



AGENDA

SHORELINE CITY COUNCIL WORKSHOP DINNER MEETING

Monday, June 9, 2014
5:45 p.m.

Conference Room 104 · Shoreline City Hall
17500 Midvale Avenue North

1. City of Bothell Economic Development

- Welcome, Introductions, Confirm Agenda 5:45
- Discussion with City of Bothell on economic development strategies and practices
- Adjourn

Materials

Attachment A – *City of Bothell City Infrastructure* marketing piece

Attachment B – *Opportunities in Bothell* marketing piece

Attachment C – *Public-Private Partnerships*; an article by Bob Stowe

Attending

City of Bothell

City of Bothell Mayor Joshua Freed

City of Bothell City Manager Bob Stowe

City of Shoreline City Council and Staff

Mayor Shari Winstead

Deputy Mayor Chris Eggen

Councilmember Will Hall

Councilmember Doris McConnell

Councilmember Chris Roberts

Councilmember Jesse Salomon

Councilmember Keith McGlashan

Debbie Tarry, City Manager

John Norris, Assistant City Manager

Dan Ernissee, Economic Development Manager

The Council meeting is wheelchair accessible. Any person requiring a disability accommodation should contact the City Clerk's Office at 801-2231 in advance for more information. For TTY service, call 546-0457. For up-to-date information on future agendas, call 801-2236 or see the web page at www.shorelinewa.gov. Council meetings are shown on Comcast Cable Services Channel 21 and Verizon Cable Services Channel 37 on Tuesdays at 12 noon and 8 p.m., and Wednesday through Sunday at 6 a.m., 12 noon and 8 p.m. Online Council meetings can also be viewed on the City's Web site at <http://shorelinewa.gov>.



Dinner Meeting Memorandum

DATE: June 9, 2014

FROM: Dan Eernisse, Economic Development Manager

TO: Shoreline City Council

CC: Debbie Tarry, City Manager
John Norris, Assistant City Manager

RE: Bothell Public Investment with Bob Stowe, City Manager

Economic development is a top Council goal. Tonight's dinner meeting will provide Council an opportunity to learn from a comparable city's economic development strategies and practices. This should assist the Council in helping establish what the best economic develop practices are for our community.

Bothell Mayor Joshua Freed and City Manager Bob Stowe will attend tonight's meeting to share how the City of Bothell took the bold step of investing over \$150 million for infrastructure improvements in order to stimulate development in its downtown core (see Attachments). Our discussion will focus on Bothell's development plan, the financing used by the City, the private investment to date, and strategies Bothell is using to negotiate with private parties.

Staff has drafted the following discussion questions to help catalyze tonight's discussion:

- How did the Bothell City Council justify taking on such significant risk?
- What sort of analysis was completed to know that this was the best way forward?
- What obstacles were overcome and what successes were gained?
- How is Bothell measuring success?
- What key messages emerged from this effort?

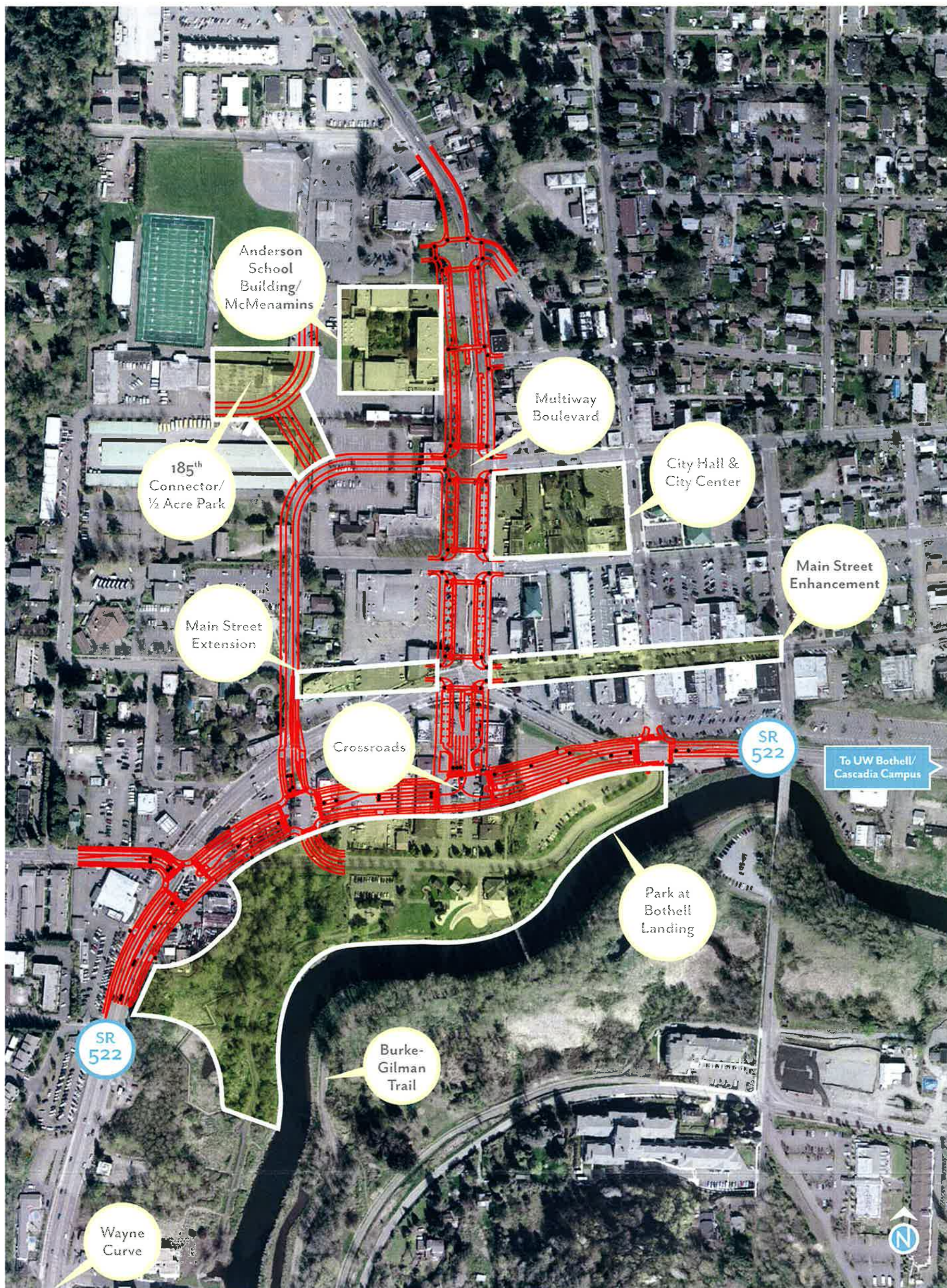
Attachments:

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City Infrastructure



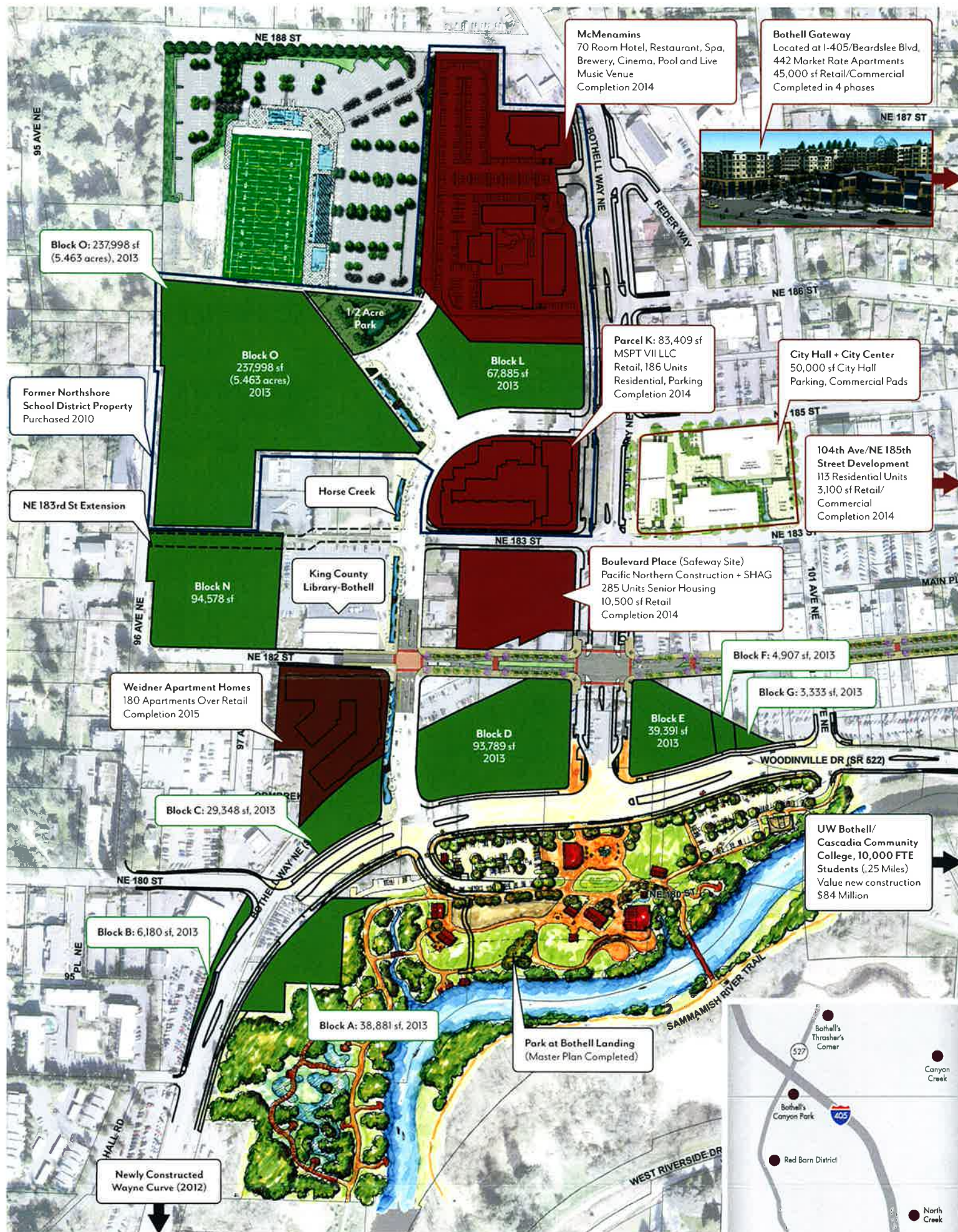
In 2010, the City of Bothell kicked-off its Downtown Revitalization with the commencement of **\$150 million in public infrastructure improvements**, including two major roadway improvements on SR 522. These roadway

enhancements and other acquisitions create 25-acres of parcels for surplus now through 2014. The parcels are available for sale and redevelopment with a focus on mixed-use retail.

Opportunities in Bothell

Bothell's combination of **big city demographics** and small town feel support and sustain the downtown's commercial, retail, and residential growth. An economic study developed by The Concord Group in summer 2009 notes that the city can capture **one million square feet** of current projected 10 year (2010-2020) **demand for new retail, office, and residential development** in the downtown district. With the **City's investment of over \$150**

million in public infrastructure, that **potential expands**. In fact, in 2012, the City has already reached a milestone with one-third the overall private development goal having been met. More than \$207 million in private investment has been placed, leveraged by \$150 million in public investment. The new developments equate to an estimated 1,500 units of downtown housing and over 144,000 square feet of commercial office space.



Rev 11/30/12 FOR INFORMATION ONLY - NOT OFFICIALLY ADOPTED MAP Preliminary information for planning purposes only

- City Surplus Land Available for Sale in 2013
- 2014 Completion
- 2015 Completion

Factoids

- 25 acres of city-owned land will be offered as surplus for sale between now and 2014
- City-owned parcels alone can support development of a minimum of 450,000 square feet of market-driven demand for residential,

commercial, and civic space, with potential for increased density.

- The shared campus of the **University of Washington Bothell/Cascadia Community College** is expanding rapidly and is anticipated to increase enrollment to 10,000 students in the next 6 years.



Bob Stowe is the City Manager for the City of Bothell, WA - a position he has held since January 2005. Before arriving in Bothell, Bob was the City Manager for the City of Mill Creek, WA for 9 years and held other top administrator positions for two other Washington cities for an additional 10 years. Bob enjoys a reputation as a progressive and talented municipal manager, bringing stability and leadership to the cities he has served over the last 27 years in Washington State.

The hallmark of Bob's career is his commitment to create well-designed and environmentally sustainable places where people want to live, work, and come together to celebrate.

Bob is a past president of the Washington City/County Management Association (2002-2003) and holds a bachelor's degree in Urban and Regional Planning from Eastern Washington University and a MBA from Seattle University.

PUBLIC-PRIVATE PARTNERSHIPS

Public-Private Partnership is a phrase that is often overused and under supplied. In today's economic environment, I have found that genuine partnerships are needed to achieve the return on investment, and make valuable use of time and energy for both the private and public sectors. Building a community, revitalizing a downtown, and creating a special place is difficult work. Cities can grow or change by choice or chance. We all would prefer the route of choice and design. This requires true public-private partnerships with demonstrated commitments, skin in the game, and a clear and unwavering focus of the desired future being created.

The public sector must provide the vision, the business plan, and the needed infrastructure investments that will support the development. Cities must create predictability for those who choose to invest in their communities. Additionally, cities can assemble properties for public amenities, often times leaving behind remnant pieces or surplus land that can then be developed by the private sector as part of a larger development. The private sector must provide the expertise and capital necessary to create the vertical development that animates the downtown or the neighborhood. The private sector must embrace the community's vision if supported by the market. Development must be based upon what people love about their community. It doesn't mean avoiding changes. It does mean anchoring changes in the essential character of the community which will be supported longer and with greater emphasis by a community.

From the perspective of a city manager and someone who is passionate about creating great sustainable places, so much of what local governments care about, what they are responsible for, what business and residents want or need, are the result of how we develop and occupy real estate. The best development; the development that provides the

greatest return on investment; are those that are entwined with public-private partnerships.

The City formally started its revitalization process in the spring of 2005 when residents, businesses, schools, and government came together to develop a fresh new vision for Bothell's future. The Bothell community got it right and developed a plan that has been successfully guiding the revitalization of downtown through the Great Recession. Our early economic projections indicated that, over a 25-year period, the City's public improvements and strategic actions would leverage \$650 million in private investment. I am very proud that over \$200 million in private investment is in the development pipeline or under construction today. Below is a summary of the 10 most important actions the City has taken over the last 8 years in pursuit of its community's dream for a vibrant and walkable mixed-use Downtown.

City Actions

1. During better economic times, we separated our ongoing revenues/expenses from our one-time revenues/expenses, creating a funding account for downtown investments.
2. We engaged the Bothell community in a multi-year planning process that continues to guide the City's actions today.
3. We identified those infrastructure investments that would achieve the City's targeted ROI.
4. Purchased 25 acres of land within the Downtown which we are now strategically selling individual parcels under our role as a Master Developer. Every purchase and sale/development agreement is an opportunity for a public-private partnership.
5. In the process of assembling land and constructing the needed infrastructure to support a redeveloped Downtown, we relocated 32 businesses and tore down 30 buildings, turning back decades of auto oriented/strip mall development to make way for a re-imagined City.
6. For the last several years, we have been performing a multi-million dollar environmental clean-up of the Downtown to ready it for development now.
7. We launched an initiative to improve how we process development permits to improve predictability to those who choose to invest in Bothell.
8. We assumed the role of Master Developer when the recession occurred and shouldered private sector risk by holding property the City assembled, thereby mitigating the cost for our development partners.
9. We also started the largest capital investment in the City's history – a \$60M infrastructure project (called the Crossroads) in our Downtown that was supported through a pilot TIF program offered by the State several years ago. This project (the relocation of a state highway) is now in its final stage of construction.
10. To date, we have broken ground on **an astonishing** \$94M of public infrastructure improvements in Downtown Bothell... all within an existing 104 year old

community. The City's investment of \$94M in vital capital projects is part of a \$150 million program of planned infrastructure improvements.

The oxygen of development is capital and without it, nothing can happen. The City of Bothell is strategically attracting private capital through public-private partnerships as part of a broader economic strategy to revitalize it's Downtown.