

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Public hearing to receive citizens' comments on Resolution No. 345 and Adoption of Resolution No. 345 - Adopting a Community Renewal Area (CRA) Plan for Aurora Square
<b>DEPARTMENT:</b>	Economic Development
<b>PRESENTED BY:</b>	Dan Eernisse, Economic Development Manager
<b>ACTION:</b>	<input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Motion <input checked="" type="checkbox"/> Public Hearing <input type="checkbox"/> Discussion

**PROBLEM/ISSUE STATEMENT:**

On September 4, 2012, after establishing that the Aurora Square area suffers from economic blight, the City Council designated Aurora Square as a *Community Renewal Area* (CRA) according to Washington law (RCW 35.81). Once a CRA is established, RCW 35.81 requires that a city adopt a *CRA Plan* to show how it plans to renew the area. On June 10, 2013, Council reviewed the draft CRA Plan and directed staff to advertise a public hearing per the requirements of RCW 35.81 so that Council can consider adoption of the CRA Plan through Resolution No. 345 (Attachment A).

**RESOURCE/FINANCIAL IMPACT:**

The cost of creating the proposed CRA Plan thus far is approximately \$15,000, which falls within the adopted \$25,000 allocation in the 2013 budget; further financial impacts of adopting the CRA Plan will likely be limited to staff time. The financial impact of implementing the CRA Plan falls into two categories of projects: unilateral City projects and public-private partnership (PPP) projects. The estimated cost of implementing all of the proposed unilateral City projects is estimated at \$500,000 over the next two years. The combined cost of implementing all of the PPP projects is not estimated, as each will be dependent on a financial cost/benefit analysis as part of its unique partnership agreement to be considered and adopted by Council.

**RECOMMENDATION**

Staff recommends that Council hold a public hearing on the proposed CRA Plan and then adopt the CRA Plan through Resolution No. 345.

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

## **INTRODUCTION**

On September 4, 2012, after establishing that the Aurora Square area suffers from economic blight, the City Council designated Aurora Square as a *Community Renewal Area* (CRA) according to Washington law (RCW 35.81). Once a CRA is established, RCW 35.81 requires that a city adopt a *CRA Plan* to show how it plans to renew the area. On June 10, 2013, Council reviewed the draft CRA Plan and directed staff to advertise a public hearing per the requirements of RCW 35.81 so that Council can consider adoption of the CRA Plan through Resolution No. 345 (Attachment A).

## **DISCUSSION**

The CRA Plan relies on healthy, market-driven private enterprise, and it is the key to the Plan's success. Therefore, the CRA Plan seeks to influence and encourage rather than control private investment on private property; once this foundational point is grasped, the key question is whether the City will be in a strong enough position to contribute sufficient resources to make the PPP projects attractive to the private sector. The proposed CRA Plan (Exhibit 1) is designed to function both as an official document that complies with the requirements of RCW 35.81 and as a compelling marketing piece for the City to use to attract investors to Shoreline, as well as demonstrating the City's resolve to be a valuable agent in the process.

During the [June 10, 2013 Business Meeting](#), Council encouraged staff to make the CRA Plan even more visionary. Staff made a number of changes to the graphics and wording throughout the document to better inspire both private partners and civic leaders to exceptional renewal efforts.

### **Compliance with State Law**

According to RCW 35.81.010(18), a community renewal plan must:

1. **Have all renewal projects within the designated Community Renewal Area.** All of the identified renewal projects are within the 70+ acre area that Council designated through the adoption of Resolution No. 333 on September 4, 2012, as the Aurora Square Community Renewal Area.
2. **Conform to the City's overall Comprehensive Plan.** The Aurora Square CRA Plan is found to be consistent with the City's Comprehensive Plan according to Section ED6 of the Economic Development Element No. 5 in which it is stated that the City will "Work to reinvigorate economically blighted areas in Shoreline by establishing Community Renewal Areas with associated renewal plans."
3. **Indicate with some specificity what land is to be acquired, buildings demolished or redeveloped, or what improvements are to be carried out.** The proposed plan identifies a number of City-led renewal projects and PPP projects that provide this level of specificity.
4. **Indicate what changes are contemplated in zoning, land use, densities or building requirements.** The proposed plan identifies a number of City-led renewal projects and PPP projects that provide this level of specificity.
5. **Outline the Plan's relationship to appropriate land uses, improved traffic and transportation, public utilities, recreational and community facilities and other improvements.** The proposed plan identifies a number of City-led renewal projects and PPP projects that provide this level of specificity.

6. **Address the need for replacement housing.** No housing currently exists within the Aurora Square CRA, so none will need to be replaced.
7. **Provide maximum opportunity for renewal by private enterprise.** The proposed CRA Plan is completely dependent on private investment and initiative for renewal. The renewal projects identified in the CRA Plan are either City-led renewal projects that seek to improve the climate for private investment or PPP renewal projects that augment private initiative and investment with public resources.
8. **A sound and adequate financial program exists for the financing of the project.** The City-led renewal projects will be undertaken according to the City's established budgeting process which will designate funds for renewal, and only funded City-led renewal projects will be undertaken. The PPP renewal projects must be approved individually by Council based on the financial merits of each project.

The CRA Plan is exempt from SEPA as it is not proposing to regulate anything and is working within the confines of existing plans and codes. Therefore, the CRA Plan is categorically exempt from SEPA under WAC 197.11.800(19).

### **COUNCIL GOALS ADDRESSED**

Renewal of Aurora Square will promote the Council's Goal 1: Strengthen Shoreline's economic base. The City Council adopted a six-year comprehensive Economic Development Strategy in January of 2012 that specifically calls out the need to improve Aurora Square as one of the city-shaping place-making opportunities in Shoreline.

### **RESOURCE/FINANCIAL IMPACT**

The cost of creating the proposed CRA Plan thus far is approximately \$15,000, which falls within the adopted \$25,000 allocation in the 2013 budget; further financial impacts of adopting the CRA Plan will likely be limited to staff time. The financial impact of implementing the CRA Plan falls into two categories of projects: unilateral City projects and public-private partnership (PPP) projects. The estimated cost of implementing all of the proposed City-led renewal projects is estimated at \$500,000 over the next two years. The combined cost of implementing all of the PPP projects is not estimated, as each will be dependent on a financial cost/benefit analysis as part of its unique partnership agreement to be considered and adopted by Council.

### **RECOMMENDATION**

Staff recommends that Council hold the public hearing and then adopt the CRA Plan through Resolution No. 345.

### **ATTACHMENTS**

Attachment A: Resolution 345

Exhibit 1: Proposed CRA Plan

**RESOLUTION NO. 345**

**A RESOLUTION OF THE CITY OF SHORELINE,  
WASHINGTON, ADOPTING THE COMMUNITY RENEWAL  
AREA PLAN FOR THE AURORA SQUARE COMMUNITY  
RENEWAL AREA**

WHEREAS, on September 4, 2012, the City Council adopted Resolution No. 333 finding the Aurora Square area to be a blighted area, designating the Aurora Square area as a Community Renewal Area (CRA) pursuant to RCW Chapter 35.81 and directing staff to develop a CRA Plan for City Council adoption; and

WHEREAS, on June 10, 2013, the City Council reviewed the draft CRA Plan for the Aurora Square area; and

WHEREAS, adoption of a CRA Plan is categorically exempt from SEPA review under WAC 197-11-800(19); and

WHEREAS, a public hearing on the CRA Plan for the Aurora Square area was held on July 8, 2013; now, therefore

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF  
SHORELINE, WASHINGTON AS FOLLOWS:**

**Section 1. Findings.** The City Council finds as follows:

- A. No residents will be displaced by the project;
- B. The CRA conforms to the City's Comprehensive Plan;
- C. The CRA Plan will afford maximum opportunity, consistent with the needs of the City, for the rehabilitation or redevelopment of the CRA by private enterprise; and
- D. A sound and adequate financial program exists for the financing of the project.

**Section 2. Community Renewal Area Plan Adoption.** The City Council hereby adopts the Community Renewal Area Plan attached as Exhibit 1.

**ADOPTED BY THE CITY COUNCIL ON JULY 8, 2013.**

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Keith A. McGlashan, Mayor

**ATTEST:**

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Scott Passey  
City Clerk



## RENEWAL PLAN

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The September 1967 Grand Opening of the City of Shoreline's Sears was heralded with great fanfare. After 45 years the Sears store and its surroundings are in need of renewal, and the City of Shoreline is seeking renewal partners.

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# AURORA SQUARE CRA

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The Shoreline City Council designated the 70+ acre Aurora Square area as a Community Renewal Area (CRA) where economic renewal would clearly deliver multifaceted public benefits. Now that the CRA and Renewal Plan is established, the City is empowered to partner with private enterprise to encourage 21st century renewal.



## Aurora Square Community Renewal Plan

**Project Type**  
Public Private Partnership

**Web Site**  
[www.shorelinewa.gov/  
aurorasquarer renewal](http://www.shorelinewa.gov/aurorasquarer renewal)

**Aurora Square CRA**  
70+ acres  
155th & Aurora Ave N

**Current Anchors**  
Sears, Central Market,  
Marshalls, Pier 1, Big Lots

“Aurora Square  
is a sleeping  
giant”

## THE VISION

Imagine an open, green plaza in the center of Shoreline, filled with sunbathing and studying students, young families watching their children run and play, an elderly couple enjoying a Central Market picnic, dogs wagging their tails, actors practicing their lines, and the sound of college-age buskers singing with an occasional clink as coins fall into a hat.

This is the backdrop to the busy comings and goings of shoppers and lunching workers who relish the time of their day that allows them to visit the renewed Aurora Square shopping center. It is a “one-stop” convenient shopping solution that provides dining, nightlife, and healthy-lifestyle options. It is a community gathering place, where a leg stretching walking easily turns into a serendipitous rendezvous with friends.

It is an environmentally sensitive district within walking distance of Metro’s Rapid-Ride bus service and the Interurban Trail: the intersection of life, study, entertainment, sustainability and retail.

## THE CHALLENGE

Aurora Square was developed as a Sears-anchored retail center in 1967, and Sears Holding Company owns almost 17 acres of the site and operates an enormous building. Unfortunately, given the current retail climate the building and site are underutilized. Ownership of the balance of the site over time was sold to nine other property owners creating a difficult environment for cohesive planning and renewal. While many excellent tenants operate in Aurora Square, they are not aided by synergy one would expect from a comparably-sized center.

The lack of economic productivity is illustrated by a mid-2012 comparison of sales tax revenues generated by Shoreline’s nearby retail center, Aurora Village. Aurora Village generated over six times more sales tax per acre than did Aurora Square’s retail area. If Aurora Square became even half as effective as Aurora Village, it would generate over \$500,000 annually in sales tax revenues while adding many more jobs, goods, and services for the community.

On September 4, 2012, the Shoreline City Council designated Aurora Square as a Community Renewal Area after finding that it qualified as economically blighted according to most of the qualifying conditions defined in RCW 35.81: old, obsolete buildings, defective or inadequate street layout, faulty lot layout, excessive land coverage, diversity of ownership, and connectivity problems.

# THE CRA TOOLKIT

The Council's action to designate Aurora Square as a CRA provides a toolkit of powers that the City intends to utilize to bring renewal to the CRA.

## PROPERTY OWNERSHIP

- With a CRA, a city is allowed to buy, lease, condemn, acquire, and dispose of real property with the intent to be resold to private parties for economic development.
- Although allowed by State statute, the Shoreline City Council expressly prohibited the use of condemnation to cure economic blight in the Aurora Square CRA.
- With a CRA, a city can hold, clear, or improve real property not only for public facilities, but also for eventual private use and ownership.

## PLANNING AND ZONING

- With a CRA, a city can use its resources to master plan private property or create a special district with unique rules.
- In a CRA, the city can create a Subarea Plan utilizing a planned action SEPA review to expedite the process and lower costs for future project permits.

## PRIVATE PARTNERSHIPS

- In a CRA, a city can identify partners to develop all or part of a property prior to purchasing the property, and it can also dictate how the property will be used by the eventual owner.
- With a CRA a city can select a buyer that agrees to further the area's goals.
- The CRA expands the public purposes for contracts and other instruments needed to correct blight.

## BUILDING INFRASTRUCTURE

- Without a CRA, a city can only close, vacate, and rearrange streets and sidewalks for city purposes, but with a CRA, these purposes can include promotion of economic development.
- Only with a CRA in place can a city borrow money and accept grants to carry out economic renewal.

## INCENTIVES AND IMPACTS

- With a CRA, a city is given more flexibility to provide incentives to tenants who help fulfill the community renewal plan. With a CRA, a city can provide loans, grants, or other assistance to property owners or tenants affected by the CRA process or implementation. With a CRA, a city can provide financial or technical incentives for job creation or retention. Without a CRA, these incentives are either not allowed or extremely limited.

“The CRA toolkit can be used to make a worthy project pencil.”

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## MASTER PLANNING

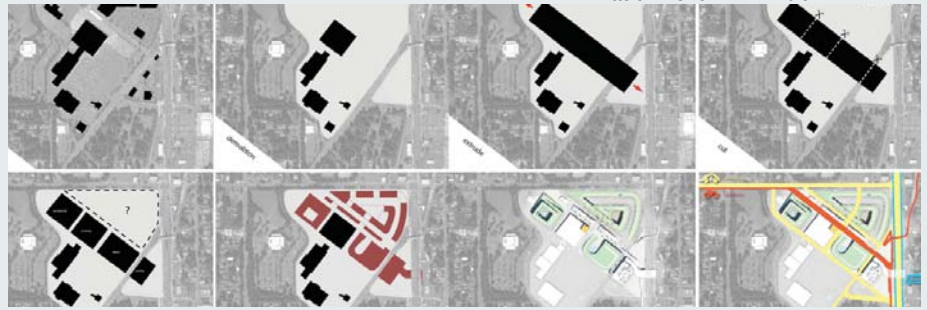
Aurora Square is home to many outstanding businesses, but due to the absence of cohesive planning to guide investment, the center provides little synergy. In order to create an effective Renewal Plan, the City of Shoreline conducted a master planning effort that identified ten projects for renewal, which are further explained in the pages to follow.

The ten renewal projects provide a dynamic and flexible framework for guiding public-private partnership projects by allowing individual property owners to understand and invest in the “big picture” without control of other properties. The projects aren’t about specific buildings or uses as much as about infrastructure, connectivity, jobs, and attracting people. The renewal projects help the CRA become more economically healthy for the property owners, tenants, and community while providing significant public benefit.

The City of Shoreline seeks renewal at Aurora Square by mobilizing its resources to improve the existing infrastructure; we believe this to be both environmentally responsible and honoring of the investment already made. That is why the master planning suggests such projects as repurposing the Sears building, increasing land use efficiency, enhancing the “on-ground” experience, and providing solutions to stubborn design and connectivity problems.

The City’s role will be complete when the obstacles for typical investment are overcome and significant investment is attracted. The City is attempting to be the catalyst that starts the boulder of private enterprise rolling down the hill toward a wonderful outcome.

Attachment A - Exhibit 1



INCREASE  
LAND  
EFFICIENCY



## CITY-LED RENEWAL PROJECTS

Master planning identified a number of projects that the City of Shoreline can accomplish on its own. Following the adoption of this CRA Plan, the City will initiate action on these projects according to assigned priority and available resources. While this list is ambitious, as time passes and needs arise these city-led projects may be augmented further.

- Analyze and account for environmental impacts of major redevelopment through a **Planned Action** or similar legislation which would allow future investors to eliminate the need for project-specific environmental review.
- Conduct a **traffic analysis** to determine how best to improve circulation on site.
- Establish a special **overlay district** that allows for special rules to encourage the creation of an entertainment district.
- Explore how to encourage **eco-district** and **low-impact** development practices that can be cost-effectively implemented in the Aurora Square CRA.
- Re-brand Aurora Square and **construct iconic signage** for Aurora Square and Shoreline Community College.
- **Create developer agreements** for public-private partnership projects in order to establish and promote the City's available resources.
- Negotiate a contract for the construction of a **world-class sound stage** that brings jobs, offers employment opportunities, and generates positive activity.
- Place applicable Renewal Projects into the City's Capital Improvement Budget, Traffic Mitigation Plan, Budget, and Comprehensive Plan, and seek grants for infrastructure improvements in and around the CRA, especially for the improvement of N 160th Street.

“Get the message out: we are ready to partner with private investors.”

Mayor Keith McGlashan

## PUBLIC-PRIVATE RENEWAL PROJECTS

The economic realities of the 21st Century dictate that significant economic renewal requires coordinated participation by government and private partners. Therefore, the City of Shoreline is committing itself to providing **substantive incentives, investment, and side-by-side effort** to private partners willing to join the City in renewing Aurora Square.

The City anticipates that it will form a number of partnership agreements to accomplish renewal projects that both help Aurora Square function better and provide significant public benefit. In the pages that follow, the CRA Renewal Plan identifies a number of these high value Public-Private Renewal Projects.

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# TRANSFORM WESTMINSTER

Westminster Way between 155th and 160th is transformed into a green and attractive pedestrian-friendly street that provides additional retail and residential frontage, on-street parking, and festival gatherings while at the same time providing the critical connection between the upper and lower parts of the center.

“Strolling makes  
happy shoppers”

Aurora Square CRA  
Public-Private Renewal Project

## City Proposals

Vacate portions of right-of-way

Improve driveway and site access

## Private Investment

Dedicate property and make  
typical frontage improvements

## Public Benefit

Safety and predictability

Better multi-modal connectivity

Unlock buildable land



OFFRAMP  
TO STROLL



GREY TO  
GREEN

## CREATE AN ECO-DISTRICT

Exceptional environmental wins are achieved when clusters of buildings work together to achieve sustainability in a “eco-district.” The Aurora Square CRA provides sufficient size to experience economies of scale with cost-effective facilities and infrastructure, whether they be treating storm or waste water, providing clean power, or achieving other environmental goals.

## “21st Century design sense”

Aurora Square CRA  
Public-Private Renewal Project

### City Proposals

Finance or guarantee cost-effective systems

Build district infrastructure  
and awareness

### Private Investment

Construct on-site or in-building  
infrastructure

### Public Benefit

Management of environment

Paradigm for future development





## INTEGRATE INTO THE CONTEXT

Investment in sidewalks, entrances, and signage will allow Aurora Square to be better connected to its 300,000+ Shoreline and north Seattle neighbors (5-mile trade area). Westminister Way N and Aurora Ave N, Metro Transit's Rapid-Ride, and the Interurban Trail already provide traditional and non-traditional access to the center, but enhancements will make Aurora Square a preferred destination.

“A good neighbor in a good neighborhood”

Aurora Square CRA  
Public-Private Renewal Project

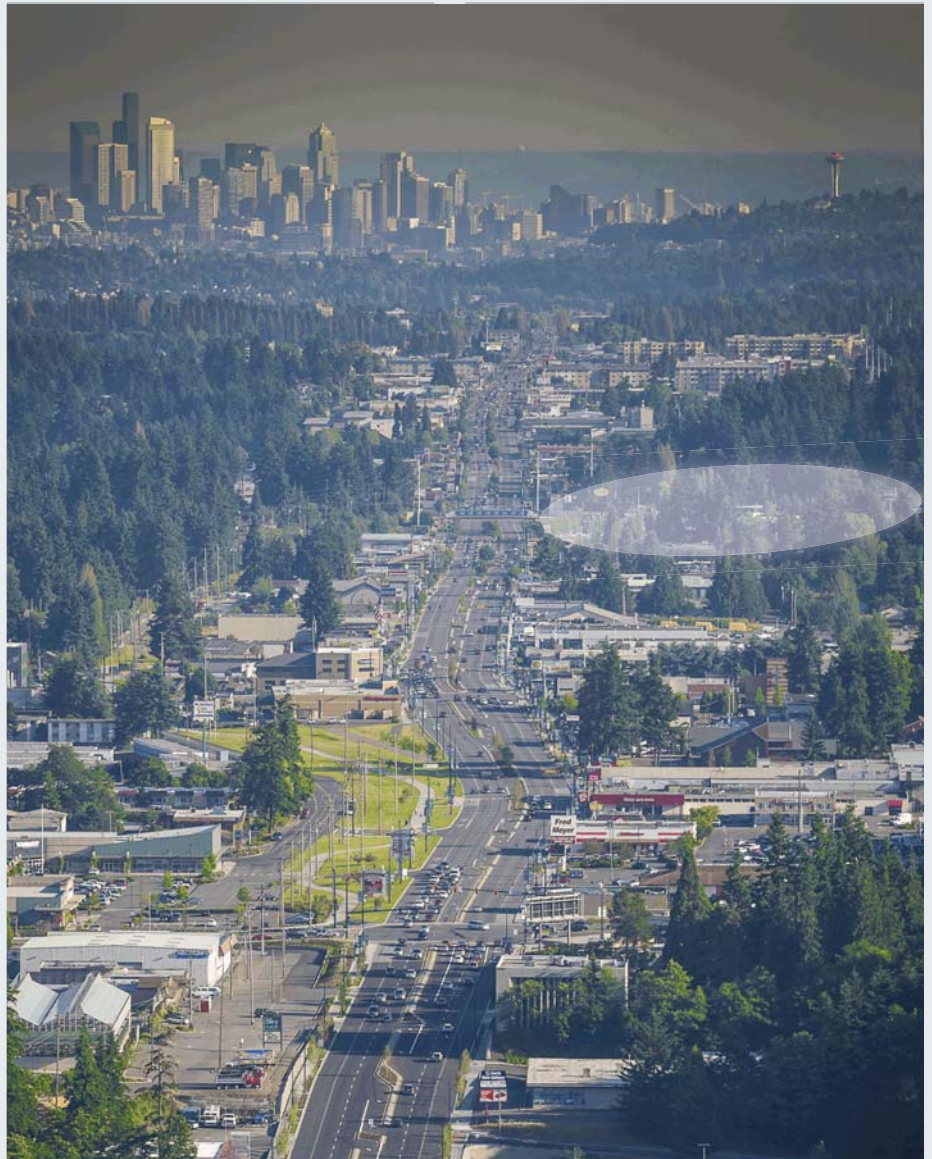
City Proposals  
Improvement of N 160th St

Construction of sidewalks, bike lanes, and sidewalks

Private Investment  
Internal extensions of neighborhood access points

Public Benefit  
Better site access

Encouragement of healthy forms of transportation



SPOKE  
TO HUB



PAVED  
TO PARK

## ESTABLISH A VIBRANT CENTER

In place-making follows geometry in defining the center of a place as where the lines of travel intersect. Currently the center of Aurora Square is a large underutilized parking lot to the east of Sears. By focusing interest and activity on family play areas, restaurants, an outdoor stage, and public art, the center takes its rightful place in the minds of the shopper.

## “The heart of Aurora Square”

Aurora Square CRA  
Public-Private Renewal Project

### City Proposals

Establish special district, LID, or business improvement district

Finance parking structure

### Private Investment

Build such amenities play areas, fountain, and outdoor dining

### Public Benefit

Entertainment and dining options

Family gathering place





# REINVENT THE SEARS BUILDING

Sears built its flagship suburban store in Shoreline in 1967; nearly five decades later, the site combines its almost 17-acres with strong demographics, progressive zoning, and outstanding traffic counts on Aurora Ave N to make it one of the best adaptive reuse opportunities in the northwest.

“Adaptive reuse spans time”

Aurora Square CRA  
Public-Private Renewal Project

## City Proposals

Finance or build infrastructure

Guarantee lease

Purchase property to resell

## Private Investment

Purchase and redevelop property

## Public Benefit

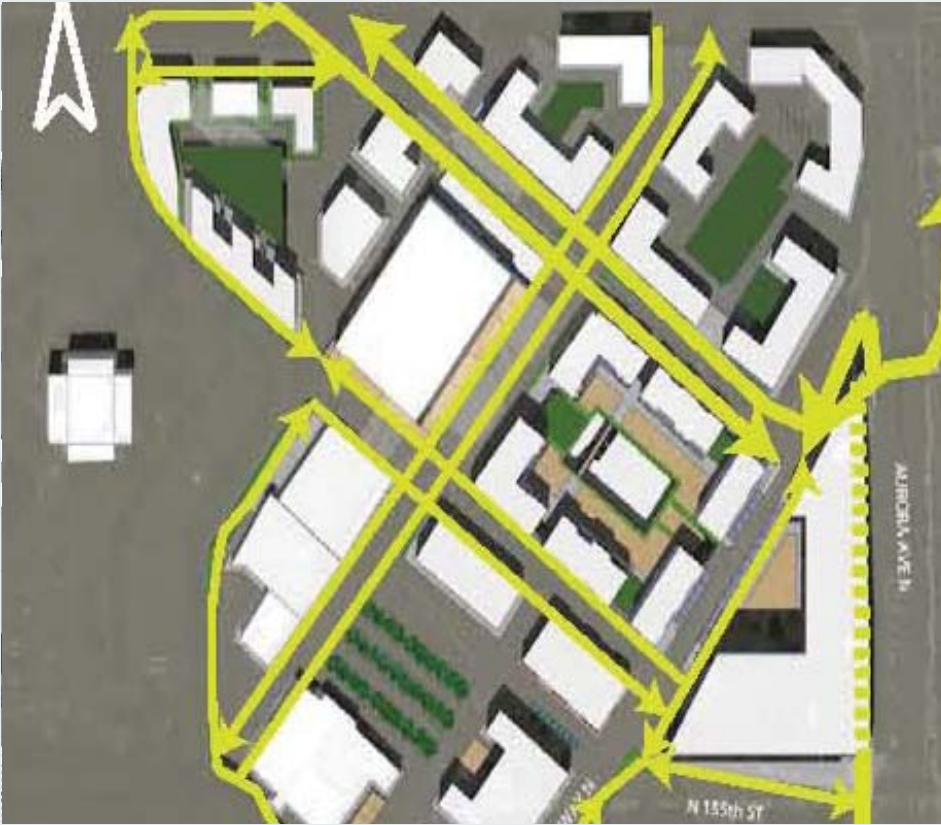
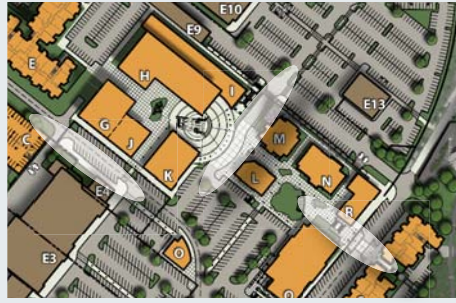
Options for goods and services

Tax revenue

Community pride



TIRED  
TO FRESH



## CONSTRUCT INTERNAL CONNECTIONS

When Aurora Square was built in 1967, little thought was given to connectivity since Sears was everyone's destination. Now the most important retrofit to make Aurora Square function as a cohesive retail center is the construction of multiple internal ways for multi-modal interaction. If done well, shoppers will reward businesses by staying longer and buying more.

**“It is so easy to get around!”**

Aurora Square CRA  
Public-Private Renewal Project

**City Proposals**  
Conduct traffic analysis

Construct and/or design  
intersection improvement in ROW

**Private Investment**  
Tie site together with vehicle  
and pedestrian connections

**Public Benefit**  
Enhanced connectivity and  
traffic flow on and around site

WALLS  
TO WAYS



## INCORPORATE THE COLLEGE

Shoreline Community College (SCC) is a dynamic local asset that can serve as a cultural anchor by giving it a presence in the CRA. The City is already working with SCC to improve 160th from Aurora to SCC. The next steps are to provide educational, housing, and performance venues in the CRA that add collegial life and vitality to the center.

“Nine thousand  
SCC students”

Aurora Square CRA  
Public-Private Renewal Project

### City Proposals

Improve and rename N 160th St

Signage to highlight SCC events,  
programming and location

### College Investment

Grant funding and lease payments

Programming to support  
community and economic growth

### Public Benefit

Growth of film industry

Educational opportunities



SUBDUED  
TO LIVELY



## BUILD NEW HOMES

Zoning once divided homes from other uses, but we now appreciate the lifestyle advantages of living close to shopping, dining, work, transit, education, and leisure. Residential units built in Aurora Square will take advantage of these at-hand amenities while enjoying a period of property tax exemptions.

“People who live here are lucky”

Aurora Square CRA  
Public-Private Renewal Project

### City Proposals

Establish a 12-year Aurora Square  
CRA Property Tax Exemption

### Private Investment

Multifamily housing in compliance  
with affordability requirements

### Public Benefit

Housing choices  
Activation of center 24/7  
Tax revenue

ERRAND  
TO HOME



## TRADE SURFACE PARKING FOR JOBS

Washington State Department of Transportation's 16-acre regional headquarters is dominated by surface parking. By providing WSDOT adequate parking in a structure a third of the site can be freed up to allow for film industry use that can bring jobs and prestige to Shoreline while helping the other CRA businesses.

“Parking wastes  
valuable land”

Aurora Square CRA  
Public-Private Renewal Project

### City Proposals

Financing of parking garage

Purchase WSDOT property for  
resale and garage site

### Private Investment

Construction and lease of sound  
stage and parking garage

### Public Benefit

Create film industry jobs

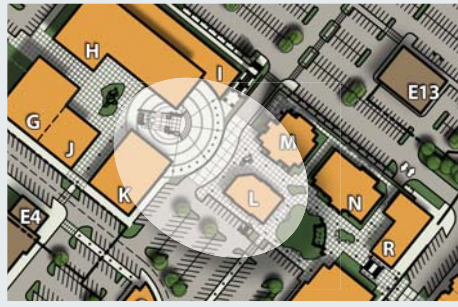
Educational opportunities

Community pride



ASPHALT  
TO JOBS





## ADD ENTERTAINMENT TO THE MIX

Bi-annual resident surveys reveal a strong desire for more entertainment and dining options in Shoreline. Combine that desire with a supportive arts community, a college specializing in performance art and digital media, and a lack of options, and the conclusion is that an entertainment district could be wildly successful.

## “OMW 2U 4drinks”

Aurora Square CRA  
Public-Private Renewal Project

### City Proposals

Establish special or business improvement district with appropriate signage

Finance or guarantee lease of venues and/or parking structure

### Private Investment

Build such amenities as multi-plex cinema, theater, outdoor stage, restaurants, and parking structure

### Public Benefits

Entertainment and dining options  
Support arts community  
Encourage film industry

DARK  
TO LIGHTS



DRAFT



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