Planning Commission Meeting Date: March 21, 2013

PLANNING COMMISSION AGENDA ITEM CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Study Session on Aurora Square C (CRA) Plan	omm	unity Renewal Area
DEPARTMENT:	Economic Development		
PRESENTED BY:	Dan Eernissee, Economic Developr	nent	Manager
Public Hearir	ng Study Session		Recommendation Only
🛛 Discussion	Update		Other

INTRODUCTION

On September 4, 2012, the Council designated a 70-acre area around the Sears, Central Market, and the WSDOT development as the Aurora Square Community Renewal Area (CRA). By designating the CRA, Council established that economic renewal would be in the public interest, and that City resources can be justifiably utilized to encourage renewal.

The second step in the process is to adopt a CRA Plan to guide the City's renewal efforts. The Council recently reviewed and provided initial support for Staff's recommendation that the CRA Plan be guided by a master site-planning effort. The master plan is a conceptual guideline only; it allows the City to identify a number of public-private partnerships (PPP) options in which the City could possibly engage with property owners and/or developers. In short, the projects are designed to make all of the current businesses function better while adding new ones to the area.

The CRA Plan is scheduled for adoption by Council in mid-2013, and the discussion tonight is part of the public process that includes neighborhood open houses, presentations at community groups, Currents articles, and online resources. Tonight's meeting will focus discussion before Planning Commission on the CRA master planning effort to date, with specific emphasis on the eight PPPs thus far identified.

BACKGROUND

The following documents are provided as attachments to help the Planning Commission understand the CRA process:

- CRA Frequently Asked Questions
- City Powers before and after CRA

Approved By:

Project Manager



PROPOSAL & ANALYSIS

A marketing packet has been created that is intended to both describe and illustrate the proposed CRA Plan. The packet consists of:

- A four-page Brochure that describes the CRA Plan, the City's master-planning effort, and desire to form PPPs.
- A conceptual master plan of the project that was used for guiding the PPP projects.
- Eight PPP projects, namely:
 - 1. Creating an eco-district
 - 2. Transforming Westminster
 - 3. Building a new center point
 - 4. Reimagining the Sears property
 - 5. Building multifamily housing
 - 6. Building a parking structure
 - 7. Incorporating Shoreline Community College (SCC)
 - 8. Adding nightlife elements

The master plan is a conceptual guideline only; it allows the City to identify a number of public-private partnerships (PPP) options in which the City could possibly engage with property owners and/or developers. In short, the projects are designed to make the current businesses function better while adding new ones to the area.

In some cases, the master plan shows a change to current business operations or location. These types of changes may certainly happen, but the master plan and the PPP projects are not intended to designate where this will happen, when this will happen, or state that the City is in any way demanding that this happen. The depiction of a new use for the Sears building is the most extreme case or showing a change; here the master plan is reflecting a known strategy Sears is employing in other areas of the country to capture value from its property.

Each PPP project articulates a way for the City to significantly participate in and contribute to the renewal process. The primary way for the City to be engaged is through infrastructure building and master planning. Using a gardening metaphor, these projects are like building soil rather than planting plants. Put another way, while we may all like to see a bookstore at Aurora Square, the City would not help fund one. Instead, the City may help build fund roads, parking, pedestrian connections, public spaces, and job centers that would create a climate in which a bookstore can flourish.

The CRA Plan Marketing Packet will be seen and used by the public, by civic leaders, by property owners, and by developers. It will be very helpful to have the Planning Commission's opinion of whether the documents are clearly stated, feasible, appropriate, and compelling. Furthermore, the Planning Commission may conceive of additional PPPs that should be included in the packet; certainly this is not intended to be either an exhaustive or static list.

TIMING AND SCHEDULE

The Council recently reviewed and provided initial support for Staff's recommendation that the CRA Plan be guided by a master site-planning effort. The CRA Plan is scheduled for adoption by Council in mid-2013, and the discussion tonight is part of the public process that includes neighborhood open houses, presentations at community groups, Currents articles, and online resources. A graphic depiction of the process is attached to this staff report.

RECOMMENDATION

No action is required at this time; however staff will welcome feedback on the proposed draft CRA Plan.

ATTACHMENTS

Attachment A – CRA FAQs Attachment B – CRA Powers Attachment C – CRA Plan – Master Plan Brochure Attachment D – CRA Plan – Conceptual Master Plan Attachment E – CRA Plan – Public-private Partnership Projects Attachment F – CRA Process Attachment G – Topographic and utility aerial map of CRA Area This page intentionally blank

Community Renewal Area FAQs

Shoreline's City Council adopted Resolution 333 on September 4, 2012, thereby creating the Aurora Square Community Renewal Area (CRA). The CRA establishes that economic renewal of the 70+ acre Aurora Square commercial area is clearly in the public interest. With the CRA in place, the Shoreline Office of Economic Development is freed to work in cooperation with the Aurora Square property owners to draft an economic renewal plan for the CRA.

Q: What is a Community Renewal Area (CRA)?

Washington law (RCW 35.81) allows cities to establish a *Community Renewal Area* along with a Community Renewal Plan (collectively a CRA) to help areas that need renewal. In the case of Aurora Square, economic renewal is needed. Once a CRA is established, the city gains a toolkit designed to help it facilitate renewal. For example, while Washington law typically limits cities from working with private enterprise, cities are encouraged to partner with private enterprise to rejuvenate a Community Renewal Area, a tool that can be particularly effective at helping Aurora Square reach its potential.

Q: Why a CRA at Aurora Square?

RCW 35.81 describes what an area that needs economic renewal looks like, and Council affirmed that four of the five reasons aptly describe Aurora Square:

- 1. "Old, obsolete buildings" such as the vacant Sears Catalogue Sales building and the three vacant buildings on the Joshua Green triangle. The Sears retail building, while occupied, reflects a Sears of decades ago rather than a structure it would build today.
- "Defective or inadequate street layout" and "faulty lot layout" is readily apparent at Aurora Square. Shoppers cannot walk or drive easily between buildings, and traffic on Aurora and N 160th Street has difficulty accessing the site. In addition, the lot layout and topography of the site work against the retail function of the businesses.
- 3. "Excessive land coverage" at Aurora Square is evident in acres of parking in inaccessible or unnecessary locations, a lack of landscaping, and inadequate storm water management that poses costly hurdles for additional development.
- 4. "Diversity of ownership" at Aurora Square—which has ten different ownership groups results in the inability to make changes at the speed necessary to respond to opportunities.

Aurora Square faces daunting challenges which developed over decades, leaving a center that is difficult to navigate with disconnected islands of buildings. What's more, current building and storm water laws add more challenges to those demanded by today's lifestyles and customers. Together, these challenges stymied redevelopment, limited reinvestment and produced poor sales, values and rents.

Q: What is Aurora Square's potential?

Aurora Square is a sleeping giant. Given its size, location, demographics, transportation access, and the projections for growth in the Puget Sound economy, Aurora Square could be special. The City regularly surveys its citizens about ways to improve Shoreline, and better shopping, entertainment, and destination restaurants are constantly mentioned. Aurora Square is a key to accomplishing all of these opportunities. Of course, outstanding businesses already operate on site, and we trust that these ventures can grow even more successful with the synergy created. All this activity means sustainable sources of revenue for city services, too. Aurora Square can become a model of "lifestyle Shoreline," with smart-built infrastructure, residences, offices and generous open spaces tied to transit, neighborhoods, and the Interurban Trail.

Q: What role might the City play?

Now that the CRA is established, the City will initiate tailored assistance to create a Community Renewal Plan based on the needs of the site and its interaction with the property owners. Examples may include:

- Designing area-wide storm water management or energy systems that allow individual lots to take advantage of economies of scale;
- Commissioning traffic and parking studies to justify more development through right-sizing parking and providing improved access;
- Creating a special signage district to offset the fact that the Interurban Trail pedestrian bridges tend to block site visibility from passing motorists on Aurora;
- Reworking N 160th Street with hopes of giving Aurora Square another "front door" and of better engaging Shoreline Community College's 9,000+ students;
- Tailoring zoning in special districts that will generate new investment from tenants or users that aren't currently on site;
- Designating central, consolidated plazas and parks that serve the entire center and become focal points for community gatherings;
- Financing major infrastructure improvements that allow for more predictable and intensive development.

Q: Does the CRA change zoning or heights of buildings?

No, the CRA itself doesn't change anything, but is merely a toolkit for a city to use for the very limited purpose of bringing about renewal.

Q: Will the City master plan Aurora Square?

In a limited way; the City will partner with Aurora Square property owners to provide connections and the infrastructure necessary to serve the site. However, the City will not be dictating to the owners how they use or develop their sites.

Q: Will my property taxes or values increase or decrease?

The King County Assessor's Office confirmed that creating a CRA or a community renewal plan will not affect property assessments positively or negatively, as it does not guarantee improvement, increase potential, or devalue property. Property taxes and property values will only be affected when and if the area experiences significant improvement through investment or increased tenant activity.

Q: Are there property rights objections to CRAs?

Two common property rights objections often surface when cities create CRAs: the dislocation of residents and the use of condemnation or eminent domain for economic development. Since no residents live in the Aurora Square area, the first objection doesn't apply. As for condemnation, Council adopted Resolution 333 which explicitly states that condemnation and eminent domain not be used for economic renewal at Aurora Square, even though RCW 35.81 provides cities with that tool. This action follows our legal counsel's recommendation that condemnation and eminent domain only be used as a last resort to renew areas with severe health and safety challenges, but that it not be used for economic renewal. With eminent domain removed, the creation of a CRA poses no threat to property rights.

Q: Does the City intend to acquire property?

The City already owns a great deal of right-of-way that it can use to help renew Aurora Square. Should the City find it necessary to acquire additional property, the City would act in the public interest as a typical buyer, using a negotiated purchase agreement. In addition, RCW 35.81 prescribes that cities that acquire property for economic renewal in CRAs need to do so with the intention of returning the property to the private sector as soon as is reasonable.

Q: Where can I learn more about Community Renewal Areas?

The Municipal Research and Services Center of Washington maintains a webpage with examples of CRA ordinances from Anacortes, Bremerton, and Vancouver. It also includes a link to the text of RCW 35.81. http://www.mrsc.org/subjects/econ/ed-comrenewal.aspx. Questions can also be directed to Dan Eernissee, Economic Development Manager, at either 206-801-2218 or http://www.mrsc.org/subjects/econ/ed-comrenewal.aspx. Questions can also be directed to Dan

Q: Can I follow the progress of the Aurora Square Community Renewal Area?

Shoreline City Council packet information, staff presentations, and a video recording of all meetings are available on the City of Shoreline's website. <u>http://www.shorelinewa.gov/index.aspx?page=82</u>

Q: Can I comment on the Aurora Square Community Renewal Area proposal?

The Shoreline City Council values community input and looks forward to hearing from you on the CRA proposal. If your comments are submitted before 4:00 p.m. on the day of the City Council meeting, your comments will be distributed to the City Council and appropriate staff prior to the Council meeting that evening as well as posted on the City's website under public comment in the Document Library. Comments can be submitted online at http://www.shorelinewa.gov/index.aspx?recordid=20&page=696



Property ownership by City	Without CRA	Additional abilities with CRA in place						
Buy, lease, condemn, acquire real property	Allowed, but not with intent to be resold to private party for economic development	Allowed with preference to resale to private parties*						
Hold, clear, or improve real property	Allowed, but only for public facilities	Allowed for both public or eventual private use						
Dispose of real property	Allowed, but not with intent to be resold to private party for economic development	Allowed with preference to resale to private parties*						
		* Condemnation only to be exercised to cure health and safety blight, not economic blight						
Zoning changes	Without CRA	Additional abilities with CRA in place						
Rezone property	Allowed as a Planned Area	Allowed as a spot zone regardless of GMA/Comprehensive Plan cycle						
Use resources to master plan private property	Not allowed since it can be construed to benefit private property	Allowed						
Create special districts with unique rules	Allowed in a limited way as part of the Planned Area zoning	Allowed						
Private partnerships	Without CRA	Additional abilities with CRA in place						
Enter into a developer agreement	City can only sell property it owns through competitive bid without strings attached.	Before purchasing property, the city can identify partners to develop all or some. City can also dictate to buyers how the property will be used.						
Select buyer who agrees to further CRA goals	Not allowed	Allowed after some kind of competitive process or any non- profit buyer without competitive process						
Execute contracts and other instruments	Allowed to carry out City purposes only	Allowed to carry out CRA purposes as well						
Provide incentives to tenants who help fulfill the community renewal plan	Allowed with limitations	Allowed with more flexibility						

Building infrastructure	Without CRA	Additional abilities with CRA in place						
Build and repair roads, parks, utilities	Allowed	Allowed						
Close, vacate & rearrange streets and sidewalks	Allowed for city purposes	Allowed to promote economic development as well						
Borrow money and accept grants to carry out community renewal	Not allowed	Allowed						
Form Local Improvement Districts to finance	Allowed	Allowed						
Incentives and impacts	Without CRA	Additional abilities with CRA in place						
Provide loans, grants, or other assistance to property owners or tenants affected by the community renewal process	Not allowed, except in aid of lower income persons	Allowed						
Provide financial or technical incentives for job creation or retention	Not allowed	Allowed						
Relocate persons affected by community renewal	Not allowed except for persons affected by condemnation for public facilities	Allowed						

RENEWAL PLAN

The September 1967 Grand Opening of the City of Shoreline's Sears was heralded with great fanfare. After 45 years, though, the Sears store and its surroundings are in need of renewal.

AURORA SQUARE CRA

The Shoreline City Council recently designated the 70+ acre Aurora Square area as a Community Renewal Area (CRA) where economic renewal would clearly deliver multifaceted public benefits. Now that the CRA is established, the City is empowered to partner with private enterprise to encourage 21st century renewal.



Aurora Square Community Renewal Plan

Project Type Public Private Partnership

Web Site

www.shorelinewa.gov/ aurorasquarerenewal

Aurora Square CRA 70+ acres 155th & Aurora Ave N

Current Anchors Sears, Central Market, Marshalls, Pier 1, Big Lots

"Aurora Square is a sleeping giant."

THE VISION

Imagine an open, green plaza in the center of Shoreline, filled with sunbathing and studying students, young families watching their children run and play, an elderly couple enjoying a Central Market picnic, dogs wagging their tails, actors practicing their lines, and the sound of college-age buskers singing with an occasional clink as coins fall into a hat.

This is the backdrop to the busy comings and goings of shoppers and lunching workers who relish the time of their day that allows them to visit the renewed Aurora Square shopping center. It is a "one-stop" convenient shopping solution that provides dining, nightlife, and healthy-lifestyle options. It is a community gathering place, where a leg stretching walking easily turns into a serendipitous rendezvous with friends.

It is an environmentally sensitive district within walking distance of Metro's RapidRide bus service and the Interurban Trail: the intersection of life, study, entertainment, sustainability and retail.

THE CHALLENGE

Aurora Square was developed as a Sears-anchored retail center, and Sears Holding Company owns nearly 17 acres of the site. Unfortunately, Sears is no longer a major retail draw, and it is struggling not only in Shoreline, but nationwide. Ownership of the balance of the site was sold to nine other property owners creating a difficult environment for cohesive planning and renewal.

THE PLAN

The Council's action to designate Aurora Square as a CRA provides a toolkit of powers that the City intends to utilize so that public resources complement that of private enterprise. In the CRA, the City can master plan the site, buy and sell property, build infrastructure, negotiate with private enterprise, borrow money and accept grants, and form local improvement districts.

The CRA Renewal Plan identifies a number of high value projects that the City wishes to accomplish for the good of all. The City is therefore seeking willing private partners to enter into binding performance agreements that result in mutually beneficial results.

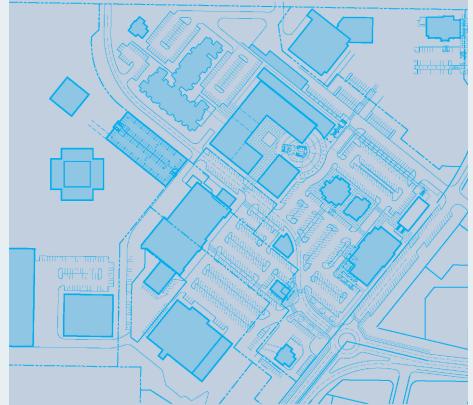
THE MASTER PLAN

Aurora Square is home to many outstanding businesses, but due to the absence of cohesive planning and investment, the center provides little synergy between them. In the first step of the Renewal Plan, the City of Shoreline is stepping in to act as the master planning agent.

The master plan is intended to provide a dynamic and flexible framework for guiding publicprivate partnership projects by allowing each individual property owner to understand and invest in the "big picture" while not needing to control other properties.

The master plan also illustrates that the City of Shoreline is seeking to renew Aurora Square dramatically by augmenting the current structures and road network, rather than starting with a complete new slate. That is why the master plan emphasizes repurposing buildings, increasing land use efficiency, enhancing the "on-ground" experience, and providing creative solutions to stubborn design and connectivity problems.

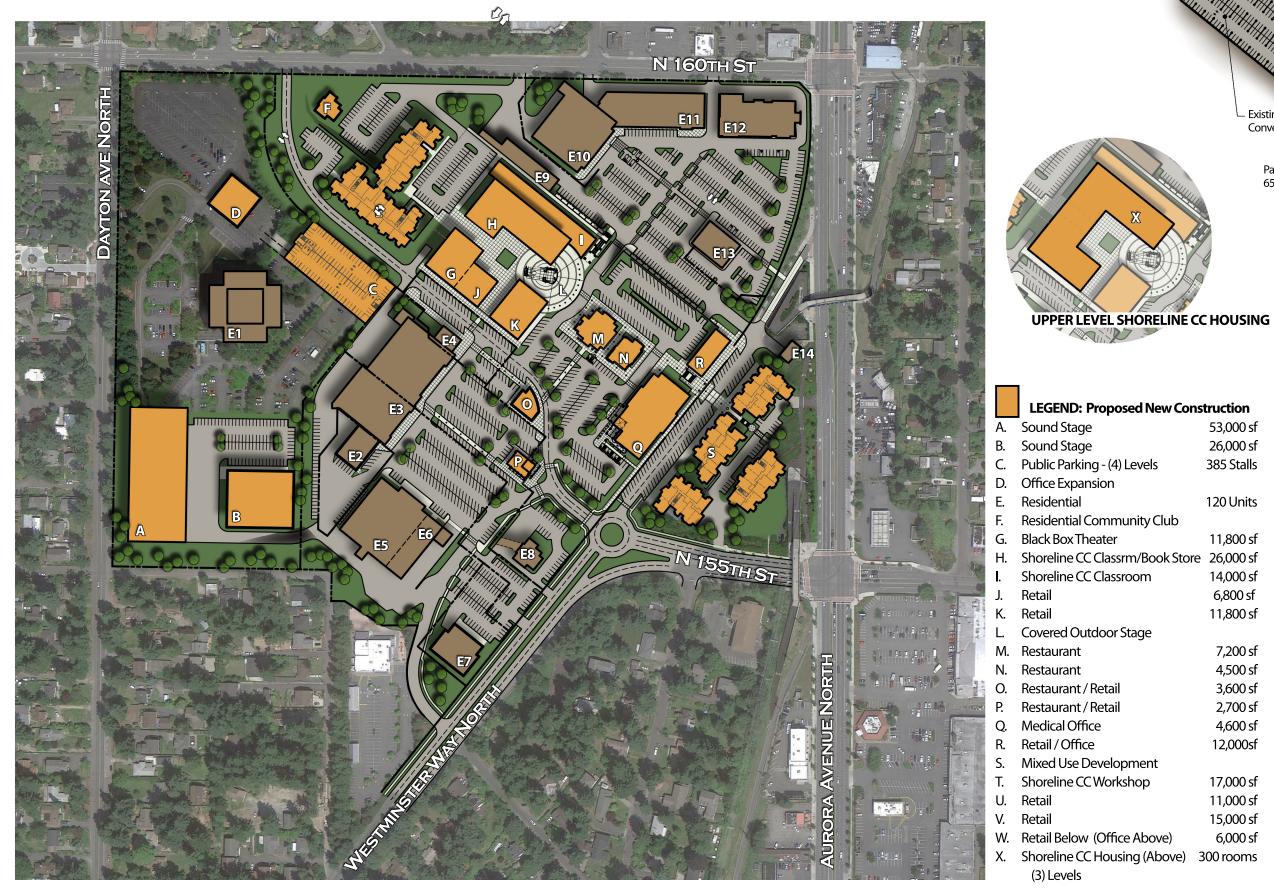


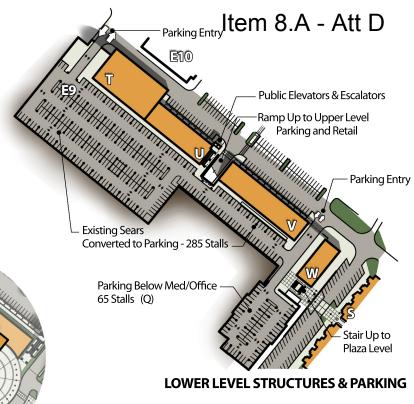


INCREASE LAND EFFICIENCY BY 100%



Dan Eernissee Economic Development Manager 206.801.2218 deernissee@shorelinewa.gov





LEGEND: Existing Construction E1. Existing Office 116,000 sf E2. **Existing Retail** 6,900 sf E3. Existing - 'Central Market' 48,000 sf E4. **Existing Retail** 2,400 sf E5. Existing - 'Big Lots' 37,000 sf Existing - 'Bank of America' E6. E7. Existing - 'Super China Buffet' 10,000 sf Existing - 'US Bank' E8. 3,600 sf E9. Re-use Existing for Shoreline CC E10. Existing - 'Marshalls' 26,700 sf E11. **Existing Retail** 23,000 sf E12. Existing Retail 19,000 sf E13. Existing - 'Pier 1 Imports' 7,800 sf E14. Existing Retail 1.600 sf

Note: All Building gross floor areas are approximate and subject to change. NORTH 250' 500′ Page 55

v Cons	truction	
	53,000 sf	
	26,000 sf	
	385 Stalls	
	120 Units	
ıb		
	11,800 sf	
Store	26,000 sf	
	, 14,000 sf	
	, 6,800 sf	
	11,800 sf	
	,,	
	7,200 sf	
	4,500 sf	
	3,600 sf	
	2,700 sf	
	4,600 sf	
	12,000sf	
	17,000 sf	
	11,000 sf	
	15,000 sf	
<u>)</u>	6,000 sf	
ove) 3	00 rooms	

Page 56

CREATE AN ECO-DISTRICT

Exceptional environmental wins are achieved when clusters of buildings work together to achieve sustainability in a "ecodistrict." The Aurora Square CRA provides sufficient size to experience economies of scale with cost-effective facilities and infrastructure, whether they be treating storm or waste water, providing clean power, or achieving other environmental goals.

"a model of design for the 21st century"

Aurora Square Community Renewal Plan Project

Project Type

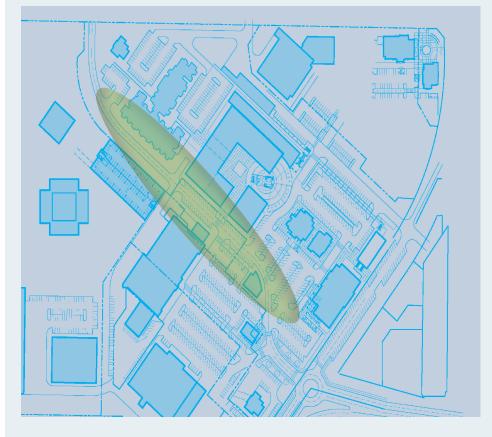
Public-Private Partnership involving local improvement districts or financing

Contact

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DIRTY TO CLEAN

TRANSFORM WESTMINSTER

Westminster Way between 155th and 160th is transformed into a green and attractive pedestrian-friendly street that provides additional retail and residential frontage, on-street parking, and festival gatherings while at the same time providing the critical connection between the upper and lower parts of the center.

"shoppers want a fun place to walk"

Aurora Square Community Renewal Plan Project

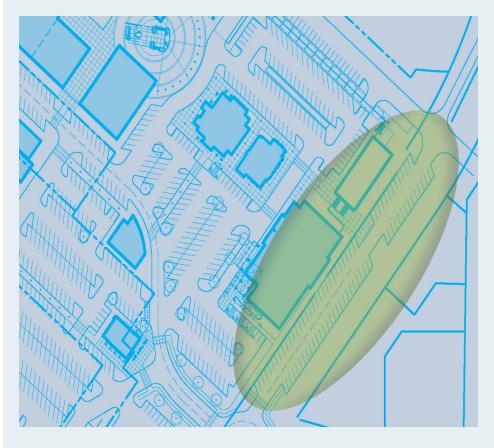
Project Type Public-Private Partnership involving vacation of right-of-way

Contact

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TO STROLL

BUILD A NEW CENTER POINT

The center of a place is defined by where the lines intersect, but unfortunately the intersecting lines were never built at Aurora Square. By creating two strong connections between the separate areas of the site, the potential of the entire site is broken open and it begins functioning as a cohesive whole.

"I can get to so many places from this spot."

Aurora Square Community Renewal Plan Project

Project Type

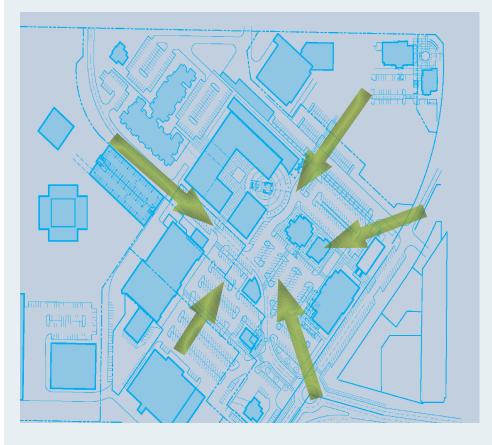
Public-Private Partnership involving right-of-way dedication and infrastructure construction

Contact

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BIG BLOCKS TO SMALL

REIMAGINE THE SEARS PROPERTY

Sears built its flagship suburban store in Shoreline in 1967; nearly five decades later, the site combines its nearly 17-acres with strong demographics, progressive zoning, and outstanding traffic counts on Aurora Ave N to make it one of the best adaptive reuse opportunities in the northwest.

"adaptive resuse can allow us to span time"

Aurora Square Community Renewal Plan Project

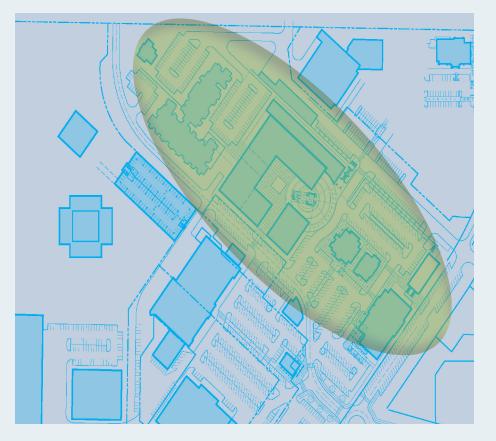
Project Type Public-Private Partnership involving financing and grants

Contact

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TO FRESH

BUILD A NEW HOME

Zoning once divided homes from other uses, but we now appreciate the lifestyle advantages of living close to shopping, dining, work, transit, education, and leisure. Residential units built in Aurora Square will take advantage of these at-hand amenities while enjoying a period of property tax exemptions.

"people who get to live here are lucky"

Aurora Square Community Renewal Plan Project

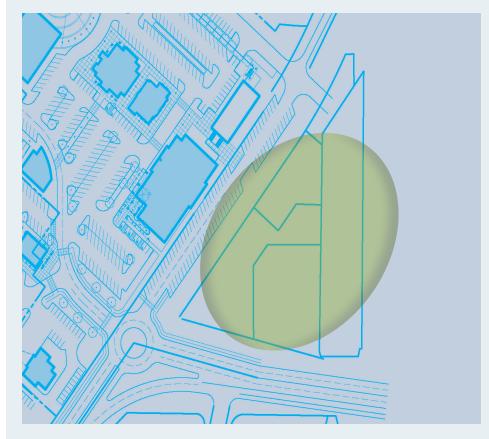
Project Type Public Incentive involving property tax exemptions

Contact

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MY MARKET TO MY HOME

TRADE SURFACE PARKING FOR JOBS

Washington State Department of Transportation's 16-acre regional headquarters is dominated by surface parking. By providing WSDOT adequate parking in a structure a third of the site can be freed up to allow for industry or office uses that bring jobs to Shoreline and help the retailers and restaurants in the CRA.

"structured parking frees up land for better uses"

Aurora Square Community Renewal Plan Project

Project Type

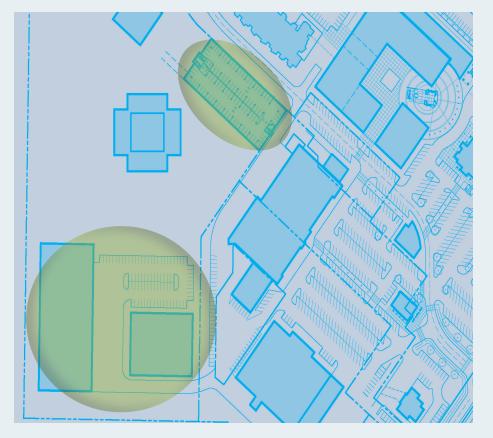
Public-Private Partnership involving public land purchase and infrastructure finance

Contact

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PAVED LOT TO GARAGE

INCORPORATE THE COLLEGE

Shoreline Community College (SCC) is a dynamic local asset that can serve as a cultural anchor by giving it a presence in the CRA. The City is already working with SCC to improve 160th from Aurora to SCC. The next steps are to provide onsite programming, housing, and performance venues in the CRA that add life that add more life and vitality to the center.

"SCC's ten thousand students are steps away"

Aurora Square Community Renewal Plan Project

Project Type

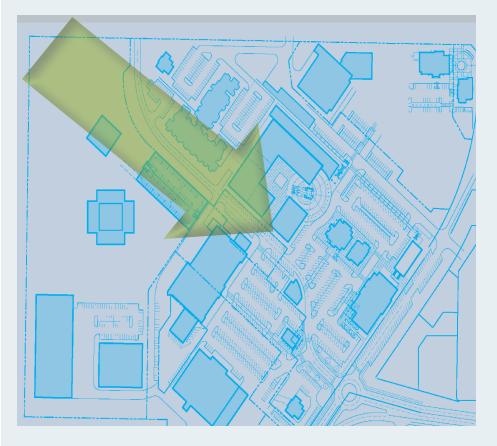
Public-Private Partnership involving grants, branding, and onsite facilities

Contact

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SUBDUED TO LIVELY

ADD NIGHTLIFE TO THE MIX

Annual resident surveys reveal a strong desire for more entertainment and dining options in Shoreline. Combine that desire with a supportive arts community, a college specializing in performance art and digital media, and a lack of options, and the conclusion is that an entertainment district could be wildly successful.

"OMW can't wait to join u 4 drinks"

Aurora Square Community Renewal Plan Project

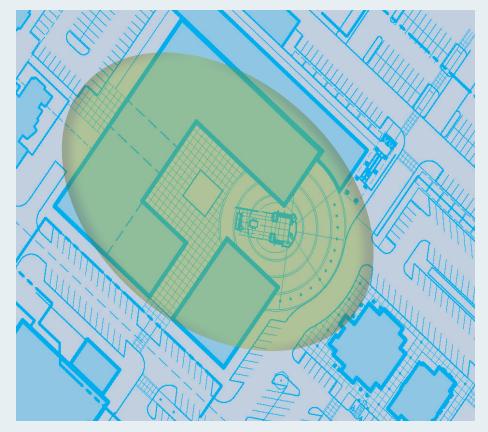
Project Type Public-Private Partnership involving infrastructure finance

Contact

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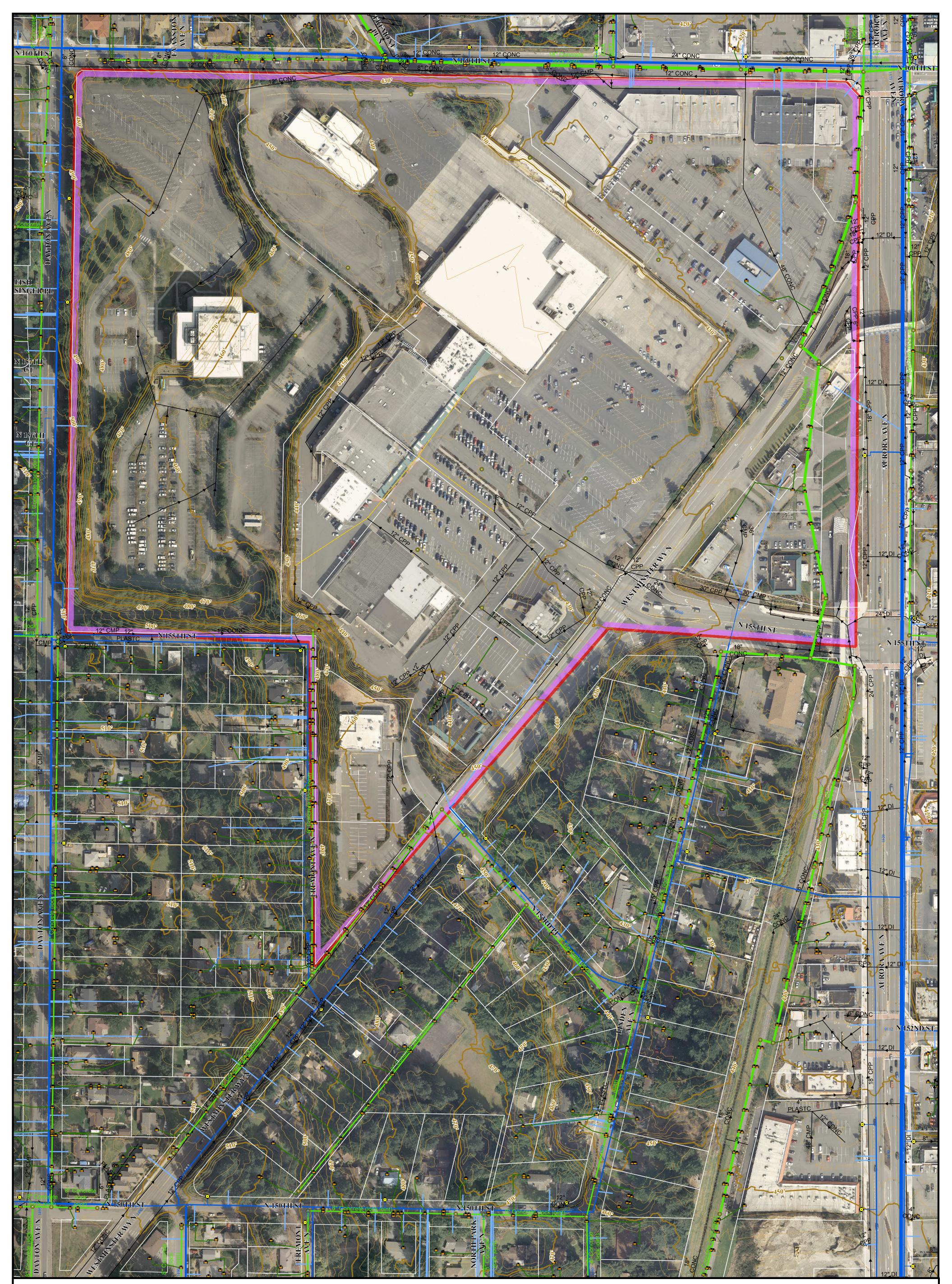




DARK TO LIGHTS

Aurora Square Community Renewal Area Public Process

	-	12-Mar				12-Aug	12-Sep	12-Oct	12-Nov	12-Dec	13-Jan	13-Feb	13-Mar	13-Apr	13-May	13-Jun
Alternatives Analysis																
Story Board/Concepts																
UW Architecture Studio																
Current Condition Inventory																
Participation Projects Formulated																
Federal Gov't Priorities																
State Capital/Land Options																
Infrastructure Financing Options																
Public Engagement																
Property Owner Input																
Neighborhood Meetings						6th						13/27		TBD		18th
Chamber of Commerce																
Currents Article																
Comp Plan Speaker Series			25th				12th									
News stories	*						***									
Expert Roundtable														TBD		
City Process																
CRA Designation Phase																
CRA Plan Phase																
Planning Commission									1st				21st			
City Council					9th	13th	4th						1st		TBD	



Aurora Square Community Renewal Area

Sewer Structure **DIAMETER** Storm Main, Ditch and Channel Storm Facility Sewer Fitting ----- 0.00 - 4.00 TYPE Туре DIAMETER ------ 4.01 - 8.00 ------ Ditch Type 1 Catch Basin ----- 8.01 - 12.00 ----- Open Water Course 4 - 6 Type 1 Man Hole 0 ____ 12.01 - 16.00 → Pipe Unconfirmed • **—** 16.01 - 20.00 — Unconfirmed 9 - 12 Community Renewal Area - 13 - 21 20.01 - 24.00 22 - 30 —— Side Sewer

$\begin{array}{l} \textbf{2009 Aerial Photography} \\ \textbf{1 inch = 100 feet} \\ \textbf{0 45 90 180 270 360} \\ \textbf{Feet} \\ \hline \textbf{Feet} \\ \hline \textbf{Create date: 7/2011} \\ \hline \textbf{Eilename: AldercrestAnnex.mxd 11:10:52 AM} \end{array}$