

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Retail Market Analysis Report
DEPARTMENT: CMO
PRESENTED BY: Jan Knudson, Economic Development Coordinator

PROBLEM/ISSUE STATEMENT: At the National League of Cities (NLC) Conference in Salt Lake City in December 2002, several Council and staff members attended a presentation by the Buxton Company for retail consulting to cities. Based on the City's interest in the proposal at NLC, the Buxton Company was invited to make a presentation and provide a proposal specific to Shoreline.

In February 2003, the City entered into a contract with the Buxton Company to conduct a retail market analysis for the City. Phase I of the Buxton Company's retail market analysis for three locations in Shoreline is complete. The report is available in the Council office for your review.

The City must now choose which of the three sites to analyze further in Phase II. The site locations are listed below. This agenda item summarizes the results of Phase I and asks for Council concurrence that the Aurora Square/Westminster shopping center be analyzed further in Phase II.

ALTERNATIVES ANALYZED:

Three locations were included in Phase I of the retail market analysis:

- The North City Business District
- The Central Shoreline Subarea
- The Aurora Square/Westminster Shopping Center

Ten-minute drive time trade areas were established for each site (Attachment A). Household profiles, demographics (Attachment B) and traffic counts were used to analyze the retail trade area. While all three sites maintained similar characteristics, the Aurora Square/Westminster site had the greatest traffic volumes that are attractive to potential retailers. It also had the greatest concentration of desirable customer characteristics, the highest average household income and highest median property value of the three trade areas.

FINANCIAL IMPACT:

The Buxton Company contract for Phase I and II is \$49,995 and is being funded from the Economic Development budget.

RECOMMENDATION

Staff recommends that Council select the Aurora Square/Westminster site for Phase II of the retail market analysis.

Approved By: City Manager  City Attorney 

INTRODUCTION

At the National League of Cities (NLC) Conference in Salt Lake City in December 2002, several Council and staff members attended a presentation by the Buxton Company for retail consulting for cities. Based on the City's interest in the proposal at NLC, the Buxton Company was invited to make a presentation and provide a proposal specific to Shoreline.

BACKGROUND

In February 2003, the City entered into a contract with the Buxton Company to analyze the potential of three sites in Shoreline to attract and expand retail. The three sites identified for retail development or revitalization are:

- The North City Business District
- The Central Shoreline Subarea
- The Aurora Square/Westminster Shopping Center

This retail market analysis directly implements Strategies # 1 – 4 of the Economic Development Program that is Council Workplan Goal No. 3. With the information provided in the report (Strategy #1), the City can make more informed decisions about investments in infrastructure (Strategy #3 and #4) and can focus resources on areas of higher retail development potential (Strategy #2).

DISCUSSION

Phase I of the Buxton Company's retail market analysis for these three locations is complete. This phase determined the trade area and evaluated the retail market potential for all three site locations listed above. The City must now choose which of the three sites should be analyzed further in Phase II based on which site(s) have the best retail potential.

Phase II then will compare the research results from Phase I with customer profiles of thousands of retailers. After finding retailer matches for the City's preferred location, the Buxton company will provide customized marketing packages for the City to use in recruiting those retailers. These packages will include names and contact information of individuals responsible for site selection decisions in their organizations. It can also be used to recruit the developers who typically build new stores for these retailers.

All three designated retail sites have characteristics that make each one a viable option for future retail development. Of the sites analyzed, the Aurora Square/Westminster site had the greatest concentration of desirable customer characteristics, the highest average household income, the highest median property value and the highest traffic volumes. These factors give it the greatest potential for additional retail development and make it the most logical site for Phase II analysis.

Next Steps

Phase I included recommended actions necessary for the City to achieve its best success in recruiting and expanding retail development. In addition to completing Phase II of the analysis, these recommendations are as follows:

- Be innovative to compete with established retail hubs in the area;
- Consider the public-private partnerships that may be required to maximize Shoreline's retail potential; and
- Implement aggressive marketing initiatives.

RECOMMENDATION

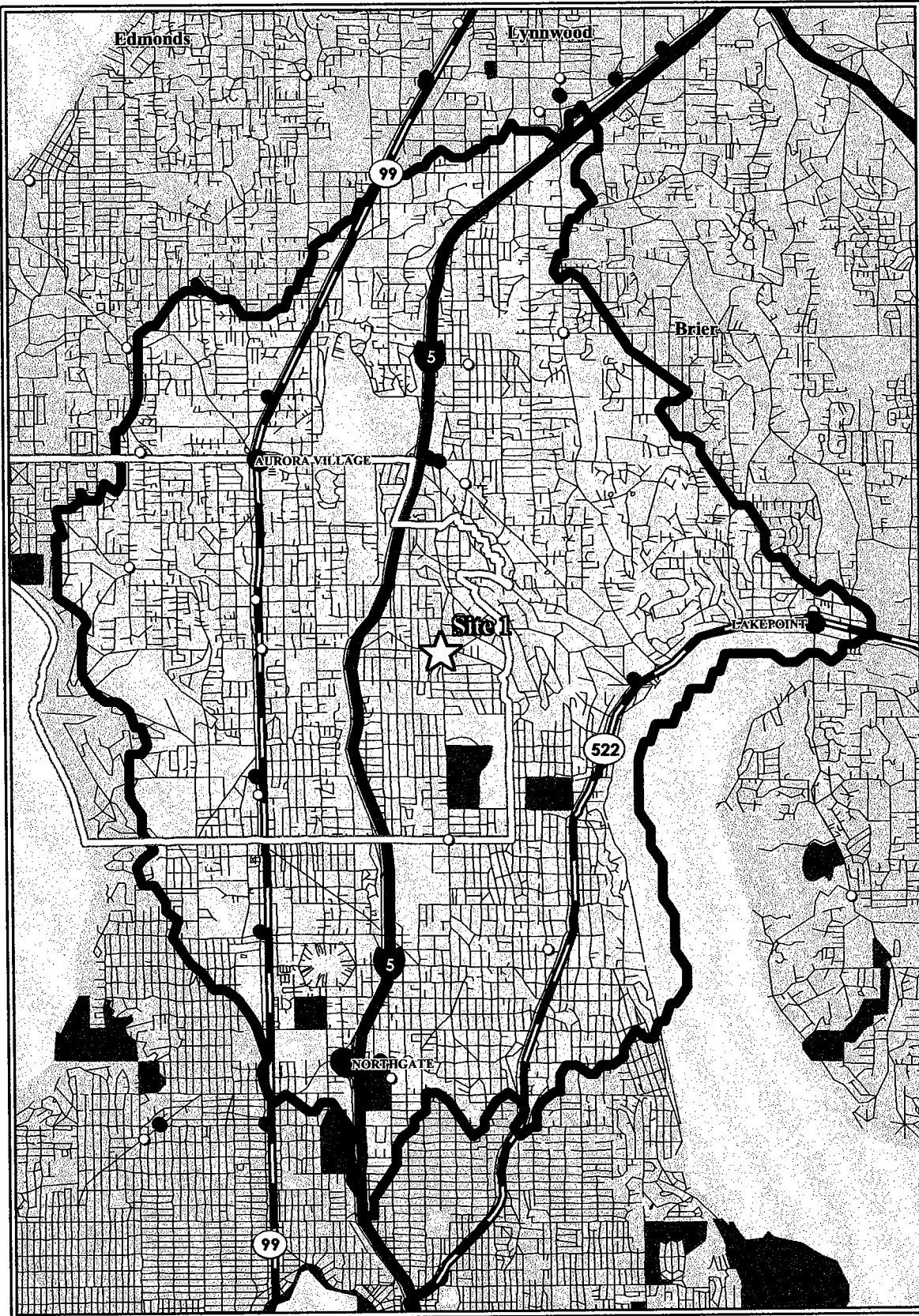
Staff recommends that Council select the Aurora Square/Westminster site for Phase II of the retail market analysis.

ATTACHMENTS

- Attachment A – Site Trade Area Maps
- Attachment B – Site Trade Area Demographics

ATTACHMENT A
Site Trade Area Maps

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City of Shoreline

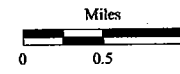
☆ Site 1

□ City Limits

■ 10-Minute Drive Time

Shopping Centers
GLA in thousands

- 1,000+
- 500 to 1,000
- 100 to 500
- Below 100



CommunityID*
The Retail Recruiting System

2651 South Polaris Drive
Fort Worth, Texas 76137
tel: 817.332.3681
fax: 817.332.3686

Shoreline, Washington

Overview

Prepared for the City of Shoreline



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City of Shoreline

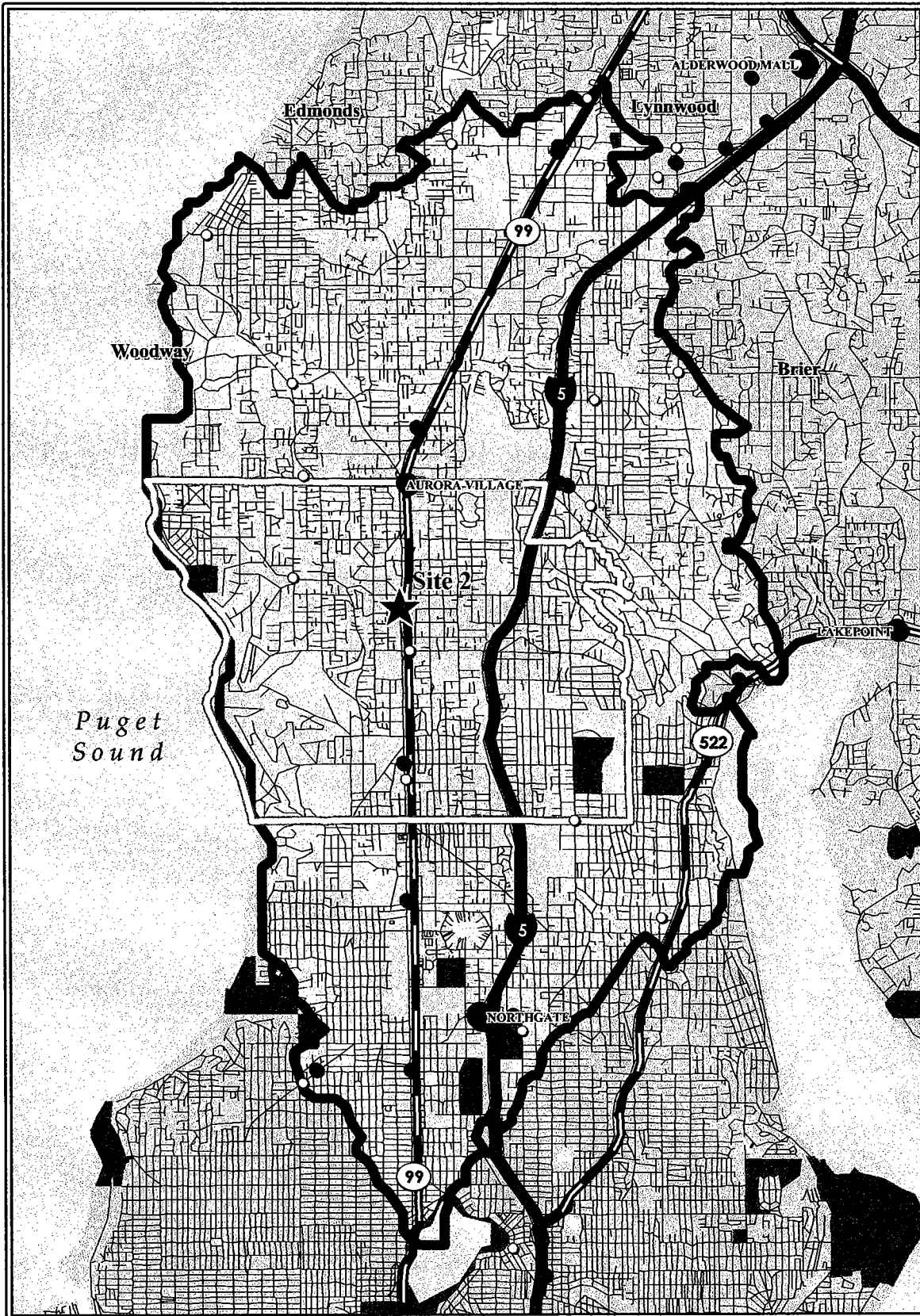
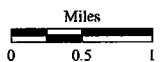
★ Site 2

□ City Limits

■ 10-Minute Drive Time

Shopping Centers
GLA in thousands

- 1,000+
- 500 to 1,000
- 100 to 500
- Below 100



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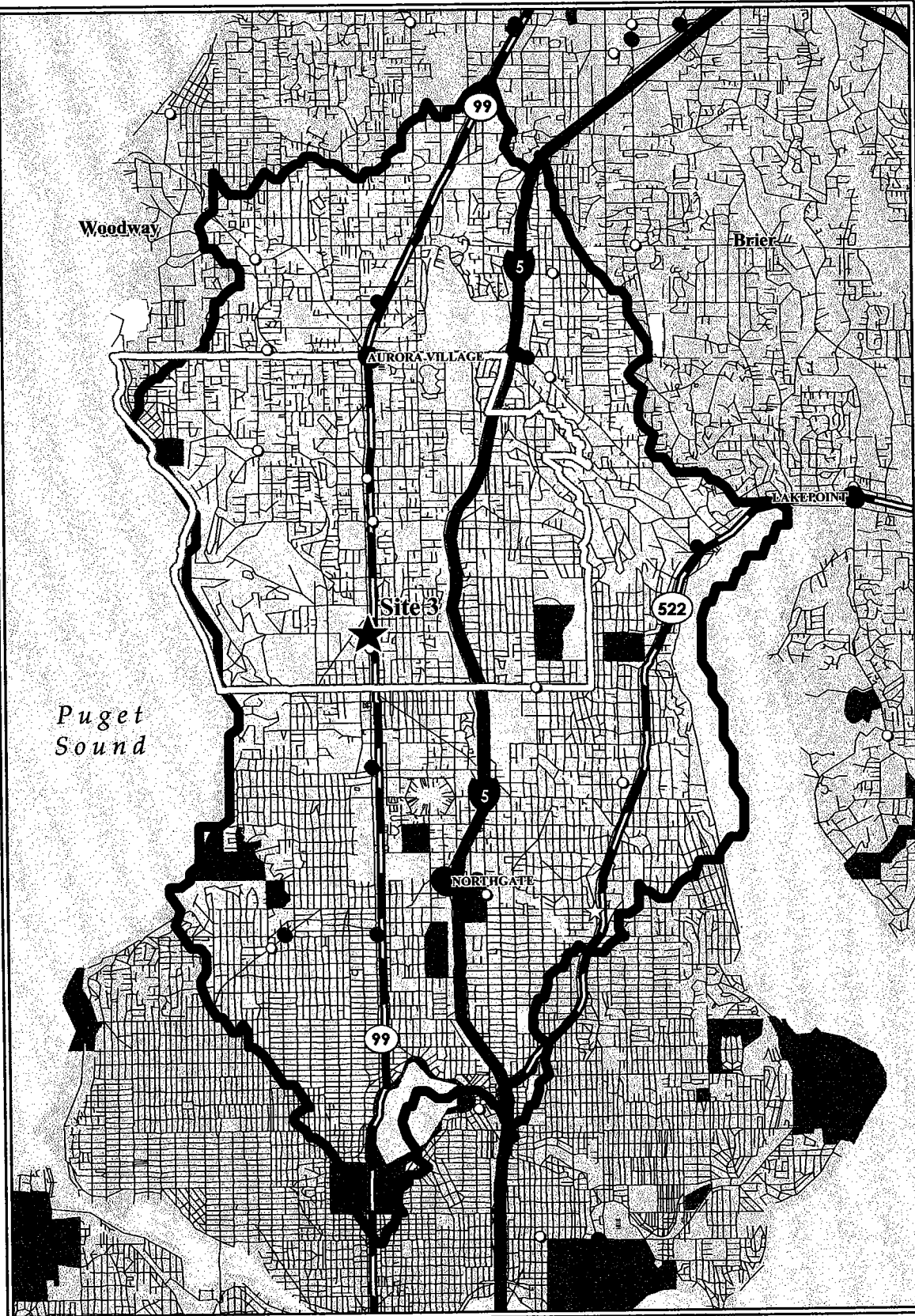
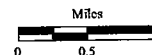
★ Site 3

□ City Limits

◻ 10-Minute Drive Time

Shopping Centers
GLA in thousands

- 1,000+
- 500 to 1,000
- 100 to 500
- Below 100



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ATTACHMENT B
Site Trade Area Demographics

Site Trade Area Demographics

Site #1 – The North City Business District

Demographics	10-Minute Trade Area
2002 Est. Population	149,423
Population Growth, 1990-2000	5.7%
2002 Est. Households	62,927
Average Household Income	\$79,681
Residential Property Value	\$131,909
Median Age	38

Site #2 – The Central Shoreline Subarea

Demographics	10-Minute Trade Area
2002 Est. Population	189,571
Population Growth, 1990-2000	5.51%
2002 Est. Households	81,399
Average Household Income	\$76,726
Residential Property Value	\$133,913
Median Age	38

Site #3 – The Aurora Square/Westminster Shopping Center

Demographics	10-Minute Trade Area
2002 Est. Population	192,433
Population Growth, 1990-2000	5.67%
2002 Est. Households	83,740
Average Household Income	\$80,708
Residential Property Value	\$133,253
Median Age	38