

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

<p>AGENDA TITLE: Adoption of the 2012 – 2017 Economic Development Strategic Plan, City Clerk Receiving No. 6703</p> <p>DEPARTMENT: Economic Development</p> <p>PRESENTED BY: Dan Eernisse, Economic Development Manager</p> <p>ACTION: ___ Ordinance ___ Resolution <u>X</u> Motion ___ Discussion</p>
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PROBLEM/ISSUE STATEMENT:

In 2006 the City Council adopted a six year Economic Development Strategic Plan. Since that plan was to expire at the end of 2011, Council directed Staff to propose an update to the plan. The new plan was to be project-driven, providing a clear framework for the City's economic development efforts for the years 2012 – 2017. Furthermore, it was to adhere to the Council's guidelines for sustainable economic growth. The 2012 – 2017 plan focuses on "place making" and is presented with this report (Attachment A).

RESOURCE/FINANCIAL IMPACT:

The entire economic development budget will be devoted to implementing the new six-year strategic plan, but no additional financial impact is anticipated. The 2012 economic development budget is slightly less than \$242,000.

RECOMMENDATION

Staff recommends that Council adopt the 2012-2017 Economic Development Strategic Plan, Clerk receiving No. 6703, by motion.

Approved By: City Manager *JU* City Attorney *IS*

INTRODUCTION

The new strategic plan is project-driven and provides a concise framework for the City's economic development efforts for the years 2012 – 2017. Furthermore, it adheres to the Council's guidelines for sustainable economic growth. The 2012 – 2017 Plan focuses on "place making" and is presented with this report (Attachment A).

DISCUSSION

On January 3, 2012, Staff presented a draft of the 2012 – 2017 Economic Development Strategic Plan. The January 3 staff report is available at <http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/Council/Staffreports/2012/Staffreport010312-7c.pdf>. During that discussion Council Members suggested that metrics be integrated into the Strategic Plan.

Two types of metrics are used in Economic Development: outcome-based metrics measure such outcomes as sales tax revenue, jobs, and housing units, while output-based metrics measure staff activity such as workshops provided, initiatives launched, and participants involved in programs. The two are complementary, as measuring economic development is highly complex. Outcome-based metrics are principally affected by macro economic factors, while output-based metrics can easily become divorced from effectiveness. Specific metrics proposed are outlined in Attachment B.

In order to address Council's concerns and to prepare the Strategic Plan for final adoption, Staff made two changes to the Plan. First, the plan was edited for better clarity and flow. Second, the following paragraph was added to address Council's desire for metrics:

"The Strategic Plan shall guide a dynamic Action Plan for staff, and an annual update shall be presented to Council that includes metrics designed to monitor Shoreline's economic health as well as staff performance. Outcome-based metrics measuring revenue, jobs, exports, and new construction will monitor whether the Council Guidelines are being achieved. Output-based metrics will monitor the performance of staff as it carries out the five Activities of Place Making"

COUNCIL GOALS ADDRESSED

Goal 3: Improve Economic Development opportunities in Shoreline

Goal Overview: The City Council adopted a comprehensive Economic Development Strategy in 2006 to guide the Council, staff, business groups, and the community in providing for continued economic growth and long term economic health of Shoreline. This goal provides for continued implementation of priority strategies outlined in the plan.

Major Objectives:

- Form partnerships to create "Transit-oriented Developments" (TOD) that capitalize on public transportation infrastructure
- Update the Economic Development Strategic Plan for 2012-2017

- Promote investments in Shoreline's neighborhood centers to increase economic vitality, environmental quality, and housing choices
- Provide a business-friendly environment that attracts and retains both large and small businesses

RESOURCE/FINANCIAL IMPACT

The entire Economic Development budget will be devoted to implementing the new six-year strategic plan, but no additional financial impact is anticipated. The 2012 economic development budget is slightly less than \$242,000.

RECOMMENDATION

Staff recommends that Council adopt the 2012-2017 Economic Development Strategic Plan, Clerk receiving No. 6703, by motion.

Attachment A – 2012-2017 Economic Development Strategic Plan

Attachment B – Economic Development Metrics

2012 – 2017 Economic Development Strategic Plan

The year-long collaborative process that resulted in the 2012 – 2017 Economic Development Strategic Plan concluded that the goal of economic development in Shoreline is captured by the concept of **Place Making**. Fred Kent calls Place Making the thing that “turns a City from a place you can’t wait to get through into a place you never want to leave.” Through Place Making, projects can be accomplished that realize the six **Council Guidelines for Sustainable Economic Growth**:

- **Multiple areas** – improvements and events throughout the City that attract investment
- **Revenue** – growing revenue sources that support City programs
- **Jobs** – employers and business starts that create more and better jobs
- **Vertical growth** – sustainable multi-story buildings that efficiently enhance neighborhoods
- **Exports** – vibrant activities and businesses that bring money into Shoreline
- **Collaboration** – broad-based partnerships that benefit all participants

Four significant projects were identified that can dramatically affect the economic vitality of Shoreline. Therefore, these **City-Shaping Place Making Projects** shall be the focus of concerted effort:

- **Creating a Dynamic Aurora Corridor Neighborhood** – unleashing the potential created by the City’s tremendous infrastructure investment
- **Reinventing Aurora Square** – catalyzing a master-planned, sustainable lifestyle destination
- **Unlocking the Fircrest Surplus Property** – establishing a new campus for hundreds of family-wage jobs
- **Planning Light Rail Station Areas** – two imminent and crucial opportunities

Other worthy Place Making projects are listed below that deserve on-going effort:

- **Town Center Development Area**
- **Echo Lake Development Area**
- **North City Development Area**
- **Richmond Beach Development Areas**
- **Ridgecrest Development Areas**
- **Ballinger Development Area**
- **Attracting Mid-sized Businesses**
- **Farmers Market Launch**
- **Expansion of Events and Festivals**
- **Surplus Institutional Property**
- **Enhancing the Community College**
- **Attracting Artists and Trendsetters**

The Strategic Plan shall guide a dynamic Action Plan for Staff, and an annual update shall be presented to Council that includes metrics designed to monitor Shoreline’s economic health as well as staff performance. Outcome-based metrics measuring revenue, jobs, exports, and new construction will monitor whether the Council Guidelines are being achieved. Output-based metrics will monitor the performance of staff as it carries out the five **Activities of Place Making**:

- **Creating caché** – buzz, energy, celebrations, significance, identity, marketing, recognition
- **Building infrastructure** – efficiency, capacity, compatibility, synergy, sustainability, beauty
- **Collaborating** – networking, public-private partnerships, communication, mobilization
- **Serving businesses** – listening, acting as liaison, events, education, expertise, counseling
- **Honing legislation** – clear, fair, predictable, timely, reasonable

Attachment B – Proposed Economic Development Metrics

Outcome-based Metrics

1. Tax Revenue
 - a. Retail sales tax
 - i. Major Categories
 - ii. Per Capita Change
 - b. Gambling tax
2. Property Value
 - a. New construction activity
 - b. Permit fee
 - c. Growth in Assessed Value
3. Jobs
 - a. Overall number
 - b. Major employers
4. Occupancy
 - a. Retail
 - b. Office
 - c. Multi-family Residential
 - d. Single-family Rental
5. Perception of Shoreline
 - a. Shoreline citizen survey results
 - i. Percent of residents rating Shoreline as a place with a variety of housing choice
 - ii. Percent of residents rating Shoreline as a place to work
 - iii. Percent of residents rating Shoreline as a place to shop
 - b. Focus group results
 - i. Shoreline businesses
 - ii. Shoreline organizations
 - iii. Citizens of other cities
 - c. Media References

Output-based metrics

1. Place-making Activities
 - a. Create Caché
 - b. Build Infrastructure
 - c. Collaborate
 - d. Serve Businesses
 - e. Hone Legislation
2. Place-making Results