

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Economic Development Strategic Plan
DEPARTMENT: City Manager's Office
PRESENTED BY: Steve Burkett, City Manager

PROBLEM/ISSUE STATEMENT:

Economic development has been a top priority for the City Council since the Economic Development Program was adopted in October 2001. Concurrent with the vacancy in the Economic Development Program Coordinator position, the City Council held workshops on July 6 and September 7, 2004 to consider revisions and updates to the City's Economic Development Strategic Plan (see attached). This memorandum is to recommend adoption of the revised plans as developed in those two workshops.

ALTERNATIVES ANALYZED:

The City Council considered a variety of options and ideas from among its membership as well as written suggestions from staff, the Shoreline Chamber of Commerce and Forward Shoreline.

FINANCIAL IMPACT:

The program is currently staffed by one FTE with an annual budget of approximately \$153,000 in 2004. It is recommended that this level of funding be continued into 2005.

RECOMMENDATION

I recommend Council adopt the attached strategic plan for the City's Economic Development Program.

Approved By: City Manager Sub City Attorney N/A

This page intentionally left blank.

2004 City of Shoreline Economic Development Plan

Introduction

The economic vitality and financial stability of the City of Shoreline is critical to providing the financial resources necessary for quality municipal services and facilities. The stability and predictability of financial resources is crucial to providing certainty for essential public services such as police, roads, maintenance, parks, social services and infrastructure.

Goals

- Enhancing the existing business environment in Shoreline.
- Improve the aesthetics of commercial areas to encourage higher quality investments.
- Provide citizens greater choices to live, work, shop and play in Shoreline.

Desired Outcome

A growing diversified and balanced economic base that yields City resources sufficient to provide quality municipal services and facilities.

Strategies

- Continue pursuing growth in retail sales to ensure financial stability and economic vitality.
- Continue leveraging the City's capital improvement investments in targeted areas to support and encourage private reinvestment in commercial areas.
- Continue improving the permit process to be predictable and timely. Streamline approval processes in targeted areas for commercial, retail and mixed use development.
- Initiate an active campaign to define and improve the public perception of Shoreline.
- Identify alliances and partnerships between the City and other organizations in accomplishing economic development goals. Encourage an environment of mutual respect between business owners and the City.
- Implement a low cost business registration system for tracking businesses and jobs in the City.

- Continue development incentives such as fee waivers, designated Planned Action areas, business relocation strategies, parcel assembly, grant and low-interest loan funding.
- Help facilitate private efforts to install banners, flowerpots and other programs to decorate the City throughout the year, but especially during holiday and community event celebrations.
- Work with innovative commercial developers and brokers in identifying areas in different segments of the City in which new development might best occur.
- Proactively collaborate with private and public organizations that are working to support the growth of current businesses and to bring new companies and institutions to Shoreline.

Key Performance Measures

	2002	2003	<i>Estimated</i> 2004	<i>Estimated</i> 2005
• Annual sales tax collections	\$5,095,811	\$5,467,148	\$5,500,000	\$5,500,000
• Sales taxes per capita	\$95.70	\$103.68	\$104.29	
• Annual dollar value of commercial permits issued	-----	\$17,146,000	\$22,568,000	\$26,000,000
• Commercial AV as a % of total City AV	12.3%	12.93%	12.83%	13.0%

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

<p>AGENDA TITLE: Economic Development Strategic Plan DEPARTMENT: City Manager's Office PRESENTED BY: Steve Burkett, City Manager</p>

PROBLEM/ISSUE STATEMENT:

Economic development has been a top priority for the City Council since the Economic Development Program was adopted in October 2001. At the time of adoption, it was anticipated that the Program would be reviewed and updated every three to five years. Now that our Economic Development Coordinator position is vacant, it is also timely and appropriate to review our goals, strategies, and resource allocation. Council reviewed the goals, outcomes and strategies of the Plan on July 6, 2004. This memorandum is to present options and recommendations for updating and implementing the Economic Development Strategic Plan.

Goals

At the July 6 work session, Council agreed that the current goals of the Economic Development Strategic Plan are still appropriate. They are to:

- 1) enhance the existing business environment in Shoreline;
- 2) improve the aesthetics of commercial areas to encourage higher quality investments;
- 3) provide citizens greater choices to live, work, shop and play in Shoreline; and
- 4) foster a healthier economic base generating increased property value and additional sales revenues.

Desired Outcomes

At the July 6 meeting, Council also agreed the desired outcome of the City's economic development goals should be to stimulate new retail sales in the City's commercial areas. Retail sales are a more cost-effective revenue source for the City than just job creation and thriving, healthy commercial areas are more attractive to employers who seek the amenities, housing and services their employees need.

STRATEGIES AND ACCOMPLISHMENTS

The current Program has ten strategies for success. They are:

- 1) Analyze demographic and market data to determine City's competitive position in market area. **Complete**
- 2) Identify specific locations for redevelopment. **Complete**
- 3) Leverage the City's capital investments for better efficiencies and greater return on public/private investments. **Underway**
- 4) Coordinate CIP improvements with redevelopment. **Continuous and underway**
- 5) Improve the permit process to be more predictable and timely. **Continuous and underway**
- 6) Consider development incentives such as fee waivers, designated Planned Action areas, business relocation strategies etc. **Adopted Tax Exemption Program**
- 7) Address parking issues and calm the traffic. **Has become new Council Goal for safe and friendly streets**
- 8) Pursue other funding sources such as Block Grant funds, 108 Loan Program, and other grant opportunities. **Continuous**
- 9) Prepare and maintain a Community/Economic Development Business Plan with quarterly/annual reporting of activities, revenues and expenditures (could include CIP). **Has become quarterly report on Council Goals**
- 10) Pursue the installation of fiber optic cable and other high-technology infrastructure desired in office development in the Aurora Corridor and elsewhere in the City. **Complete**

As can be seen above, many of the Plan's ten strategies have been completed or are underway. As part of considering new strategies for this update, staff sought input from the Chamber Economic Development Subcommittee and from Forward Shoreline. Notes from those meetings were forwarded to Council in a memo dated July 1 and many of the ideas from these groups have been incorporated into the proposed strategies discussed below.

Proposed New Economic Development Strategies

- S1) Continue pursuing growth in retail sales to ensure financial stability and economic vitality.
- S2) Continue leveraging the City's capital improvement investments in targeted areas to support and encourage private reinvestment in commercial areas.
- S3) Continue improving the permit process to be predictable and timely. Streamline approval processes in targeted areas for commercial, retail and mixed use development.
- S4) Initiate an active campaign to define and improve the public perception of Shoreline.
- S5) Identify alliances and partnerships between the City and other organizations in accomplishing economic development goals. Encourage an environment of mutual respect between business owners and the City.
- S6) Implement a low cost business registration system for tracking businesses and jobs in the City.
- S7) Continue development incentives such as fee waivers, designated Planned Action areas, business relocation strategies, parcel assembly, grant and low-interest loan funding.

- S8) Help facilitate private efforts to install banners, flowerpots and other programs to decorate the City throughout the year, but especially during holiday and community event celebrations.
- S9) Work with innovative commercial developers and brokers in identifying areas in different segments of the City in which new development might best occur.
- S10) Proactively collaborate with private organizations that are working to bring new companies and institutions to Shoreline.

CITY ROLE AND PARTNERSHIPS

There are many factors in economic growth that are not within the City's control but are influenced by market conditions and the private sector's response to those conditions. The City's role in economic growth is setting the stage for the private sector to risk its capital and invest in the community. This means delivering those services – safe and friendly streets, safe and attractive neighborhoods, adequate parks and open spaces, vital places to shop and gather - that make the City a positive place to live, work and play.

Outside partners are also very important in making Shoreline a great place. These partners include the School District, the Chamber, the Community College, community service and neighborhood organizations, Forward Shoreline, and junior taxing districts. They all play a part in creating and affecting the overall fabric of the community and its condition.

The City and each partner can play a different and complementary role in achieving economic development goals. The City's role is described above. Additional contributions might include the Chamber and North City Business Association concentrating on the needs and health of the local business community, the College assisting with employer recruitment, and Forward Shoreline assisting with public perception and development partnerships. Each partner has very important contributions to make and together can implement successful and cost-effective economic development results.

OPTIONS FOR IMPLEMENTATION

The following options were considered in reviewing how the City implements its economic development strategies. They are:

- a) Keep the Economic Development Coordinator position and responsibilities as shown in Attachment A;
- b) Use the funding from the Coordinator position to hire an additional Capital Projects Manager to manage commercial district CIP projects; (proposed by Councilmember Ransom)
- c) Disperse the various duties performed by the Economic Development Coordinator amongst existing staff such as the Deputy City Manager, Assistant City Manager, Neighborhoods Coordinator, or other as appropriate; or
- d) Hire by contract for specific economic development activities.

As described in the previous section, there are certain roles and strategies unique to City government that require City staff to execute, not just by contract. A large part of the existing economic development effort is internal advocacy for private sector business and property owners. This internal advocacy requires familiarity with City staff and processes in order to assist these private sector customers. Council has also given economic development a very high priority in the City and dispersing economic development tasks among existing staff or using economic development funds to hire a capital projects manager would not adequately meet our economic development needs.

The City has already hired an additional project manager for its Capital Improvement Program and economic development funds are not needed for this. And, while there is value in having staff with experience in real estate development on the capital project team, economic development and capital project management are two different disciplines. The City needs both.

Dispersing economic development tasks among existing staff would require the tasks and responsibilities currently assumed by staff to be discontinued or tasks added to existing workloads. The City's staff is small and at this time, there are no staff available to assume these additional tasks. Because of the City's small staff, contracting for some economic development services is appropriate and can be pursued. Examples of this are the City's contracts with Forward Shoreline and with the Seattle-King County Economic Development Council.

Finally, it is also important that the City continue to participate in organizations like the Chamber, the North City Business Association and Forward Shoreline. Taking these factors into account, it is recommended that the City continue to provide dedicated staff and resources in pursuing its economic goals.

FINANCIAL IMPACT

The Program is currently staffed by one FTE with an annual budget of approximately \$153,000 in 2004. It is recommended that this level of funding be continued into 2005.

RECOMMENDATION

- A) Staff is requesting Council concurrence in refilling the Economic Development Coordinator position, renaming it Economic Development Program Manager increasing the salary range 5% to range 59 of the exempt salary table as recommended by Human Resource Director Wright (see attachment A); and
- B) Updating the economic development strategic plan to include the new proposed strategies outlined above.

Approved By: City Manager ____ City Attorney ____

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

<p>AGENDA TITLE: Economic Development Strategic Plan DEPARTMENT: City Manager's Office PRESENTED BY: Steve Burkett, City Manager</p>

PROBLEM/ISSUE STATEMENT:

This memorandum is to review with Council the City's desired goals, outcomes and strategies for updating the Economic Development Program. As you know, economic development has been a top priority for the City Council since the Program was adopted in October 2001. At the time of adoption, it was anticipated that the Program would be reviewed and updated every three to five years. This review is timely with the Economic Development Coordinator position becoming vacant. A copy of the Economic Development Program's Strategic Plan is attached for your reference.

Current Goals

The current goals of the Economic Development Program are to

- 1) enhance the existing business environment in Shoreline;
- 2) improve the aesthetics of commercial areas to encourage higher quality investments;
- 3) provide citizens greater choices to live, work, shop and play in Shoreline; and
- 4) foster a healthier economic base generating increased property value and additional sales revenues.

Are these goals still appropriate for economic development in Shoreline? Are there other goals we should add? Which goals are of highest priority?

Desired Outcomes

The desired outcome of these economic development goals has been to stimulate new retail sales in the City's commercial areas by making strategic CIP investments there. During the adoption process, Council did discuss the option of focusing on job creation or large business recruitment but chose to focus on retail sales. Retail sales are a more cost-effective revenue source for the City and employers are attracted to areas that have the amenities, housing and services their employees desire.

Is growth of retail sales still the key desired outcome for economic development? Are there others?

FINANCIAL IMPACT

The Program is currently staffed by one FTE – the Economic Development Coordinator – with an annual budget of approximately \$153,000 in 2004. Current tasks of the Coordinator include project management and construction coordination, development coordination and advocacy, Chamber and community organizations liaison, business district coordination, and management of the overall Economic Development Program. The current Program has ten strategies for success. They are:

- 1) Analyze demographic and market data to determine City's competitive position in market area.
- 2) Identify specific locations for redevelopment.
- 3) Leverage the City's capital investments for better efficiencies and greater return on public/private investments.
- 4) Coordinate CIP improvements with redevelopment.
- 5) Improve the permit process to be more predictable and timely.
- 6) Consider development incentives such as fee waivers, designated Planned Action areas, business relocation strategies etc.
- 7) Address parking issues and calm the traffic.
- 8) Pursue other funding sources such as Block Grant funds, 108 Loan Program, and other grant opportunities.
- 9) Prepare and maintain a Community/Economic Development Business Plan with quarterly/annual reporting of activities, revenues and expenditures (could include CIP).
- 10) Pursue the installation of fiber optic cable and other high-technology infrastructure desired in office development in the Aurora Corridor and elsewhere in the City.

Given the goals and desired outcomes, which strategies should be emphasized?

RECOMMENDATION

None at this time.

I look forward to reviewing the Economic Development Program with Council at the July 6 workshop. By the end of that discussion, I want us to have a clear understanding and agreement of the goals and desired outcomes for economic development in Shoreline. Once we have that clarity, we will schedule another workshop with the Council to review options to use our resources to achieve the goals.

Approved By: City Manager ~~_____~~ City Attorney N/A

Attachment A: Economic Development Strategic Plan

SHORELINE CAPITAL IMPROVEMENT INVESTMENTS

Aurora Corridor Project:
The City's plan to improve safety, traffic flow, aesthetics and redevelopment potential of Aurora Avenue North.

North City Business District:
Shoreline has a series of capital improvement projects designed to kick-start redevelopment in the North City Business District.

Interurban Trail
This linear park will provide new recreation opportunities and a non-motorized transportation corridor, linking Shoreline to surrounding communities.

Central Shoreline Subarea Plan: The City is developing a vision for the central commercial area in Shoreline that will act as an incentive for redevelopment, align strategies for the use of public right-of-way and protect neighborhoods.

Shoreline City Council

Ron Hansen
Mayor

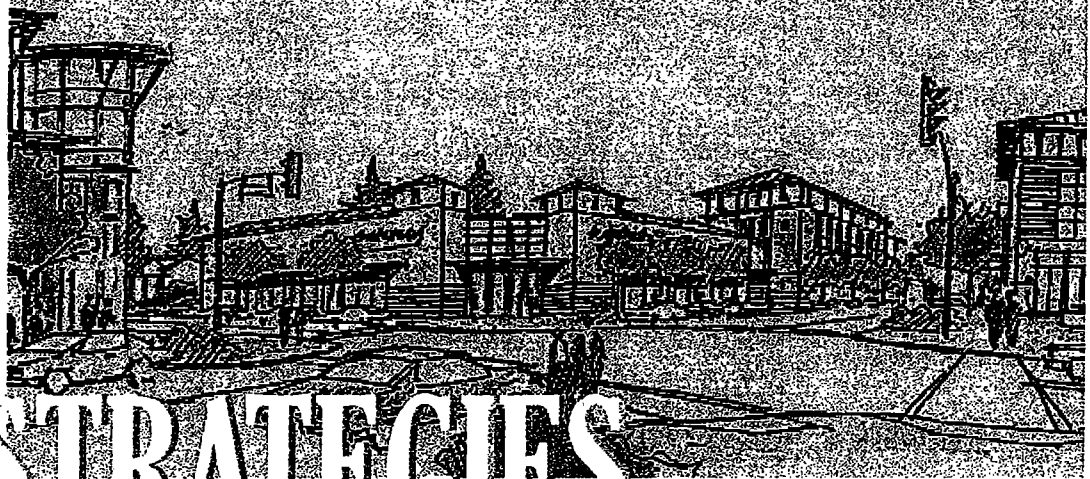
Scott Jepsen
Deputy Mayor

John Chang
Maggie Fimia
Paul Grace
Rich Gustafson
Bob Ransom

17544 Midvale Ave. N.
Shoreline, WA 98133
(206) 546-1700
www.cityofshoreline.com

CITY OF SHORELINE ECONOMIC DEVELOPMENT

Strengthening Our Business Environment



STRATEGIES STRATEGIES FOR SUCCESS

- 1) Analyze demographic and market data to determine City's competitive position in market area.
- 2) Identify specific locations for redevelopment.
- 3) Leverage the City's capital investments for better efficiencies and greater return on public/private investments.
- 4) Coordinate CIP improvements with redevelopment.
- 5) Improve the permit process to be more predictable and timely.
- 6) Consider development incentives such as fee waivers, designated Planned Action areas, business relocation strategies etc.
- 7) Address parking issues and calm the traffic.
- 8) Pursue other funding sources such as Block Grant funds, 108 Loan Program, and other grant opportunities.
- 9) Prepare and maintain a Community/Economic Development Business Plan with quarterly/annual reporting of activities, revenues and expenditures (could include Capital Improvement Projects).
- 10) Pursue the installation of fiber optic cable and other high-technology infrastructure desired in office development in the Aurora Corridor and elsewhere in the City.

FOR MORE INFORMATION

about the City of Shoreline Economic Development Program, contact
**Economic Development Coordinator
Jan Knudson at (206) 546-0959.**

Strengthening Our Business Environment



VISION VISION

To create vibrant, mixed-use commercial areas that contribute to the whole health of the community.

MISSION

To bring together the public and private resources necessary to enhance the existing business environment in Shoreline and ensure the long-term viability of the City's economic base.

GOALS

- Enhance the existing business environment in Shoreline.
- Improve the aesthetics of commercial areas to encourage higher quality investments.
- Provide citizens greater choices to live, work, shop and play in Shoreline.
- Foster a healthier economic base generating increased property value and additional sales revenues.

The Shoreline City Council has made a major commitment to improving the economic vitality of the City.

Many of the commercial areas in Shoreline are underdeveloped and underutilized. Some are blighted and require parcel assembly to form large enough parcels for redevelopment. Job opportunities within the City are limited and many residents must work elsewhere. In order to accomplish its goals, the City will need to form partnerships with other public agencies as well as with the private sector. The City also needs to be strategic with its capital investments.

Shoreline does have many advantages that can help attract redevelopment: a central location in the Puget Sound region with easy access to Seattle and Snohomish County, excellent public schools including Shoreline Community College, stable single family

residential neighborhoods and frequent all-day transit service to commercial and employment centers.

Improvements the City is currently making to infrastructure, land use planning, services and redevelopment affect the community's livability and, therefore, its economic vitality. The Aurora Ave. N., Interurban Trail, Central Shoreline Subarea Plan and North City projects will serve as major catalysts for redevelopment in Shoreline.

Some of the other strategies the City will use include improving the City's image, sense of identity and competitive position in the market area; strategically investing in capital improvements and marketing; focusing efforts and resources in selected areas rather than using a shotgun approach; creating financially feasible plans and programs that encourage private investment, and; supporting private investments with appropriate and realistic public investments.



17544 Midvale Ave. N.
Shoreline, WA 98133
(206) 546-1700
www.cityofshoreline.com