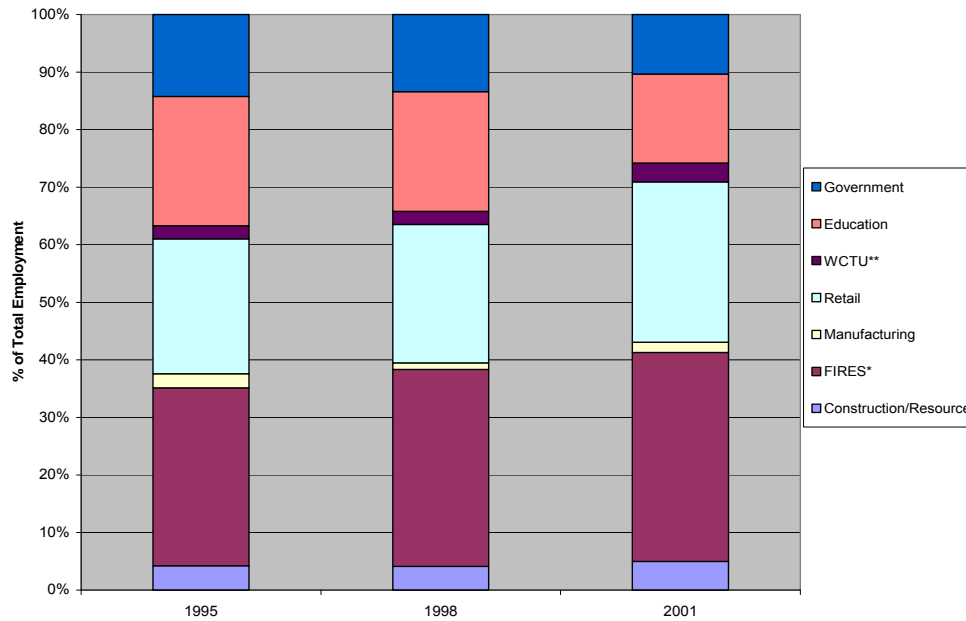
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Figure ED-2: Changes in Makeup of Shoreline Employment



**Table ED-8
City of Shoreline Per Capita Employment Comparison**

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	Population 2001	Employment 2001	Employment/Capita
Shoreline	53,421	15,304	0.29
Seattle	568,102	502,389	0.88
Lake Forest Park	12,889	1,604	0.12
Edmonds	39,590	20,380	0.51
Mountlake Terrace	20,370	6,786	0.33
Lynnwood	34,010	23,351	0.69
Kenmore	18,790	4,278	0.23
Bothell	30,404	21,664	0.71
Woodinville	9,825	14,144	1.44
Kirkland	45,770	34,388	0.75
Redmond	45,490	78,105	1.72
Bellevue	111,500	121,872	1.09
King County	1,758,312	1,155,525	0.66
Snohomish County	618,600	209,941	0.34

Source: Washington State Dept. of Employment Security; Puget Sound Regional Council, Property Counselors

The data support the following conclusions:

- Employment has grown at average rate of 1.8 percent from 1995 to 2001, with growth slowing over latter part of period.
- Employment concentrated in Finance Insurance Real Estate, Retail, Government, and Education sectors. Those sectors increased their shares of total employment over the 1995-2001 period.
- Shoreline has a low ratio of jobs to population at 0.29, above only Kenmore and Lake Forest Park among nearby communities.

Tax Base

Forthcoming update of this section will include:

- Same 4 to 5 peer cities as above will be used for tax base comparison
- 2003 figures will be used as baseline to show assessed value and retail sales growth

The tax base of the City is another measure of the strength of the local economy. A strong tax base supports the necessary public facilities and services for an attractive place to live and work. Two major elements of the tax base are the assessed valuation for property taxes, and taxable retail sales. Shoreline's tax base is compared to those in other communities in the following table.

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**Table ED –9
City of Shoreline Tax Base Comparison**

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	Population 2003	Assessed Value – 2003 Taxes	Taxable Retail Sales – 2002	Av per Capita	Sales per Capita
Shoreline	52,730	4,873,885,532	579,138,960	92,431	10,983
Seattle	571,900	75,582,368,624	12,676,311,371	132,160	22,165
Lake Forest Park	12,750	1,475,999,328	54,700,063	115,765	4,290
Edmonds	39,580	3,348,388,884	465,605,641	84,598	11,764
Mountlake Terrace	20,380	1,145,416,251	129,344,624	56,203	6,347
Lynnwood	34,500	2,713,237,600	1,678,370,734	78,645	48,648
Kenmore	19,200	1,848,624,173	119,316,821	96,283	6,214
Bothell	30,910	3,264,027,898	838,920,023	105,598	27,141
Woodinville	9,905	1,552,436,708	505,348,138	156,733	51,019
Kirkland	45,630	6,788,777,356	1,254,746,850	148,779	27,498
Redmond	46,480	7,409,495,346	1,595,224,410	159,413	34,321
Bellevue	116,400	19,281,148,535	4,074,500,477	165,646	35,004
King County	1,779,300	224,994,598,210	34,791,128,291	126,451	19,553
Snohomish County	637,500	49,262,949,977	7,862,994,011	77,275	12,334

Sources: King and Snohomish County Assessors; Washington Department of Revenue; Property Counselors

The data support the following conclusions:

- Shoreline has a relatively low tax base, compared to surrounding cities.
- Property tax assessed valuation per capita is well below average for King County and neighboring cities in King County.
- Taxable retail sales per capita are well below average for King County but do exceed levels for Kenmore and Lake Forest Park.

Other Revenue Sources – Gambling Tax

Forthcoming update of this section will include:

- updates to gambling tax figures
- inclusion of other pertinent revenue sources (permitting and licensing fees?)

Gambling tax rate limits are set by the state and vary by game. In 1998, the state allowed the opening of “mini-casinos” and expanded the number of cardrooms and the betting limits. Currently, the City of Shoreline’s tax rate is at 11% for card rooms. A small portion of the rate (7%) is included in the general fund’s on-going revenue base. An amount equal to the remaining 4% is transferred to capital funds to be used for one-time capital improvements.

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Projected gambling tax revenue for 2005 equals 12.2% of the total forecasted general fund operating revenues.

Market Conditions

Retail Market Conditions

Forthcoming update of this section will include:

- This section will be replaced by a summary of "retail market gaps analysis" provided by Weis Communications May 2011 report

Retail development meets two important economic development objectives:

- It provides the goods and services needed by residents and businesses; and
- It provides a major source of tax revenue. Historical levels of taxable sales indicate the extent to which sales are growing, and the extent to which the City is capturing potential spending.

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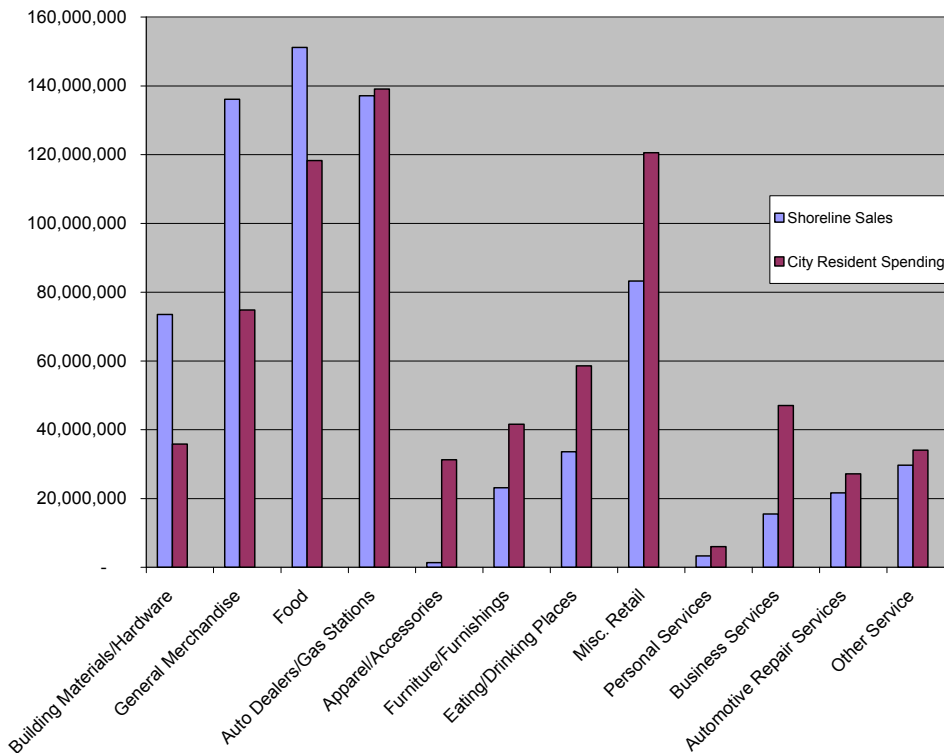
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Table ED-10
Shoreline Retail Sales Analysis Taxable Retail Sales

	1995	2000	2001	2002	Average Annual Growth		
					1995 to 2000	2000 to 2001	2001 to 2002
Retail Trade							
Bldg.	3,165,596	63,379,909	62,928,307	70,133,618	80.3%	4.2%	11.5%
Materials/Hardware							
General Merchandise	22,006,677	109,658,120	106,896,023	101,478,814	37.9%	-2.5%	-5.1%
Food	13,920,802	48,395,473	52,386,635	52,220,926	28.3%	8.2%	-0.3%
Auto Dealers/Gas							
Stations	21,764,235	94,890,859	96,673,763	93,767,076	34.2%	1.9%	-3.0%
Apparel/Accessories	1,479,612	502,966	758,736	815,184	-19.4%	50.9%	7.4%
Furniture/Furnishings	3,827,914	21,428,321	20,798,240	18,428,126	41.1%	-2.9%	-11.4%
Eating/Drinking Places	6,316,015	28,075,167	30,285,906	32,250,112	34.8%	7.9%	6.5%
Misc. Retail	6,370,843	34,427,644	38,638,097	41,511,831	40.1%	12.2%	7.4%
Total Retail Trade	78,851,694	397,758,459	409,365,707	410,605,687	38.2%	2.9%	0.3%
Services							
Hotels/Motels	130,203	616,824	1,130,813	1,132,647	36.5%	83.3%	0.2%
Personal Services	617,797	2,402,108	2,430,478	2,977,152	31.2%	1.2%	22.5%
Business Services	1,249,213	8,412,923	10,717,331	9,930,055	46.4%	27.4%	-7.3%
Computer Services	77,702	499,883	813,604	959,033	45.1%	62.8%	17.9%
Automotive Repair							
Services	2,457,962	23,463,940	19,979,780	20,239,579	57.0%	-14.8%	1.3%
Other	2,759,040	19,496,426	19,549,370	19,769,704	47.9%	0.3%	1.1%
Total Services	7,214,215	54,392,221	53,807,772	54,049,137	49.8%	-1.1%	0.4%
Contracting	7,228,230	66,903,320	65,571,008	60,829,124	56.1%	-2.0%	-7.2%
Manufacturing	1,359,141	8,500,632	8,446,612	6,021,120	44.3%	-0.6%	-28.7%
Transportation/Comm./							
Utilities	663,111	11,753,580	14,730,773	17,156,878	77.7%	25.3%	16.5%
Wholesale Trade	1,350,815	22,524,130	18,188,060	19,100,130	75.6%	-19.3%	5.0%
Finance/Insur./Real							
Estate	329,883	4,335,533	5,778,499	5,161,090	67.4%	33.3%	-10.7%
Other Business	642,549	4,793,648	5,974,149	6,215,794	49.5%	24.6%	4.0%
TOTAL	97,639,638	570,961,523	581,862,580	579,138,960	42.4%	1.9%	-0.5%

Source: Washington Department of Revenue, Quarterly Business Review

Figure ED-3: Comparison of City Sales and City Resident Spending
(estimated using per capita spending factors)



The data support the following conclusions:

- Shoreline has experienced only moderate growth in retail trade since 2000, with growth below the rate of inflation.
- Estimated gross retail sales exceed estimated resident spending in building materials, general merchandise, and food, but fall short in remaining categories. The latter categories are experiencing net leakage beyond city boundaries.

Office Market Conditions

Forthcoming update of this section will include:

- updated vacancy information from Officespace.com
- if available: assessed valuation of commercial properties
- if available: information from commercial market report(s)

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Office development can provide a location for various service providers as well as the management and support facilities for businesses with multiple outlets. An inventory of selected buildings offering office space for lease in Shoreline provides an indication of the nature and strength of the local office market (see Table ED-11 on the following page).

**Table ED-11
City of Shoreline
Selected Commercial Buildings**

		Year Built	Stories	Rentable SF	Available SF	Rent/SF.Yr*
17711 15th NE		1980	2 bldgs.	14,000	-	\$12 FS
Aurora Professional Building	1207 N 200th	N/A	2	23,765	-	\$17-18 FS
Aurora Shopping	916 N 160 th	1971	3 bldgs.	14,181	4,558	\$18 N
Evergreen Building	18027 15 NE	1980	2	1,500	800	\$14 FS
Gathering Place of Shoreline	17712 15 th NE	N/A	1	11,000	8,000	\$13 FS
Pepper Hill	14701 Aurora	1985	1	13,000	1,187	\$13 N
Professional Office	19929 Ballinger	2003	2	9,538	1,881	\$16 N
Shoreline Office	1501 N 200 th	1980	2	6,689	2,777	\$24 FS
Von's Square	16300 Aurora	1987	1	8,000	-	\$15 N
TOTAL				101,673	19,203	

* FS-Full Service, N-Net Tenant pays expenses
Source: Officespace.com

The data support the following conditions:

- Shoreline has few large office concentrations or multi-tenant office buildings.
- Vacancy rates are high and rents are low.
- Nearby office concentration at Northgate has many office buildings with rents in \$18 to \$22 per square foot fully serviced range.

High technology development is a desirable form of office use. High tech uses tend to be close to industrial uses and to locate at high amenity sites. Amenities include on-site and off-site aesthetic attributes, such as water features, trails, and nearby parks and/or shopping. Echo Lake could attract high technology users, as an office site with high amenity; however, it would require intensive marketing to lure high-tech users to the area.

Residential Market Conditions

Forthcoming update of this section will include:

- Apartment Vacancy and Home Sale information will be eliminated from this section and incorporated into the Housing Element Supporting Analysis.

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- This section will be updated to include information on new residential construction and new permits.
- As information is available, this section may also include a discussion of commuting patterns and opportunities for TOD housing

Residential development responds to the need for housing, but also addresses economic development objectives in the sense that it provides shelter for the local workforce, and is part of an overall community where people want to live and work. Market conditions reflect the strength and the nature of the demand for residential development. Conditions for both apartments and for-sale housing are addressed below.

Apartments

Rent and vacancy rates are shown in the following table for Shoreline and King County as a whole.

**Table ED-12
Shoreline Area Apartment Vacancy Statistics**

	All	Studio	1 Bed	2/1 bath	2/2 bath	3/2 bath
Market Vacancy	7.1%	13.2%	7.1%	7.8%	5.5%	4.1%
Actual Rent	\$747	\$535	\$656	\$785	\$861	\$1,110
Rent per NSF (\$/mo.)		\$1.21	\$0.99	\$0.88	\$0.83	\$0.79
5-year History						
Shoreline Area	Sep-99	Sep-00	Sep-01	Sep-02	Sep-03	
Market Vacancy	3.9%	2.1%	4.7%	7.5%	7.1%	
Actual Rent	\$749	\$765	\$796	\$781	\$747	
King County	Sep-99	Sep-00	Sep-01	Sep-02	Sep-03	
Market Vacancy	3.9%	3.5%	5.4%	7.4%	7.4%	
Actual Rent	\$782	\$819	\$880	\$866	\$857	

Source: Dupre+Scott, *The Apartment Vacancy Report, September 2003*

The data support the following conclusions:

Vacancy rates are high at 7.1 percent, but have fallen in last 6 months. Rates are lowest for large units.

Market rents have fallen, and are well below average rents for King County. Rates per square foot exceed \$1 only for studio units.

Prevailing rents are below levels typically required to support new construction of mixed use buildings.

Home Sales

Sale data for attached and detached units are summarized below for both the Shoreline area (zip codes 98133, 98155, and 98177, an area larger than the City itself), and surrounding communities.

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**Table ED-13
Shoreline and Surrounding Communities
Comparison of Housing Sale Prices**

	Attached				Detached			
	Resales		New Construction		Resales		New Construction	
	Number	Avg Price	Number	Avg Price	Number	Avg Price	Number	Avg Price
2000-2qrt. thru 4 qrt.								
Bothell	130	146,401	84	191,754	448	241,818	106	351,038
Kenmore	36	182,767	-		197	295,396	37	383,352
Woodinville	44	170,887	-		385	435,917	11	323,076
Kirkland	381	227,677	126	392,145	679	329,931	122	422,848
Redmond	213	185,936	58	253,822	824	363,450	216	443,449
Shoreline	125	145,142	2	228,000	837	274,683	5	313,112
2001								
Bothell	190	160,073	139	204,259	606	264,153	91	372,754
Kenmore	66	174,994	12	208,284	188	286,379	39	535,220
Woodinville	59	173,552	-		487	427,008	34	440,124
Kirkland	431	207,904	81	267,071	905	330,540	221	414,497
Redmond	285	194,677	169	228,662	856	366,987	204	406,306
Shoreline	145	144,629	54	192,651	1,147	279,930	14	285,548
2002								
Bothell	296	169,071	104	237,898	981	308,867	120	378,648
Kenmore	48	194,168	27	215,426	323	295,980	6	384,242
Woodinville	68	179,097	-		706	432,196	121	399,704
Kirkland	623	287,345	56	353,558	1,307	349,863	115	477,012
Redmond	329	184,111	156	243,524	1,009	394,144	393	406,339
Shoreline	242	158,920	42	201,510	1,730	263,058	18	230,019
2003-1st qrt.								
Bothell	59	170,113	2	240,950	231	273,128	47	346,546
Kenmore	11	215,725	1	165,000	67	315,960	19	321,128
Woodinville	18	139,470	-		122	422,258	40	466,573
Kirkland	115	240,804	8	184,075	226	353,304	31	441,442
Redmond	73	186,773	7	242,226	179	392,186	139	395,259
Shoreline	61	209,392	10	297,235	297	284,570	3	252,475

Source: Central Puget Sound Real Estate Research Report, New Home Trends, Property Counselors

The data support the following conclusions:

Average sale prices for new construction attached units are higher than in many surrounding communities.

Average sale price for new construction detached units are lower.

Economic Development Initiatives

Shoreline’s Economic Development Strategic Plan identified four significant projects that can dramatically affect the economic vitality of Shoreline. The four **City-Shaping Place Making Projects** are:

- **Creating a Dynamic Aurora Corridor Neighborhood** – unleashing the potential created by the City’s tremendous infrastructure investment
- **Reinventing Aurora Square** – catalyzing a master-planned, sustainable lifestyle destination
- **Unlocking the Fircrest Surplus Property** – establishing a new campus for hundreds of family-wage jobs
- **Planning Light Rail Station Areas** – two imminent and crucial opportunities

Several specific economic development initiatives were identified in the “Economic Data and Strategy Study” prepared by Edward Starkie Consulting in 2001 for the City’s Economic Development Program, they included:

- Enhancement of Existing Centers
- Aggregation of businesses
- Introduction of higher residential density near retail and services
- City assistance with the creation of affordable retail and service space
- Active recruitment of missing retail sectors in redevelopment efforts
- Long-term strategy for the location of employment centers
- Coordination of open space with retail centers and neighborhood centers
- Long-term strategy for resolving parking issues
- ☐ Zoning and regulation that supports existing centers

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Economic Development Element Supporting Analysis

Background and Context

Shoreline has always been known as a desirable place to live, learn and play. However, an area's livability is also enhanced by being a desirable place to work and shop. Shoreline residents mostly travel elsewhere for higher-wage jobs and for more complete shopping opportunities. The quality of Shoreline's economy is affected by healthy businesses that provide goods and services, reliable public services, the area's natural and built attractiveness, good schools, strong neighborhoods and efficient traffic circulation. Maintaining the community's quality of life requires a strong and sustainable economic climate.

2012-2017 Economic Development Strategic Plan

After a year-long collaborative process, the City of Shoreline Office of Economic Development adopted the 2012-2017 Economic Development Strategic Plan. The Strategic Plan seeks to achieve Sustainable Economic Growth by supporting "place making" projects that realize the six Council Guidelines for Sustainable Economic Growth:

- **Multiple areas** – improvements and events throughout the City that attract investment
- **Revenue** – growing revenue sources that support City programs
- **Jobs** – employers and business starts that create more and better jobs
- **Vertical growth** – sustainable multi-story buildings that efficiently enhance neighborhoods
- **Exports** – vibrant activities and businesses that bring money into Shoreline
- **Collaboration** – broad-based partnerships that benefit all participants

Population and Employment

Overview

The City of Shoreline has a total land area of 12 square miles, encompassing fourteen neighborhoods and two major transportation corridors. Shoreline has approximately 53,000 residents and provides approximately 16,400 jobs.

Shoreline's major employment centers include two sizable retail developments on the Aurora Corridor: Aurora Village (anchored by Costco and Home Depot) and Aurora Square.

There are additional neighborhood retail concentrations on 15th NE, Ballinger Way, and in Richmond Beach.

In order to understand the city's economic strengths and weaknesses, Table ED-1 compares the City of Shoreline with King County, and with the Seattle-Tacoma-Bellevue Metropolitan Statistical Area (which includes King, Snohomish, and Pierce Counties).

**Table ED-1
Comparative Demographics**

	Shoreline	King County	Seattle-Tacoma-Bellevue MSA
2010 Population	53,007	1,931,249	3,439,809
Median Age	44.1	37.1	36.8
Labor Force Population (Population, age 16-64)	36,302	1,353,507	2,372,574
Labor Force Population, Percent of Total Population	68.5%	70.1%	69.0%
Median Household Income	\$66,476	\$67,711	\$64,821

Sources: US Census 2000, 2010; Puget Sound Regional Council "Covered Employment" Estimates

Population Trends and Forecasts

Population growth and household creation within the City generate demand for new residential development. Population and income growth within local and extended trade areas provide much of the support for new commercial and retail development. Household creation is discussed in the Comprehensive Plan Housing Element Supporting Analysis. Population and income growth trends and forecasts are summarized in the following tables.

**Table ED-2
City of Shoreline and Region
Historic Population Growth Comparison**

	Annual Percent Change						
	1990	2000	2010	2011	1990-2000	2000-2010	2010-2011
Shoreline	52,109	53,296	53,007	53,200	0.2%	-0.1%	0.4%
King County	1,507,319	1,737,034	1,931,249	1,942,600	1.5%	1.1%	0.6%
Seattle-Tacoma-Bellevue MSA	2,559,164	3,043,878	3,439,809	3,461,750	1.9%	1.3%	0.6%

Source: 1990, 2000, 2010 US Census; OFM April 1, 2011 estimates

Table ED-3
City of Shoreline and Region
Forecast Population Growth Comparison

	2010 (actual)	2020	2030	2040	Projected Ann. Growth		
					2010-2020	2020-2030	2030-2040
Central Puget Sound Region (MSA plus Kitsap County)	3,690,942	4,148,693	4,544,179	4,988,135	1.2%	1.0%	1.0%
King County	1,942,600	2,075,426	2,234,775	2,401,521	0.7%	0.8%	0.7%
Shoreline Forecast Analysis Zone Group*	68,097	69,190	70,273	70,692	0.2%	0.2%	0.1%

Source: 2010 Census; Puget Sound Regional Council 2006 Small Area Forecasts

*Forecast Analysis Zones follow census tract boundaries that include areas outside the City. Due to changes in census tract boundaries, the 2010 total population for Shoreline FAZ group is based on 2006 projections, not actual census count.

There are several conclusions that can be drawn from the population data presented above:

- The 2003 population in the City is 52,730, approximately 25 percent of the population of the extended trade area.
- The average annual population growth from 1996 to 2003 was 1.3 percent, comparable to County and region.
- Projected growth for Shoreline Forecast Analysis Zones (including Lake Forest Park) of .3 percent per year is lower than projected rate for region and county.

Employment Trends

Forthcoming update of this section will include:

- updated employment/sector data
- Figure ED-2 updated and converted to pie charts
- Table ED-8 updated and explanation provided for importance of jobs/housing balance (i.e. economic dynamism is supported by a mix of residents/employees and various land uses) – this table will also be shortened by selecting only 4 or 5 peer cities for comparison
- Information on income levels may be moved to this section as well

Employment within the City is a measure of the current level of economic activity, in terms of both number of jobs and distribution among employment sectors.

**Table ED-7
City of Shoreline Employment by Sector**

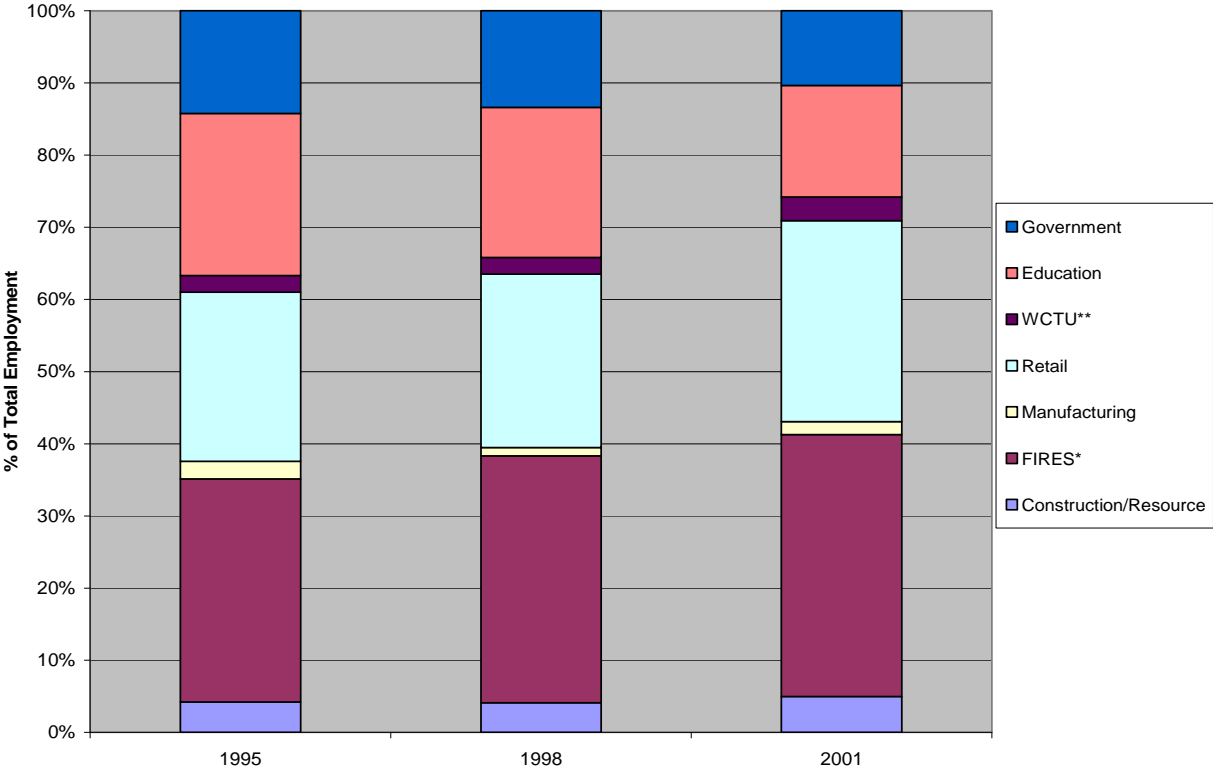
	1995		1998		2001		Avg. Ann. Growth	
	#	% of Total	#	% of Total	#	% of Total	1995-1998	1998-2001
Construction/Resource	570	4.2%	610	4.1%	759	5.0%	2.3%	7.6%
FIRES*	4,170	30.9%	5,060	34.2%	5557	36.3%	6.7%	3.2%
Manufacturing	330	2.4%	170	1.1%	274	1.8%	-19.8%	17.2%
Retail	3,160	23.4%	3,560	24.1%	4,265	27.9%	4.1%	6.2%
WCTU**	310	2.3%	340	2.3%	500	3.3%	3.1%	13.7%
Education	3,030	22.5%	3,080	20.8%	2,366	15.5%	0.5%	-8.4%
Government	1,920	14.2%	1,980	13.4%	1,583	10.3%	1.0%	-7.2%
TOTAL	13,490	100%	14,800	100%	15,304	100%	3.1%	1.1%

*Finance Insurance Real Estate Services

** Wholesale Communication Transportation Utilities

Sources: Washington State Dept. of Employment Security; Puget Sound Regional Council

Figure ED-2: Changes in Makeup of Shoreline Employment



**Table ED-8
City of Shoreline Per Capita Employment Comparison**

<u>Population 2001</u>	<u>Employment 2001</u>	<u>Employment/Capita</u>
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Shoreline		53,421	15,304	0.29
Seattle	568,102		502,389	0.88
Lake Forest Park	12,889		1,604	0.12
Edmonds	39,590		20,380	0.51
Mountlake Terrace	20,370		6,786	0.33
Lynnwood	34,010		23,351	0.69
Kenmore	18,790		4,278	0.23
Bothell	30,404		21,664	0.71
Woodinville	9,825		14,144	1.44
Kirkland	45,770		34,388	0.75
Redmond	45,490		78,105	1.72
Bellevue	111,500		121,872	1.09
King County	1,758,312		1,155,525	0.66
Snohomish County		618,600	209,941	0.34

Source: Washington State Dept. of Employment Security; Puget Sound Regional Council, Property Counselors

The data support the following conclusions:

- Employment has grown at average rate of 1.8 percent from 1995 to 2001, with growth slowing over latter part of period.
- Employment concentrated in Finance Insurance Real Estate, Retail, Government, and Education sectors. Those sectors increased their shares of total employment over the 1995-2001 period.
- Shoreline has a low ratio of jobs to population at 0.29, above only Kenmore and Lake Forest Park among nearby communities.

Tax Base

Forthcoming update of this section will include:

- Same 4 to 5 peer cities as above will be used for tax base comparison
- 2003 figures will be used as baseline to show assessed value and retail sales growth

The tax base of the City is another measure of the strength of the local economy. A strong tax base supports the necessary public facilities and services for an attractive place to live and work. Two major elements of the tax base are the assessed valuation for property taxes, and taxable retail sales. Shoreline's tax base is compared to those in other communities in the following table.

**Table ED –9
City of Shoreline Tax Base Comparison**

	Population 2003	Assessed Value – 2003 Taxes	Taxable Retail Sales – 2002	Av per Capita	Sales per Capita
Shoreline	52,730	4,873,885,532	579,138,960	92,431	10,983
Seattle	571,900	75,582,368,624	12,676,311,371	132,160	22,165
Lake Forest Park	12,750	1,475,999,328	54,700,063	115,765	4,290
Edmonds	39,580	3,348,388,884	465,605,641	84,598	11,764
Mountlake Terrace	20,380	1,145,416,251	129,344,624	56,203	6,347
Lynnwood	34,500	2,713,237,600	1,678,370,734	78,645	48,648
Kenmore	19,200	1,848,624,173	119,316,821	96,283	6,214
Bothell	30,910	3,264,027,898	838,920,023	105,598	27,141
Woodinville	9,905	1,552,436,708	505,348,138	156,733	51,019
Kirkland	45,630	6,788,777,356	1,254,746,850	148,779	27,498
Redmond	46,480	7,409,495,346	1,595,224,410	159,413	34,321
Bellevue	116,400	19,281,148,535	4,074,500,477	165,646	35,004
King County	1,779,300	224,994,598,210	34,791,128,291	126,451	19,553
Snohomish County	637,500	49,262,949,977	7,862,994,011	77,275	12,334

Sources: King and Snohomish County Assessors; Washington Department of Revenue; Property Counselors

The data support the following conclusions:

- Shoreline has a relatively low tax base, compared to surrounding cities.
- Property tax assessed valuation per capita is well below average for King County and neighboring cities in King County.
- Taxable retail sales per capita are well below average for King County but do exceed levels for Kenmore and Lake Forest Park.

Other Revenue Sources – Gambling Tax

Forthcoming update of this section will include:

- updates to gambling tax figures
- inclusion of other pertinent revenue sources (permitting and licensing fees?)

Gambling tax rate limits are set by the state and vary by game. In 1998, the state allowed the opening of “mini-casinos” and expanded the number of cardrooms and the betting limits. Currently, the City of Shoreline’s tax rate is at 11% for card rooms. A small portion of the

rate (7%) is included in the general fund's on-going revenue base. An amount equal to the remaining 4% is transferred to capital funds to be used for one-time capital improvements.

Projected gambling tax revenue for 2005 equals 12.2% of the total forecasted general fund operating revenues.

Market Conditions

Retail Market Conditions

Forthcoming update of this section will include:

- This section will be replaced by a summary of "retail market gaps analysis" provided by Weis Communications May 2011 report

Retail development meets two important economic development objectives:

- It provides the goods and services needed by residents and businesses; and
- It provides a major source of tax revenue. Historical levels of taxable sales indicate the extent to which sales are growing, and the extent to which the City is capturing potential spending.

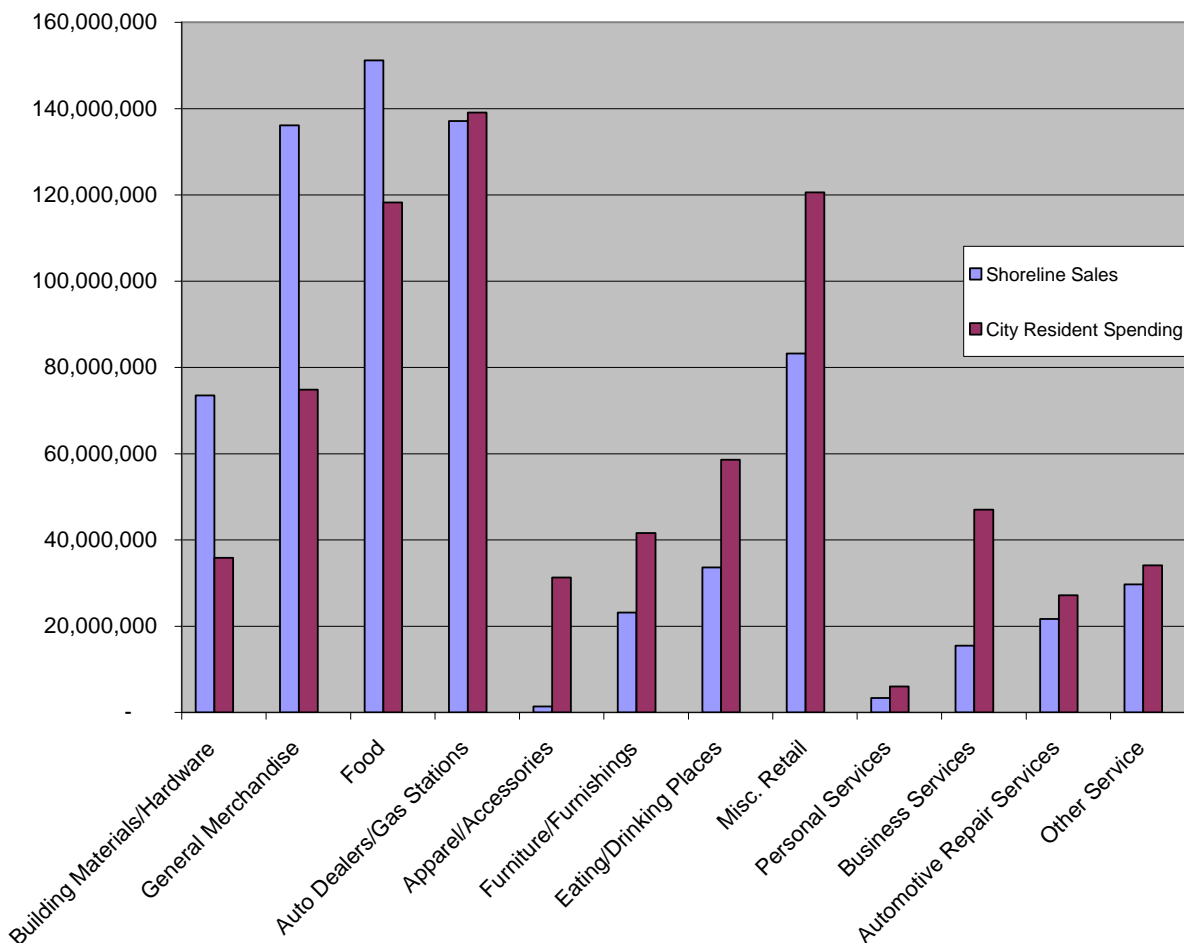
**Table ED-10
Shoreline Retail Sales Analysis Taxable Retail Sales**

	1995	2000	2001	2002	Average Annual Growth		
					1995 to 2000	2000 to 2001	2001 to 2002
Retail Trade							
Bldg.	3,165,59	63,379,9	62,928,3	70,133,6	80.3%	4.2%	11.5%
Materials/Hardware	6	09	07	18			
General Merchandise	22,006,6	109,658,	106,896,	101,478,	37.9%	-2.5%	-5.1%
	77	120	023	814			
Food	13,920,8	48,395,4	52,386,6	52,220,9	28.3%	8.2%	-0.3%
	02	73	35	26			
Auto Dealers/Gas	21,764,2	94,890,8	96,673,7	93,767,0	34.2%	1.9%	-3.0%
Stations	35	59	63	76			
Apparel/Accessories	1,479,61	502,966	758,736	815,184	-	50.9%	7.4%
	2				19.4%		
Furniture/Furnishings	3,827,91	21,428,3	20,798,2	18,428,1	41.1%	-2.9%	-
	4	21	40	26			11.4%
Eating/Drinking Places	6,316,01	28,075,1	30,285,9	32,250,1	34.8%	7.9%	6.5%
	5	67	06	12			
Misc. Retail	6,370,84	34,427,6	38,638,0	41,511,8	40.1%	12.2%	7.4%
	3	44	97	31			
Total Retail Trade	78,851,6	397,758,	409,365,	410,605,	38.2%	2.9%	0.3%
	94	459	707	687			
Services							
Hotels/Motels	130.203	616.824	1,130,81	1,132,64	36.5%	83.3%	0.2%
			3	7			
Personal Services	617,797	2,402,10	2,430,47	2,977,15	31.2%	1.2%	22.5%
		8	8	2			
Business Services	1,249,21	8,412,92	10,717,3	9,930,05	46.4%	27.4%	-7.3%
	3	3	31	5			
Computer Services	77,702	499,883	813,604	959,033	45.1%	62.8%	17.9%
Automotive Repair	2,457,96	23,463,9	19,979,7	20,239,5	57.0%	-	1.3%
Services	2	40	80	79		14.8%	
Other	2,759,04	19,496,4	19,549,3	19,769,7	47.9%	0.3%	1.1%
	0	26	70	04			
Total Services	7,214,21	54,392,2	53,807,7	54,049,1	49.8%	-1.1%	0.4%
	5	21	72	37			
Contracting	7,228,23	66,903,3	65,571,0	60,829,1	56.1%	-2.0%	-7.2%
	0	20	08	24			
Manufacturing	1,359,14	8,500,63	8,446,61	6,021,12	44.3%	-0.6%	-
	1	2	2	0			28.7%
Transportation/Com	663,111	11,753,5	14,730,7	17,156,8	77.7%	25.3%	16.5%

m./ Utilities		80	73	78			
Wholesale Trade	1,350,815	22,524,130	18,188,060	19,100,130	75.6%	-19.3%	5.0%
Finance/Insur./Real Estate	329,883	4,335,533	5,778,499	5,161,090	67.4%	33.3%	-10.7%
Other Business	642,549	4,793,648	5,974,149	6,215,794	49.5%	24.6%	4.0%
TOTAL	97,639,638	570,961,523	581,862,580	579,138,960	42.4%	1.9%	-0.5%

Source: Washington Department of Revenue, Quarterly Business Review

Figure ED-3: Comparison of City Sales and City Resident Spending
(estimated using per capita spending factors)



The data support the following conclusions:

- Shoreline has experienced only moderate growth in retail trade since 2000, with growth below the rate of inflation.
- Estimated gross retail sales exceed estimated resident spending in building materials, general merchandise, and food, but fall short in remaining categories. The latter categories are experiencing net leakage beyond city boundaries.

Office Market Conditions

Forthcoming update of this section will include:

- updated vacancy information from Officespace.com
- if available: assessed valuation of commercial properties
- if available: information from commercial market report(s)

Office development can provide a location for various service providers as well as the management and support facilities for businesses with multiple outlets. An inventory of selected buildings offering office space for lease in Shoreline provides an indication of the nature and strength of the local office market (see Table ED-11 on the following page).

**Table ED-11
City of Shoreline
Selected Commercial Buildings**

		Year Built	Stories	Rentable SF	Availabl e SF	Rent/SF.Yr *
17711 15th NE		1980	2 bldgs.	14,000	-	\$12 FS
Aurora Professional Building	1207 N 200th	N/A	2	23,765	-	\$17-18 FS
Aurora Shopping	916 N 160 th	1971	3 bldgs.	14,181	4,558	\$18 N
Evergreen Building	18027 15 NE	1980	2	1,500	800	\$14 FS
Gathering Place of Shoreline	17712 15 th NE	N/A	1	11,000	8,000	\$13 FS
Pepper Hill	14701 Aurora	1985	1	13,000	1,187	\$13 N
Professional Office	19929 Ballinger	2003	2	9,538	1,881	\$16 N
Shoreline Office	1501 N 200 th	1980	2	6,689	2,777	\$24 FS
Von's Square	16300 Aurora	1987	1	8,000	-	\$15 N
TOTAL				101,673	19,203	

* FS-Full Service, N-Net Tenant pays expenses
Source: *Officespace.com*

The data support the following conditions:

- Shoreline has few large office concentrations or multi-tenant office buildings.
- Vacancy rates are high and rents are low.
- Nearby office concentration at Northgate has many office buildings with rents in \$18 to \$22 per square foot fully serviced range.

High technology development is a desirable form of office use. High tech uses tend to be close to industrial uses and to locate at high amenity sites. Amenities include on-site and off-site aesthetic attributes, such as water features, trails, and nearby parks and/or shopping. Echo Lake could attract high technology users, as an office site with high amenity; however, it would require intensive marketing to lure high-tech users to the area.

Residential Market Conditions

Forthcoming update of this section will include:

- Apartment Vacancy and Home Sale information will be eliminated from this section and incorporated into the Housing Element Supporting Analysis.
- This section will be updated to include information on new residential construction and new permits.
- As information is available, this section may also include a discussion of commuting patterns and opportunities for TOD housing

Residential development responds to the need for housing, but also addresses economic development objectives in the sense that it provides shelter for the local workforce, and is part of an overall community where people want to live and work. Market conditions reflect the strength and the nature of the demand for residential development. Conditions for both apartments and for-sale housing are addressed below.

Apartments

Rent and vacancy rates are shown in the following table for Shoreline and King County as a whole.

**Table ED-12
Shoreline Area Apartment Vacancy Statistics**

	All	Studio	1 Bed	2/1 bath	2/2 bath	3/2 bath
Market Vacancy	7.1%	13.2%	7.1%	7.8%	5.5%	4.1%
Actual Rent	\$747	\$535	\$656	\$785	\$861	\$1,110
Rent per NSF (\$/mo.)		\$1.21	\$0.99	\$0.88	\$0.83	\$0.79
5-year History						
Shoreline Area	Sep-99	Sep-00	Sep-01	Sep-02	Sep-03	
Market Vacancy	3.9%	2.1%	4.7%	7.5%	7.1%	
Actual Rent	\$749	\$765	\$796	\$781	\$747	
King County	Sep-99	Sep-00	Sep-01	Sep-02	Sep-03	
Market Vacancy	3.9%	3.5%	5.4%	7.4%	7.4%	
Actual Rent	\$782	\$819	\$880	\$866	\$857	

Source: Dupre+Scott, The Apartment Vacancy Report, September 2003

The data support the following conclusions:

Vacancy rates are high at 7.1 percent, but have fallen in last 6 months. Rates are lowest for large units.

Market rents have fallen, and are well below average rents for King County. Rates per square foot exceed \$1 only for studio units.

Prevailing rents are below levels typically required to support new construction of mixed use buildings.

Home Sales

Sale data for attached and detached units are summarized below for both the Shoreline area (zip codes 98133, 98155, and 98177, an area larger than the City itself), and surrounding communities.

**Table ED-13
Shoreline and Surrounding Communities
Comparison of Housing Sale Prices**

	Attached				Detached			
	Resales		New Construction		Resales		New Construction	
	Number	Avg Price	Number	Avg Price	Number	Avg Price	Number	Avg Price
2000- 2qtr. thru 4 qtr.								
Bothell	130	146,401	84	191,754	448	241,818	106	351,038
Kenmore	36	182,767	-		197	295,396	37	383,352
Woodinville	44	170,887	-		385	435,917	11	323,076
Kirkland	381	227,677	126	392,145	679	329,931	122	422,848
Redmond	213	185,936	58	253,822	824	363,450	216	443,449
Shoreline	125	145,142	2	228,000	837	274,683	5	313,112
2001								
Bothell	190	160,073	139	204,259	606	264,153	91	372,754
Kenmore	66	174,994	12	208,284	188	286,379	39	535,220
Woodinville	59	173,552	-		487	427,008	34	440,124
Kirkland	431	207,904	81	267,071	905	330,540	221	414,497
Redmond	285	194,677	169	228,662	856	366,987	204	406,306
Shoreline	145	144,629	54	192,651	1,147	279,930	14	285,548
2002								
Bothell	296	169,071	104	237,898	981	308,867	120	378,648
Kenmore	48	194,168	27	215,426	323	295,980	6	384,242
Woodinville	68	179,097	-		706	432,196	121	399,704
Kirkland	623	287,345	56	353,558	1,307	349,863	115	477,012

Redmond	329	184,111	156	243,524	1,009	394,144	393	406,339
Shoreline	242	158,920	42	201,510	1,730	263,058	18	230,019
2003-1st qrt.								
Bothell	59	170,113	2	240,950	231	273,128	47	346,546
Kenmore	11	215,725	1	165,000	67	315,960	19	321,128
Woodinville	18	139,470	-		122	422,258	40	466,573
Kirkland	115	240,804	8	184,075	226	353,304	31	441,442
Redmond	73	186,773	7	242,226	179	392,186	139	395,259
Shoreline	61	209,392	10	297,235	297	284,570	3	252,475

Source: Central Puget Sound Real Estate Research Report, New Home Trends, Property Counselors

The data support the following conclusions:

Average sale prices for new construction attached units are higher than in many surrounding communities.

Average sale price for new construction detached units are lower.

Economic Development Initiatives

Shoreline's Economic Development Strategic Plan identified four significant projects that can dramatically affect the economic vitality of Shoreline. The four **City-Shaping Place Making Projects** are:

- **Creating a Dynamic Aurora Corridor Neighborhood** – unleashing the potential created by the City's tremendous infrastructure investment
- **Reinventing Aurora Square** – catalyzing a master-planned, sustainable lifestyle destination
- **Unlocking the Fircrest Surplus Property** – establishing a new campus for hundreds of family-wage jobs
- **Planning Light Rail Station Areas** – two imminent and crucial opportunities