
Council Meeting Date: October 8, 2001

Agenda Item: 8(b)

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Council Adoption of The Proposed 2000/2001 Economic Development Program
DEPARTMENT:	Planning and Development Services
PRESENTED BY:	Jan K. Briggs, Economic Development Coordinator

PROBLEM/ISSUE STATEMENT: The first goal on the City Council's 2000-2001 is to "Adopt and Implement a Formal Economic Development Program." Staff has been working with the Council and the community to develop this program. A final 2001/2002 Economic Development Program for the City of Shoreline that reflects direction received from Council on September 4th is attached for Council consideration.

ALTERNATIVES ANALYZED: The following is a brief summary of the alternatives available for Council's consideration:

- Adopt the Economic Development Program as proposed. (Recommended)
- Revise and adopt the proposed Economic Development Program.
- Direct staff to revise the Economic Development Program or perform additional analysis in response to input received from the Chamber Board.

FINANCIAL IMPACT: The 2001 adopted base budget for economic development is \$140,563, including salary, benefits and administrative costs. Future projects to implement this Program will be proposed and discussed during the 2002 and subsequent budget processes.

RECOMMENDATION

Staff recommends that Council adopt the Economic Development Program as proposed.

Approved By: City Manager  City Attorney 

INTRODUCTION

The Council's 2000-2001 Workplan Goal #1 is to adopt and implement a formal Economic Development Program. Staff has prepared a proposed Program with the assistance of Ed Starkie, real estate economist, and with public input. Staff is recommending that Council adopt the Economic Development Program as proposed.

BACKGROUND

In February 2000, Council discussed three alternative approaches for achieving its economic development goals. The three approaches discussed were: 1) "Passive" approach – support and moderate assistance to businesses and development upon request; 2) "Partnering" approach – pursuing partners and aggressively promoting Shoreline (City as a catalyst for change); and 3) "Proactive" (aggressive) approach – aggressive financial involvement and leadership to bring in new development (includes potential land acquisition or assemblage).

After consideration, your Council's consensus was in favor of the "Partnering" approach but not excluding a "Proactive" approach on a per project/site basis.

The Economic Development Program was last discussed at your Council on September 4, 2001. Direction from your Council from that discussion was to:

- Add wording under measurement of success, the third bullet, to include diversity of shopping and restaurant choices
- Delete the words "customer friendly" under Short-Term Strategies #5

Council also discussed the priority of short-term strategies implementing the Program. Based on that discussion, staff has revised the strategies as presented in Attachment A.

Additional input on the Program was received from the Chamber Board on September 24. It was suggested that the Program be more long-term in its perspective and include more emphasis on high-technology, knowledge-based workers. It was also suggested that additional market analysis be conducted to determine what makes a city competitive and that real household income be included as a measurement of success.

ALTERNATIVES ANALYSIS

The proposed Economic Development Program implements the Partnership approach with the goals of enhancing the existing business environment and increasing the City's economic base through increased property values and sales revenues for its businesses. The emphasis has been on redevelopment as a means to achieve these goals. This is consistent with Council direction received at meetings held with the Council on March 5, May 14 and September 4.

Public input has reinforced the idea of enhancing the business environment for smaller, local businesses rather than large commercial retail. Some major national anchors may be necessary to make a redevelopment financially viable, but largely the community expressed a desire to keep the scale of shopping in Shoreline somewhat small. The proposed Economic Development Program strives to achieve this.

Shoreline Chamber Discussion

There are additional alternatives the Council could consider in response to input received from the Chamber Board on September 24. As stated in the "Background" section, it was suggested the Program focus more on high-technology, knowledge-based jobs, be more long-term, include competitive market analysis and include real income as a measurement of success.

Regarding job growth, Council could revise the Program to include the goal of increasing jobs. The corresponding strategies could include further analysis regarding what would be required for Shoreline to attract large employers and new office development. Potential wording for this goal could be:

- Increase local job opportunities in Shoreline.

The corresponding measurement of success would be:

- Increased job opportunities.

Council direction to date has been to enhance the existing business environment primarily through redevelopment and process improvements. The goal has been to improve aesthetics, spawn reinvestment, and increase sales revenues. This emphasis favors increasing retail and shopping opportunities in the short-term over increasing jobs.

Additionally, demographic and market research undertaken in conjunction with developing this Program has shown that Shoreline does not have a strong market for large office development at this time. This type of development would likely require significant parcel assembly that may be beyond the City's resources. Additionally, the economy has slowed, Seattle is largely overbuilt, and Shoreline does not yet have the amenities many employers look for in siting their facilities.

Regarding the Program's timeframe, Council could consider the proposed Economic Development Program to be a 2-5 year plan that is a building block to future job growth. As proposed, the Program encourages the development of amenities employers seek for their employees. In 2-5 years, the dynamics of the office market may change, and planned capital improvements such as Aurora Avenue and the Interurban Trail will be in place or in process. Council can then consider updating the Program to become a longer-term plan that may include a new goal of increasing jobs. It also may be at this time that growth in real income is considered as a measurement of success.

In anticipation of a future improved office market condition, Council could add a new strategy in the proposed Program now that would put the necessary high-technology facilities in place. Potential wording for such a strategy could be:

- 10) Pursue the installation of facilities that support fiber optic cable and other high-technology infrastructure desired in office development as part of the City's future capital improvement projects.

Adding this strategy, however, would not alter the direction of the existing Programs. The development of this kind of infrastructure is already a part of the Aurora Corridor project. Taking this step now, during the initial design of the project, will position the City to pursue high technology and other office sector development in the future.

Regarding additional market analysis, Short-term Strategy #1 in the proposed Program is to "analyze demographic and market data to determine City's competitive position in market area." Additional market research with specific emphasis on job growth and office development can be done in conjunction with an update of the Program if Council so chooses.

RECOMMENDATION

Staff recommends that Council adopt the Economic Development Program as proposed.

ATTACHMENTS

Attachment A – Final Proposed Economic Development Program

City of Shoreline Economic Development Program

Program Vision

Shoreline's vision in economic development is creating vibrant, mixed-use commercial areas that contribute to the whole health of the community.

Program Mission

The mission of the Economic Development Program is to ensure the long-term viability of the City's economic base by enhancing the existing business environment in Shoreline and by bringing together the public and private resources necessary to redevelop underutilized or deteriorating commercial districts.

Program 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.

Measurements of Success

The success of the Economic Development Program will be portrayed by:

- Reinvestment in the City's commercial areas.
- A more attractive built environment.
- Greater opportunities and diversity for living, working, shopping and entertainment in Shoreline.
- Increased property value and additional sales revenues.

Strategies for Success

Key themes for the success of the Economic Development Program are:

- Maintain integrity – do what we say we will do, when we say we will do it.
- Improve City image and sense of identity.
- Improve City's competitive position in the market area.
- Be strategic with CIP investments and demonstrate City investment in itself.
- Coordinate capital improvements and services to serve the public and attract new private investment.

- Focus efforts and resources in a few areas rather than using a shotgun approach.
- Invest in marketing.
- Create financially feasible plans and programs that encourage private investment.
- Support private investments with appropriate and realistic public investments.

Short-term strategies:

- 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).

Implementation

Specific projects in the Economic Development Program and their schedules are listed below. The **2001** projects are:

- Program adoption and data analysis
- North City Subarea Plan Implementation
- Westminster Business District (Aurora Square @155th and Aurora) Redevelopment Analysis
- Central Shoreline Subarea Plan (175th – 192nd area along Aurora)
- TOD Master Plan at the Shoreline Park and Ride transit facility
- Aurora Corridor capital improvements/redevelopment coordination (ongoing)
- Interurban Trail capital improvements/redevelopment coordination (ongoing)

2001 Implementation Timelines

Economic Development Program Adoption and Data Analysis:

- | | |
|--|----------------------------|
| ➤ Execute market/financial consultant contract | December 2000/January 2001 |
| ➤ Draft Program presented to Council | March 5, 2001 |
| ➤ Workshop with Cabinet | April 5, 2001 |
| ➤ Draft Program developed | April/May 2001 |
| ➤ Management briefings | Ongoing |

Economic Development Program Adoption and Data Analysis continued:

- Review draft strategies with City Council May 14, 2001
- Public outreach June - August 2001
- Data Report October 2001
- Council Action October 2001
- Implementation Ongoing

Westminster Redevelopment Analysis:

- Westminster Redevelopment Analysis Contracts May 2001
- Walkable Communities Workshop May 17, 2001
- Design Workshop August 2001
- Owner Contact September/October 2001
- Project Summary Report November 2001

North City Plan Implementation:

- CIP design contract to Council October 2001
- Details and Analysis of Strategic Actions proposed in Plan October 2001
- CIP design October 2001– July 2002
- Business outreach during CIP design October 2001– July 2002
- Management briefings on detailed strategies December 2001
- City Council/Planning Commission briefing(s) January 2002
- Public Outreach/Business Forums with draft strategies January – April 2002
- Tour with interested developers 2002

Central Shoreline Subarea Plan (with TOD)

- TOD Concept submitted to WSDOT June 2001
- City Council approves Subarea Plan workshop strategy, work program, timeline June 2001
- Planning Commission briefing June 2001
- Design workshop October 2001
- Joint Planning Commission and City Council briefing on draft plan Nov. – Dec. 2001
- Planning Commission review, Public Hearing and recommendation to the Council February 2002