

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Economic Development Program Update, March 2005 to April 2006
DEPARTMENT: EDP/CMO
PRESENTED BY: Tom Boydell, EDP Manager

PROBLEM/ISSUE STATEMENT:

The new effort in the Economic Development Program began on March 1, 2005. The purpose of this presentation is to give the Mayor and Council an overview of progress made during the past year and a look ahead. Over the past year, Council received several briefings on economic development. These briefings included action on a proposal for Small Business Assistance and adoption of the 2006-2011 Economic Development Strategic Plan as recommended by the Economic Development Task Force. This presentation is designed to provide additional detail on progress, activities, and plans.

RECOMMENDATION

No action is required.

Approved By: City Manager JM City Attorney N/A

Attachment

- A. Program Activities and Progress Update (March 05 to May 06)



Memorandum

DATE: May 25, 2006
TO: Mayor and City Council
FROM: Tom Boydell
RE: Update on Economic Development Program Activities
CC: Robert Olander, City Manager
Julie Modrzejewski, Assistant City Manager

The following update is meant to provide an overview of what has been accomplished in economic development since March 1, 2005, which is the date when I joined the City of Shoreline and together we began the new program effort.

Most important accomplishments:

- (1) I have had good contacts and discussions with developers, local businesses, and community leaders, so that my understanding of issues and needs are better identified.
- (2) We have put in place a great many new program-level resources (e.g., Community Capital) that should give us increased capacity to respond to opportunities that may arise.
- (3) According to citizens and business owners in Shoreline, the tangible sense that there exists a climate of partnership with City leadership, business community leadership, and business owners has improved noticeably.
- (4) Progress has been made on a number of properties that show development potential.
- (5) Local and regional leadership has become mobilized around a common vision and strategy for Shoreline, as a result of the coordinated and thorough efforts of City staff, the City Council, and the Economic Development Task Force.

Although time still has been too short to see large degree of quantifiable achievement in terms of investment and tax base outcomes, I feel optimistic.

Thank you for the opportunity to work for the City of Shoreline. It is a challenging job, with a lot of opportunity to contribute to the overall community. It has also been a wonderful environment, because of all the great people and professionalism and community leadership here. I have been glad to be a part of this community, and I appreciate all of the encouragement that I have received from leadership, citizens, and City staff.

Attachment: Summary Report

**City of Shoreline
Economic Development Program**

**Activities and Progress Update
March 2005 to May 2006**

Summary Report

The following summarizes the past 15 months of activity and accomplishments in the Economic Development Program. This report is organized according to the seven major categories of work in the strategic plan developed by the Economic Development Task Force.

Summary of Strategy Development

In 2005, at the direction of the Council and City Manager, the EDP Manager worked with a broad-based citizen leadership group to revise the adopted 2004 EDP Strategic Plan. This included: (a) review of ideas about strategy with individual members of City Council and the City Manager's Office, (b) development of a new work program, including identification of priorities, and (c) formulation of an Economic Development Task Force.

The 14 member Task Force (plus guests) began at the end of July. Through November, it held 13 meetings and engaged in more than 30 hours of discussion on a broad range of topics. Dialogue centered on overall goals, community vision, creating a sense of central place, the need for a business registry system, the roles of traffic, transit and parking in economic development, town centers development, regional recruitment efforts, Shoreline's intellectual capital, small business needs, and sustaining the growth of neighborhood commercial centers.

On November 23, 2006, the Task Force, by full and unanimous agreement, recommended to City Council a new strategy for the 2006-2011 time period, including priorities and performance measures. Subsequently, the Task Force met to focus on sharing their recommendations with others in the community and to discuss implementation. Starting in December 2005 presentations were made to the Chamber of Commerce, Forward Shoreline, the Shoreline Planning Commission, two Rotary groups, and the Council of Neighborhoods, resulting in unanimous endorsements from all of these groups. The new strategic plan also received an enthusiastic endorsement from the Washington State Director of Community, Trade, and Economic Development and the CEO of EnterpriseSeattle (formerly the King County Economic Development Council). City Council adopted the plan with minor edits in March 2006.

Category 1: General Government, Outreach and Communications

During the first six months, the EDP Manager met with City government leadership and staff, staff of other government entities with which Shoreline coordinates its work (e.g., King County), real estate brokers and developers, and leadership in both the business and non-business communities of Shoreline. Meetings ranged from one-on-one to small group to large group settings and participation in the City Council Retreat. The major goals of these meetings were to:

- (1) Build a foundation of collaborative dialogue,
- (2) Review and coordinate ideas about the EDP work program, and
- (3) Identify new ideas or development activity.

To a lesser extent, communications included assistance with Aurora Corridor Phase I, the North City Project, and Interurban Trail plans. These broadened into action projects.

This process continued during the next six months. In addition to one-on-one meetings, the activities included:

- (a) Outreach through small business assistance consultants,
- (b) Ongoing participation in groups (e.g., Chamber, Forward Shoreline),
- (c) Outreach through project efforts, such as the North City Business Directory project,
- (d) Facilitation of the Economic Development Task Force, and subsequently, outreach to the various community groups regarding the new Task Force recommended strategy, and
- (f) Coordination at the regional level.

We also began to use a standardized survey tool, so that we could begin to collect information about local businesses. Implementation of projects and problem-solving occurred as we went along; this was both appreciated and produced tangible results. More than 200 businesses participated in the survey, either directly through the North City Directory project or indirectly through Community Capital Development.

Finally, the EDP Manager participated in an interdepartmental team to assist the Finance Director and City Manager in identifying alternatives for a business registry system.

Category 2: Major Projects

Much of the focus of effort has been along Aurora Avenue.

I. Aurora Square/Westminster Triangle

Goal: Encourage redevelopment of Aurora Square as a Town Center-type development. This is the highest priority project. One significant accomplishment was that Sears decided to release the unused back portion of their property for sale, but then they pulled it off the market, and now has expressed a renewed interest in selling it, reflecting the “hot and cold” positioning of Sears.

Progress-to-date:

- ~ Reviewed plan, planning history and research of information about the site, and met with Central Market and J. Green Properties management (April to May 2005)
- ~ Revised/updated the information packet; and Renamed the site on a marketing concept level as Westminster Village, or “W Village” for short (May 2005)
- ~ Attended Alliance luncheon (Puget Sound developers) and the International Council of Shopping Centers (ICSC) annual convention to learn from developers and others how Shoreline might market the redevelopment plan (March to May 2005)
- ~ Formulated an initial recruitment strategy. (June 2005)
- ~ Attempted to establish contact with Sears/Kmart. (June to August 2005; again in January 2006)

- ~ Recruited a few development experts (e.g., Callison Architects, Bayley Construction) to come share their perspectives on major development in public forum, with Leadership Team, and with the ED Task Force (June to September 2005)
- ~ Coordinated ideas with other projects, including the Aurora Corridor Phase I and potential City Hall site identification (June to September 2005)
- ~ Reviewed efforts and ideas with Buxton consultants (July to September 2005)
- ~ Met with State and regional level economic development leaders (September, October, and January 2006)

Major tax incentives are likely to be the most effective way to engage Sears/K-Mart management at any level of real commitment. Without active participation on the part of Sears/K-Mart, it may not be possible to achieve any redevelopment at Aurora Square.

Internally, difficult future work will likely include working with CMO and other departments to produce a baseline analysis of the site potential and requirements. Potentially, our efforts could lead to actions that the City might implement in order to attract a major developer(s).

Initial meetings and site tours have occurred with about a dozen architectural companies and/or development interests, including companies in Seattle, Spokane, Tacoma, Los Angeles, Chicago, New York, and London. (June 2005 through April 2006)

II. Other Projects in the Aurora Avenue area

Higher Level-of-Effort

- North Wedges – Walgreen’s
- South Wedges properties
- Sky Nursery expansion
- Echo Lake
- SLC development on 185th
- George Choi project
- Sparky’s building
- Seattle Times/Olympic property

In these cases, work consisted of assisting CMO, PADS and Public Works in working through permit process issues, identifying ways for the City to play a helpful role, and in negotiations concerning trail construction requirements. The work on the South Wedges included transferring from PADS the project management duties and contracts for real estate advisory services.

III. Projects Outside of Aurora Avenue

We have begun to learn about properties and businesses in neighborhood areas, such as Richmond Beach, Briarcrest, Paramount area (15th NE and 145th), and Ballinger Way.

Category 3: Small Business Assistance

Project 1: "Tools for Success" Project

Goal: Real estate advisory work, lease negotiations, business relocation and business recruitment.

Activities:

- ~ Met with individual business owners along the Interurban Trail corridor who are expected to be displaced. (July to August 2005)
- ~ Identified an action plan and the appropriate contractor (May to September 2005)
 - ~ Inventory
 - ~ Relocation pamphlet (draft material, but not final production version)
 - ~ Needs and gap analysis
 - ~ Work plan priorities and approach
- ~ Implemented the project effort with 12 of 18 businesses participating at different levels. We estimated that six of the businesses could remain in Shoreline at new locations. Five businesses did relocate and stay in Shoreline.
- ~ Capital was also assembled for the creation of a Hispanic business plaza and two alternative sites identified. The deal was not completed, however, due to family issues among the Hispanic business owners.
- ~ Other accomplishments of the effort are that we learned about our abilities to raise capital, we learned about owner vs. tenant lease issues at various properties along Aurora Avenue, and we established a capability to identify and respond to inquiries from businesses outside of Shoreline that might be interested in locating here.
- ~ Add-on work is to extend the project through 2006 for other businesses as assigned by the Economic Development Manager.

Project 2: Community Capital

Goal: Enhance access to loan funds and similar financial assistance for micro-sized and small businesses, to support small business growth and retention in Shoreline. Create a network or program(s) for the types of loan support, business mentoring, training, and business management technical assistance that are needed to help ensure the success of borrowers and program participants.

Activities:

- ~ Explored federal financing programs available for small and micro businesses, and research existing programs in the Seattle area. (May 2005)
- ~ Formulated a program concept. (June 2005)
- ~ Explored partnership opportunities with Shoreline Community College, City of Lake Forest Park, and others. (June 2005)
- ~ Met with local business and banking leaders to learn about their ideas. (June 2005)
- ~ Created and completed a pilot program, including \$250,000 loan fund. (September 2005 through January 2006)
- ~ Outcomes of the pilot included meeting with 120 businesses, completing surveys and needs analysis for businesses in various parts of Shoreline, and two loan applications.

- ~ CCD also helped with scoping out marketing and promotion efforts for Aurora Ave businesses.
- ~ A new contract has been drafted for 2006 (Council provided authorization to proceed on May 22, 2006)

Project 3: Environmental Partnership

Goal: Improve outreach to businesses on a variety of environmental issues and enhance the opportunity for mutually beneficial partnerships.

Activities:

- ~ Formulated a program concept (May 2005)
- ~ Explored opportunities for grant support and collaborating with Public Works. (July and August 2005)
- ~ Created and completed a pilot project working with a non-profit called ECOSS (September 2005 through January 2006)
- ~ Outcomes included extensive outreach, problem-solving, and cost savings for numerous local businesses.
- ~ A new contract has been executed for 2006.

Category 4: Media, Marketing and Promotion

North City Support has included:

- ~ Developed a “Walking Murals” pilot via the Arts Council to decorate construction fencing and attract media attention (April to May 2005)
- ~ Met with business owners to brainstorm ideas (May to July 2005)
- ~ Participated in a Merchant’s Block Party (October 2005)
- ~ Organized advertising solutions and a partnership plan that will consist of a North City Business Directory and joint business advertising efforts in the Enterprise (August 2005 to February 2006); distributed 18,000 copies of the Directory, with 2500 held for future distribution. Advertising has included the Enterprise newspaper, the Enterprise Community Guide, and the Journal newspaper (October 2005 through March 2006)
- ~ Worked with Forward Shoreline on media ideas (May to August 2005)
- ~ Worked with Public Works and PADS on “open for business” signs, parking issues, temporary signage requests, etc. (June through September 2005)
- ~ Worked with North City businesses, the North City Business Association and Forward Shoreline on the ribbon cutting, car show, and ideas for other business area celebrations in the summer of 2006. The June 17th Corvette Show will now include live music, sidewalk sales, an Arts Council chalk art event, and perhaps a chess club contest and live street theater. Economic Development will provide advertising for this community event.

Aurora Project Mitigation/Business Promotion has included:

- ~ Participated in Aurora Project meetings (ongoing, as needed)
- ~ Assisted City Departments in answering merchants’ and property owners’ questions in person and in writing (May 2005)
- ~ One-on-one visits with individual merchants (October 2005 through February 2006)

- ~ Assignment of small business consultants to problem-solve/provide advice to individual merchants on such things as financing and lease issues (December 2005 through April 2006)
- ~ Assignment of ECOSS staff to problem-solve energy use and equipment issues to a couple of merchants (e.g., Denny's Restaurant, Hollywood Casino - October 2005 through January 2006)
- ~ Coordinated with the Aurora Projects team to brainstorm marketing ideas and identify budget
- ~ Help meet with businesses with respect to the May 19th Girder Event
- ~ Met with the Chamber of Commerce, Forward Shoreline, and individual businesses to identify and discuss different ideas for marketing and promotion (May 2006). **This is an ongoing effort and Council will also be briefed on this.**

Aurora Square

- ~ Created a Westminster Village development packet (previously mentioned "major projects")

New brochures under development in 2006:

- ~ Community Capital Development program
- ~ Shoreline Sustainable Business Project (ECOSS)
- ~ "Guide to Starting or Relocating Your Business in Shoreline" brochure

Other ideas for possible consideration:

- ~ Economic Development Program brochure
- ~ Economic Development Portal on the Website that would tie us into the Buxton database

Category 5: Intellectual Capital

EnterpriseSeattle discussed with us that they were trying to recruit a small environmental technology firm from California, but nothing came from this. The EDP Manager also worked on trying to find property for a clean technology business from North Seattle business that wanted to relocate to Shoreline along Aurora Avenue. The property owner ran into zoning, site size, and property value issues that caused this effort to be unsuccessful. No other work to date.

Category 6: Local Collaboration-Building and Regional Partnerships

Assistance to the North County Strategy Summit included:

- ~ Review of study findings, participation in Summit event, and discussion of next steps
- ~ Participation in the initial meetings of the newly formed group, which is called the "Coalition of North King County Cities"

Other work included:

- ~ Negotiated of new contract with EnterpriseSeattle (formerly, the Seattle King County Economic Development Council)
- ~ Negotiation of a new contract with Forward Shoreline
- ~ Participated in meetings of the Chamber of Commerce and Forward Shoreline
- ~ Outreach to County and State-level government offices, other cities (e.g., Renton, Kent, Bellevue, and Edmonds), and regional agencies.
- ~ Explored ideas with Shoreline Community College

- ~ Created and managed plans with the Shoreline-LFP Arts Council for the collaborative “North City Walking Murals” project
- ~ Developed an agreement for the Shoreline-LFP Arts Council to provide the North City Chalk Art Event during the Corvette Show and Business Celebration on June 17, 2006
- ~ Met with the Seattle Cascades Drum and Bugle Corps about their interest in helping with more local, community-building efforts
- ~ Arranged a visit and tour of the city area by the State’s Director of Community, Trade, and Economic Development; and
- ~ Developed a good working relationship with the editors and staff of the *Enterprise* and *Shoreline Journal*.

Category 7: Sustainable Neighborhoods

This is a category for work identified to help encourage development of mixed use and commercial development at the appropriate scale in centers such as North City, Richmond Beach and others. To date, we have initiated conversations with various civic leaders on their ideas. Second, a small budget was identified for one planning project – one Charrette to be conducted by the students of the University of Washington’s School of Architecture and the Institute for Collaborate Development. The Charrette will likely be focused on one neighborhood commercial center and take place over a two to three semester period. The Economic Development Task Force, Council of Neighborhoods, and Planning Commission have indicated their support for this idea. We are currently in conversation with the UW and property owners in Ridgecrest.

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