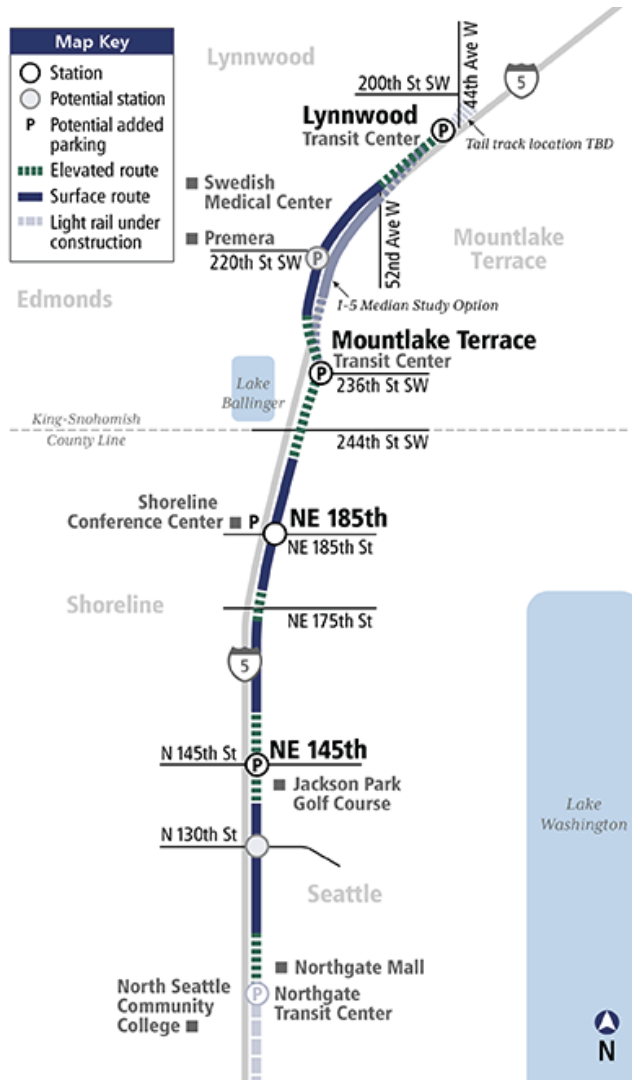


bae urban economics



Market Overview

Lynnwood Link Extension
NE 185th Street Station

City of Shoreline

November 2013

San Francisco
1285 66th Street
Second Floor
Emeryville, CA 94608
510.547.9380

Sacramento
803 2nd Street
Suite A
Davis, CA 95616
530.750.2195

Los Angeles
5405 Wilshire Blvd.
Suite 291
Los Angeles, CA 90036
213.471.2666

Washington DC
1436 U Street NW
Suite 403
Washington, DC 20009
202.588.8945

New York City
121 West 27th Street
Suite 705
New York, NY 10001
212.683.4486

EXECUTIVE SUMMARY

Summary of Key Findings

This market overview identifies the potential for Transit-Oriented Development (TOD) at the new NE 185th Street Station in Shoreline on the Lynnwood Link extension. It analyzes potential market demand and provides recommendations based on the location and characteristics of the station area, and how they relate to trends in Shoreline's current and future demographic and economic profile and its development patterns. Key findings include:

There is the potential to create TOD at the new NE 185th Street Station, and connect it via an enhanced "Transit Boulevard" to the emerging Aurora Avenue North TOD Town Center corridor and the mixed-use node in North City along 15th Avenue North. The approximately one-half mile distance between the new NE 185th Street Station and the core commercial area in North City presents an opportunity to enhance access for pedestrians and bicycles along NE 185th and 180th Streets to connect these two areas. The approximately one mile distance to Aurora Avenue North will require enhanced transit and bicycle access. These improvements would enhance City resident access to the new station, and new TOD resident access to retail.

The primary market opportunity for new development at the new NE 185th St. Station on the Lynnwood Link Extension is the development of up to 700 residential units over the next 20 years. This would represent approximately 15 percent of the new residential growth that PSRC projects for all of Shoreline through 2035. Achieving this level of growth depends upon redevelopment of the Shoreline School District property west of I-5.

A variety of residential products could be supported around the station area. This could include a mix of new small single family cottage units, townhouse or rowhouse units, rental apartments, and for-sale condominiums. Another product type with potential based on Shoreline's aging population would be age-restricted (55+) housing.

Retail should be limited to a small amount of convenience oriented retail serving residents and transit riders and located at the transit station. The station area lacks existing retail uses, with the nearest neighborhood retail area located just over one-half mile away on 15th Avenue NE, and the City's primary commercial corridor on Aurora Avenue North a mile away. However, the station area is too far from either of these areas, or Interstate-5 access, to benefit from existing retail activity, making it unlikely that a significant number of retailers could be attracted. Convenience-oriented retail (e.g. coffee shop/café, sundries, personal services, etc.) located at the station, or within a direct sight line between the station and any parking structure, would maximize access to transit riders and immediate area residents and have the greatest potential.

There is modest potential for office or other types of institutional uses. Shoreline does not currently have a substantial office market, and is positioned between much larger office markets in Lynnwood and North Seattle. Most existing office space is geared towards local-serving professional and service firms. Aside from the potential new Link station, the station area is unlikely to be attractive to most office or institutional users (e.g. public services) because of its lack of direct access from arterial highways and Interstate-5.

The existing development pattern of the station area and its location, and other corridors for mixed-use development in the City, present several factors that affect the potential for larger scale mixed-use development, particularly in the near-term.

These factors include:

- The difficulty of assembling sites for development in the existing single-family neighborhood that surrounds the station site (it is assumed that the only potential use of eminent domain would be by Sound Transit for its station and related facilities).
- The site with the single greatest potential is the Shoreline School District property west of I-5. Without redevelopment of this site, new development around the station area is likely to be limited to a couple hundred units due to the challenges of site assembly. The District needs to determine its plans for the future of the site, including the status of areas currently devoted to existing community oriented recreational and service uses.
- Developer and tenant interest will be more focused on the Aurora Avenue North and North City 15th Avenue NE corridors because they are established locations that already offer a mix of housing types and retail choices that appeal to both younger millennial and older empty nester households seeking a more mixed-use urban environment. Interest in station sites is likely to increase as available development sites in North City become more limited.

Demographic and Economic Trends

Shoreline is a stable middle class suburban community of 53,000 that saw no population growth from 2000 – 2010, compared to King County which grew more than 11 percent during the same period. Its demographics are generally comparable to those of King County and attractive to a wide range of developers and retailers. Its current household trends are best typified by aging Baby Boomer households that are aging in place as their children grow up and move from Shoreline. While Shoreline has one of the better school districts in the region, the percentage of children under the age of 18 in Shoreline is decreasing significantly.

Because the community has a primarily residential character, with substantial destination retail to the north in Lynnwood and to the south in North Seattle, its local economy is primarily oriented to serving local residents. A similar pattern applies to office uses, with substantial office clusters in Lynnwood and North Seattle attracting these users.

In 2011, the largest sources of jobs located in Shoreline were in the Educational Services, Health Care and Social Assistance, and Retail Trade sectors. As the population continues to age, the health

care sector will continue to be a generator of local jobs and an amenity to aging residents, and will create support for additional development.

As a suburban community, Shoreline has a lower jobs to housing ratio at 0.75 than King County at 1.4. The result is that 82 percent of Shoreline residents commute to jobs in other communities. At the same time, there are more than 11,000 person who work in Shoreline that commute to it from other communities. This substantial cross-commuting is a significant contributor to peak period traffic congestion.

Real Estate Market Trends

Aurora Avenue North is the City's primary commercial corridor. It is a major transportation corridor with auto-oriented retail that is typical of older highway corridors. Since Shoreline is a built-out city, Aurora Avenue North presents the largest number of sites and land area potentially available for commercial and mixed-use redevelopment. It has already begun to transition to a more mixed-use environment, with a number of new, denser, mixed-use residential development in Shoreline as well as North Seattle. The arrival of King County Metro's RapidRide E line Bus Rapid Transit service in 2014 has the potential to accelerate this trend.

Overall, residential demand remains strong, and the local retail market is improving, although Shoreline continues to experience substantial retail leakage. The 15th Avenue NE corridor on the east side of Shoreline has seen development of new, denser, mixed-use residential development, and this trend will likely continue because of the convenient access around the intersections of 15th Avenue NE and North 175th Street.

Future Development Potential

Although Shoreline saw no growth in the past decade, it is likely to see significant growth over the next couple decades, in line with continued growth in King County's population and employment. PSRC projections show that Shoreline through 2035 will gain more than 7,200 new jobs, improving its jobs to housing ratio to 0.91 (although this will continue to be considerably below that of King County). There will be demand through 2035 for nearly 4,700 new housing units. Although this represents substantial growth compared to Shoreline's recent history, the rate of growth will be slower than that of King County overall, meaning Shoreline in the future will have a smaller proportion of the County's households and employment.

While the regional economy will drive growth, Shoreline is well positioned to capture this projected growth, and potentially exceed it, because of the convenient access it offers to Downtown Seattle, the new types of housing choices being successfully developed, and the quality of its schools.

Impact of Transit on Property Values and Property Taxes

Based on an analysis of numerous studies over the past couple decades on the impact of light and heavy rail transit projects on property values for systems in the US and Europe, and considering the range of outcomes for previous projects, it would be reasonable to assume a potential value premium ranging from five percent up to 10 percent for properties located within one-half mile of the new transit station (one-half mile is considered the point at which resident interest in walking to a transit station substantially decreases).

Any value premium that property owners receive would represent a one-time increase in values (and homeowner equity) that results from the new transit station as well as the benefit of changes in zoning and other City implementation actions to encourage TOD projects.

It is important to note that because of the multiple limitations on the collection and use of property taxes in Washington, an increase in property values may not necessarily translate into an equivalent increase in property tax receipts or property tax bills for property owners. Because of the One-Percent Constitutional Limit and Levy Amount and Levy Increase Limits, an increase in property values and assessed values does not automatically lead to an equivalent increase in property taxes. The actual amount would be affected by overall market conditions in Shoreline, among other factors.

Due to the complexity of the overlapping limits, it is not possible to make a specific forecast for how much property taxes might increase around the station area. One would need to model a series of scenarios with varying assumptions for market-based increases in property values and the increase in the value of properties around a new transit station, and evaluate how the constitutional and statutory limits affect Shoreline, to come up with a projection for a range of possible outcomes. The minimum increase in property taxes for homeowners due to an increase in the value of their properties from the new NE 185 Street Link station could range from minimal to one percent in a strong real estate market, to as much as between five to ten percent in a flat real estate market. It should be noted that King County and the State operate several programs to assist seniors, disabled persons, and others homeowners who may face difficulty paying property taxes.

PURPOSE AND METHODOLOGY

The purpose of this study is to identify Transit Oriented Development (TOD) potential and opportunities around the new new NE 185th Street Station, as well as address the potential impacts that TOD development would have on both property values and property taxes.

New transit stations often spur new development in their immediate vicinities when there is market support for new types of denser, mixed-use transit-oriented development, as well as supporting city actions such as rezoning to accommodate market demand. These effects are generally limited to a ½-mile radius around stations, or the “station area”, that represents the outer limit of how far most persons are willing to walk between a residence and a station. Within the station area, the market

can support higher density residential, as well as ground floor commercial uses that will attract pedestrians heading to and from transit.

The amount of new development that can occur around a new station depends on a variety of factors including existing conditions, proximity of the station to commercial corridors, and proximity to daytime population centers. Those stations that are located in low-density residential areas such as the new NE 185th Street Station, with a considerable distance from more densely populated areas, typically serve as an access point for local commuters to use transit to go to their places of employment.

For more suburban commuter-focused transit stations, new development potential around the station will be based on local population and household characteristics, the strength of the existing real estate market and local real estate trends, and future population and employment growth.

Methodology

In order to project future development potential, this analysis uses local demographic and market data for a defined primary and secondary trade area. The primary trade area represents the immediate vicinity within which the real estate markets compete, while the secondary trade area represents the largest area within which real estate projects compete with each other for tenants based on market prices and amenities. Markets considered were for those uses consistent with mixed-use TOD and include residential (rental and for-sale), retail, and office space. While no public agency or institutional uses (i.e. mission-driven rather than market-based uses) were identified during this study, demand from such users may still arise in the future.

Starting with defined primary and secondary trade areas, the analysis then profiles the local population and household characteristics to define the current economic base for each geography compared to a benchmark geography. This approach provides insight into the differences between the trade areas and the larger region, and the types of opportunities this may present and what types of future development would be best positioned to realize market potential.

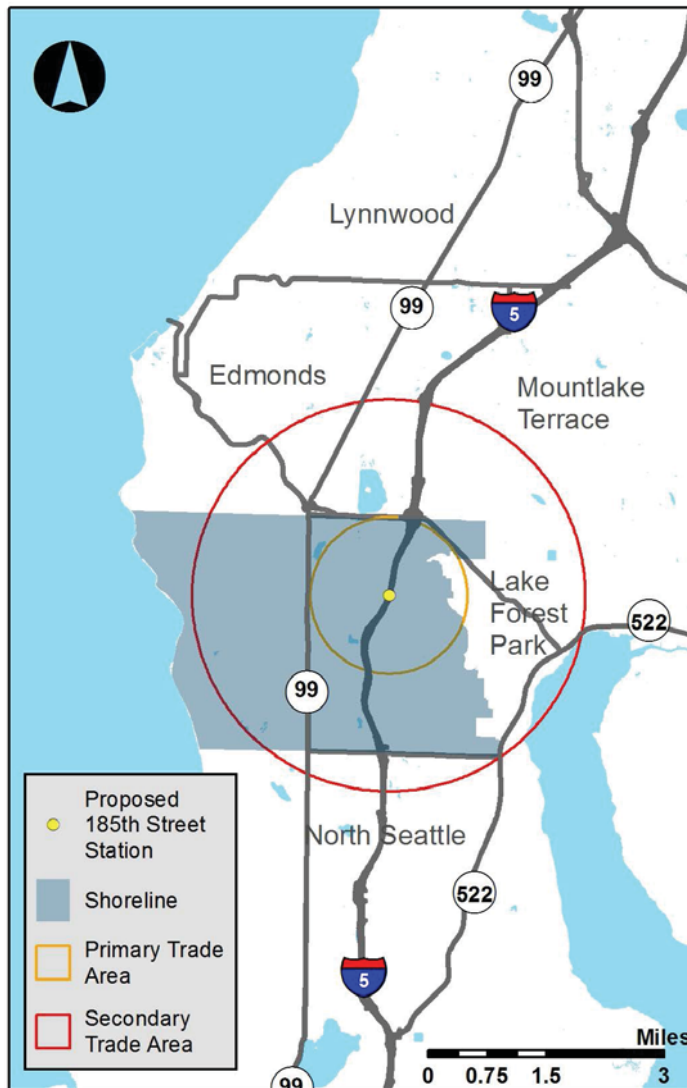
The analysis includes a review of existing real estate market conditions for each use, using recent reports, including work for Sound Transit by Kidder Matthews, published real estate market data, a field evaluation of the trade areas and competitive locations, and an analysis of recent lease and sale transactions. This illustrates the general strength of the local real estate markets to determine whether there is existing pent up demand for any uses, or an inventory of vacant space that would need to be absorbed before new development could occur.

Finally, the analysis incorporates the existing conditions data and growth projections from Puget Sound Regional Council (PSRC) Growing Transit Communities project. This analysis evaluates the development potential around the new NE 185th Street Station, determines opportunities for the station area to capture a greater share of projected growth, and projects additional support for various new uses.

TRADE AREA

Figure 1 shows the primary trade area for the new NE 185th Street Station, an approximately one-mile radius around the station which is entirely within the City of Shoreline (City). New development near the station would draw most of its support from local residents and businesses in the City. The secondary trade area includes the rest of the City and Northern King County / Southern Snohomish County communities, including North Seattle, Woodway, Edmonds, Esperance, Mountlake Terrace, and Lynnwood. New development would capture some support from this larger area. The primary and secondary trade areas' demographics and characteristics are compared to the larger King County region to provide insight into the differences between the trade areas and the region, the opportunities it presents, and the types of development that can best capture market potential.

Figure 1: Shoreline Trade Areas



POPULATION AND DEMOGRAPHIC TRENDS

This and the subsequent section on real estate market conditions provide a City-wide content on current demographic and economic trends that shape development in various areas within Shoreline, and set the stage for consideration of opportunities in the new NE 185th Street Station area.

Demographic Trends

Population Trends

Over the last ten years, **Shoreline experienced no growth in population.** During the same time period, King County population and number of households both grew by 11.2 percent, outpacing population growth for both Shoreline (0.0 percent), and the Trade Area (2.9 percent). These population and household trends in Shoreline reflect a generally built out land area that is attracting smaller households than those leaving the city.

Table 1: Population Trends, 2000-2010

| Area | 2000 | 2010 | % Change 2000-2010 |
|-----------------------------|-------------|-------------|-------------------------------|
| Shoreline | | | |
| Total Population | 53,025 | 53,007 | 0.0% |
| Secondary Trade Area | | | |
| Total Population | 163,841 | 168,546 | 2.9% |
| King County | | | |
| Total Population | 1,737,034 | 1,931,249 | 11.2% |

Note:

Primary Trade Area includes the City of Shoreline; Secondary Trade Area consists of Edmonds, Lake Forest Park, Lynnwood, Mountlake Terrace and North Seattle Census Tracts 1, 2, 3, 4.01, 4.02, 5, 6, 7, 8, 10, 11, 12, 14

Sources: U.S. Census 2000 & 2010; BAE, 2013.

Age

Shoreline's population is aging, resulting in an increasing proportion of seniors and a decreasing proportion of children. In 2000, over 22 percent of the population of Shoreline was under the age of 18.¹ By 2010, the same age cohort made up only 19 percent,² a decrease of over three percent, which reflects the general aging of the population and the shift between 2000 and 2010 of parents of children under 18 from the Later Boomer generation³ to Generation X⁴.

¹ Born between 1982 and 2000.

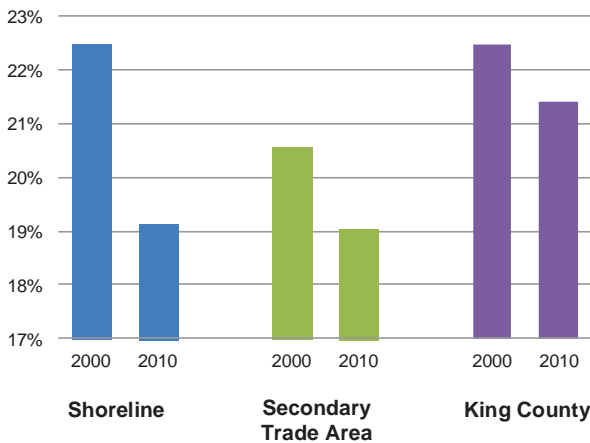
² Born between 1992 and 2010.

³ Born between 1956 and 1965.

⁴ Born between 1966 and 1980.

Because Generation X is significantly smaller than the Later Boomer generation, the absence of their children from the Under 18 age cohort results in a lower overall share of children.⁵ The declining rate of children under 18 is more dramatic in Shoreline (-3 percent), compared to both King County (-1.6 percent) and the Trade Area (-1.1 percent), which suggests that Shoreline's population is growing older at a faster rate than the surrounding region due to a larger percentage of residents that are Baby Boomers, relative to the Trade Area and King County.

Figure 2: Changes in Share of Under 18 Population, 2000-2010



The sharp increase in the proportion of the Shoreline population over age 55 suggests that Baby Boomers⁶ are aging in place in Shoreline at a greater rate than the Trade Area or King County. King County residents aged 55-64 grew by less than four percent between 2000 and 2010, compared to a six percent increase in Shoreline.

⁵ The last of the Later Boomers' children likely turned 18 around 2008, leaving only children of Generations X and Y in the under 18 age cohort.

⁶ Born between 1946 and 1965.

Table 2: Age Distribution, 2000-2010

| Age Cohort | Shoreline | | Secondary Trade Area | | King County | |
|-------------------|---------------|---------------|----------------------|---------------|---------------|---------------|
| | 2000 | 2010 | 2000 | 2010 | 2000 | 2010 |
| Under 18 | 22.5% | 19.1% | 20.6% | 19.0% | 22.5% | 21.4% |
| 19-24 | 7.7% | 8.1% | 9.4% | 9.0% | 9.3% | 9.2% |
| 25-34 | 12.8% | 12.9% | 15.2% | 14.9% | 17.0% | 16.2% |
| 35-44 | 17.6% | 13.8% | 16.5% | 13.7% | 17.8% | 15.4% |
| 45-54 | 16.3% | 16.3% | 15.1% | 15.1% | 14.9% | 15.1% |
| 55-64 | 8.5% | 14.6% | 8.9% | 13.5% | 8.1% | 11.8% |
| 65-84 | 12.2% | 12.1% | 12.1% | 12.0% | 9.1% | 9.2% |
| 85 or older | 2.3% | 3.1% | 2.1% | 2.8% | 1.4% | 1.7% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Median Age | 39.3 | 42.1 | 37.9 | 40.2 | 35.7 | 37.1 |

Note:

Primary Trade Area includes the City of Shoreline; Secondary Trade Area consists of Edmonds, Lake Forest Park, Lynnwood, Mountlake Terrace and North Seattle Census Tracts 1, 2, 3, 4.01, 4.02, 5, 6, 7, 8, 10, 11, 12, 14

Sources: U.S. Census 2000 & 2010; BAE, 2013.

Household Trends

Because Shoreline is relatively built out and experienced no population growth between 2000 and 2010, household growth was also relatively flat. US Census data show that City households increased by 845 households, or four percent, compared to a five percent increase in the Trade Area and an 11 percent County increase. However, the size of existing and new households are shrinking. In Shoreline, the average household size decreased between 2000 and 2010, bringing its average household size (2.39 persons) in line with the County's average household size (2.40 persons).

The decrease in household size in Shoreline reflects both a shrinking percentage of households with children, and a rise in single-person Shoreline households.

Table 3: Household Trends, 2000-2010

| Area | 2000 | 2010 | % Change 2000-2010 |
|-----------------------------|-------------|-------------|-------------------------------|
| Shoreline | | | |
| Number of Households | 20,716 | 21,561 | 4.1% |
| Average Household Size | 2.50 | 2.39 | |
| Secondary Trade Area | | | |
| Number of Households | 69,825 | 73,084 | 4.7% |
| Average Household Size | 2.32 | 2.28 | |
| King County | | | |
| Number of Households | 710,916 | 789,232 | 11.0% |
| Average Household Size | 2.39 | 2.40 | |

Note:

Primary Trade Area includes the City of Shoreline;

Secondary Trade Area consists of Edmonds, Lake Forest

Park, Lynnwood, Mountlake Terrace and North Seattle

Census Tracts 1, 2, 3, 4.01, 4.02, 5, 6, 7, 8, 10, 11, 12, 14

Sources: U.S. Census 2000 & 2010; BAE, 2013.

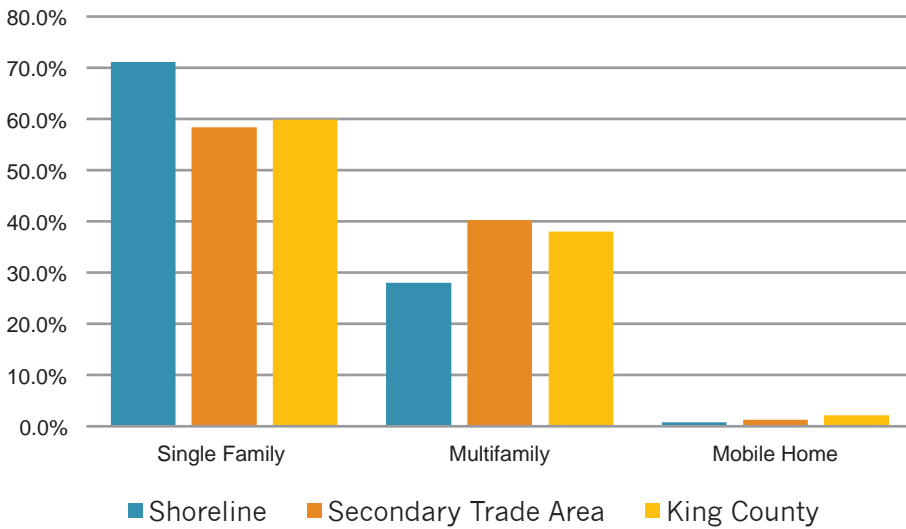
Housing Characteristics

Shoreline's housing stock reflects its older suburban character. Shoreline's history dates to the 1890's, however much of it was developed as a post- WWII suburban community starting in the 1940s that was largely built out by 1989. Single-family residential units representing more than 70 percent of total units, and as noted in the previous section empty nester Baby Boomers are choosing to remain in their homes in Shoreline as their children become adults. Both King County and the Trade Area have substantially greater proportions of multifamily housing than Shoreline, with the Trade Area containing more multifamily units as a percentage of total units than the County (Figure 3).

The lower proportion of multifamily units in Shoreline suggests potential opportunities for two types of new housing products. The first product type is age-restricted multifamily units, such as The Blakely apartment project recently developed in Shoreline and now leasing. The second product type is multifamily units that feature a higher proportion of smaller units, targeted at young adults who have grown up in Shoreline and are looking to form their first households, as well as other millennial households from elsewhere in the County who are looking for more affordable and well located rental residential units.

The combination of the quality of the Shoreline public schools and its existing family-oriented housing stock means that over the next couple decades Shoreline is well positioned to experience an influx of new families as Baby Boomers continue to age and eventually vacate their homes. These new families could include millennial households who live in or near more urban locations in Downtown Seattle who once they have kids would be attracted to suburban locations with easy transit access to Downtown.

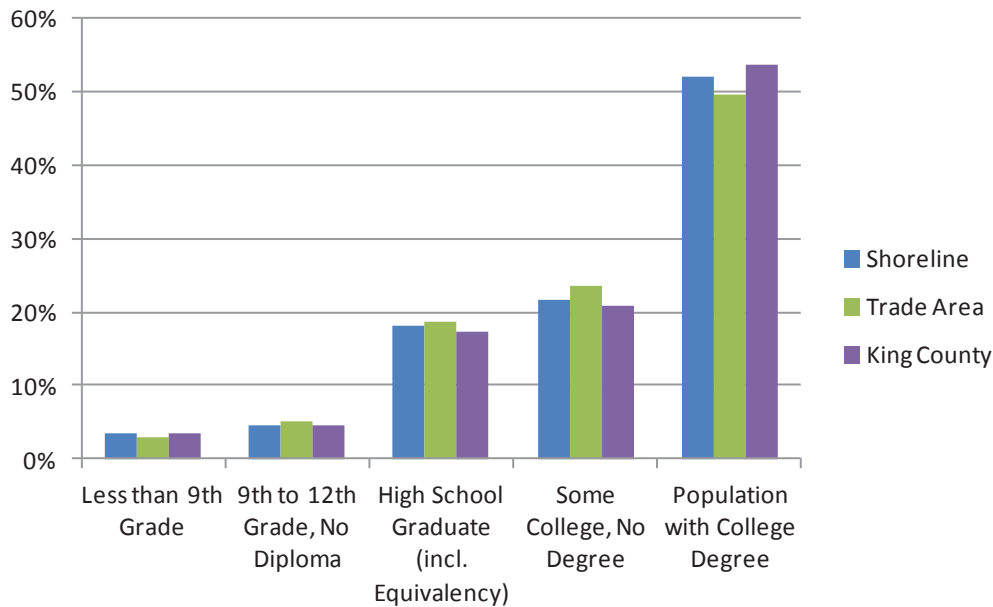
Figure 3: Housing Units by Type of Residence, 2007-2011



Income and Education

Shoreline is a solidly middle to upper-middle class community with high levels of educational attainment, similar to the region. Similar to King County (54%) and the Trade Area (50%), over half of the City's population has a college degree (Figure 4). The high education level corresponds to higher household incomes across all geographies, compared to the US.

Figure 4: Educational Attainment, Shoreline Trade Area, 2007-2011



Shoreline’s \$67,000 median annual income falls between King County’s \$71,000 and the Trade Area’s \$59,000. The City has fewer households in the lower income cohorts than the Trade Area, and fewer in the higher income cohorts compared to King County. However, the relative similarity between Shoreline and King County means that Shoreline has the potential to be attractive to a full range of retailers.

Table 5: Median Household Income, 2007-2011

| Income Category | Shoreline | Secondary Trade Area | King County |
|-----------------------------|-----------------|----------------------|-----------------|
| Less than \$15,000 | 9.1% | 11.0% | 9.0% |
| \$15,000-\$24,999 | 7.6% | 8.9% | 7.1% |
| \$25,000-\$34,999 | 8.0% | 9.2% | 7.7% |
| \$35,000-\$49,999 | 13.3% | 14.0% | 11.6% |
| \$50,000-\$74,999 | 17.0% | 19.0% | 17.4% |
| \$75,000-\$99,999 | 16.3% | 12.3% | 13.6% |
| \$100,000-\$149,999 | 17.2% | 15.1% | 17.7% |
| \$150,000-\$199,999 | 5.9% | 5.6% | 7.6% |
| \$200,000 or more | 5.4% | 4.9% | 8.3% |
| Total | 100.0% | 100.0% | 100.0% |
| Median HH Income (a) | \$66,774 | \$59,136 | \$70,567 |
| Per Capita Income | \$34,884 | \$34,469 | \$39,313 |

Notes:

Primary Trade Area includes the City of Shoreline; Secondary Trade Area consists of Edmonds, Lake Forest Park, Lynnwood, Mountlake Terrace and North Seattle Census Tracts 1, 2, 3, 4.01, 4.02, 5, 6, 7, 8, 10, 11, 12, 14
 (a) All incomes are adjusted to 2011 dollars.

Sources: ACS, 2007-2011; BAE, 2013.

ECONOMIC TRENDS

Employment and Economy

Employment data are derived from the Longitudinal Employer-Household Dynamics (LEHD) program, which is provided by the US Census Bureau. In order to protect the confidentiality of worker and employers, LEHD introduces a small amount of statistical “noise” for smaller geographic units. As a result, LEHD data may not match data from other sources.

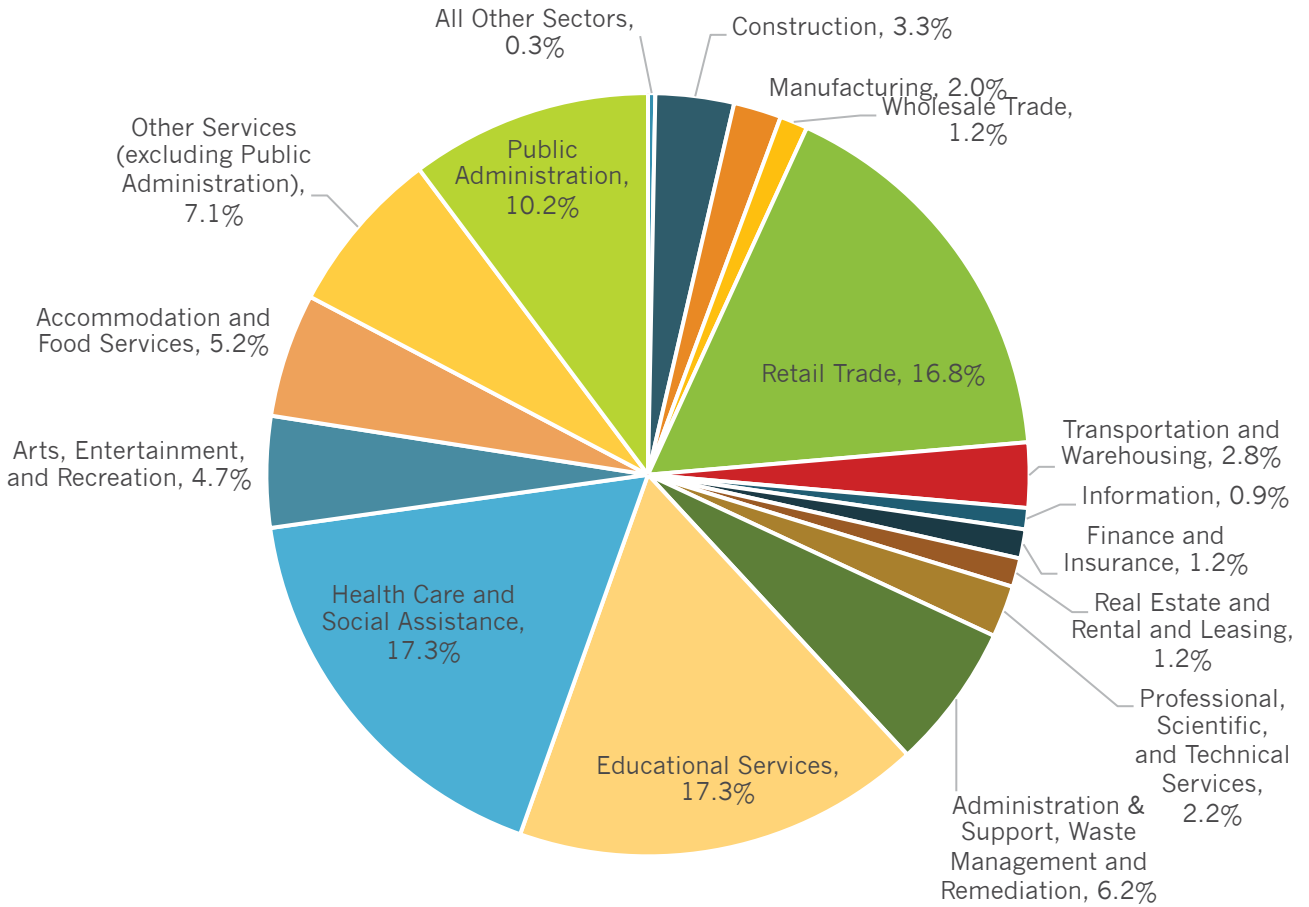
Shoreline’s local economy is improving and its employment base is dominated by the Education Services, Health Care and Social Services, and Retail Trade sectors.

In 2011, Shoreline had an estimated 17,212 jobs, representing a 5.3 percent increase from the number of jobs in 2002. This was a greater increase compared to the Trade Area’s 3.2 percent increase, however, it was half the rate at which jobs grew in King County (11.7 percent). In 2011, Shoreline’s largest industries included the Education Services and Health Care and Social Assistance sectors (17.3 percent each)⁷, Retail Trade (16.8 percent), and Public Administration (10.2 percent). These industries support the City’s residential base and contribute to its desirability as a livable community. All other individual industries made up less than 10 percent of the job market. As local residents continue to age, the health care sector should continue to generate new local jobs to meet their needs.

Occupations in the Education Services, Health Care and Social Services, and Retail Trade sectors span a range of skill and income levels, however a substantial proportion are in middle to lower middle income categories. As housing values continue to increase, homes in Shoreline may become increasingly unaffordable for households in these categories, leading to an increase in cross-commuting as workers in Shoreline commute in from more affordable locations.

⁷ This sector includes non-health care social assistance and social services organizations. For example, the CRISTA Ministries would likely be included in this category. Confidential firm-by-firm data to provide further details on employment by firm was not available for this study.

Figure 5: Shoreline Employment by Industry, 2011



Commute Patterns

Shoreline has a lower jobs to housing ratio (0.75) than King County (1.4), meaning that most of Shoreline’s working residents commute to other cities. Eighty-two percent of Shoreline residents commute outside the city for work. The remaining 4,900 Shoreline residents who work in Shoreline make up 30 percent of city’s workforce. The Shoreline economy employs an estimated 11,000 commuters from outside the city each day.

Table 6: Commute Flow, 2007-2011

| Residents of Shoreline | | | Workers in Shoreline | | |
|-------------------------------|---------------|-------------------|-----------------------------|---------------|-------------------|
| Place of Work | Number | % of Total | Place of Residence | Number | % of Total |
| Shoreline | 4,896 | 18.4% | Shoreline | 4,896 | 30.1% |
| All Other Locations | <u>21,737</u> | <u>81.6%</u> | All Other Locations | <u>11,376</u> | <u>69.9%</u> |
| Total | 26,633 | 100.0% | Total | 16,272 | 100.0% |

Note:

The American Community Survey (ACS) publishes demographic estimates based on statistical sampling conducted between 2007-2011.

Sources: ACS, 2007-2011; BAE, 2013.

Approximately 30,000 commuters travel in and out of Shoreline for work, with more than 70 percent driving alone, a rate similar to the Trade Area and King County (Table 7). In all of the areas, County residents were more likely to commute via public or non-motorized transportation, reflecting a greater availability of transit options in the County than currently exist in Shoreline or the Trade Area.

Table 7: Means of Transportation to Work, 2007-2011

| Means of Transportation | Shoreline | Secondary Trade Area | King County |
|--|------------------|-----------------------------|--------------------|
| Drove Alone (excl. Motorcycle) | 67.7% | 66.8% | 65.9% |
| Carpooled | 11.7% | 12.5% | 10.7% |
| Bus or Trolley Bus | 11.4% | 12.2% | 10.6% |
| Other Public Transportation | 0.1% | 0.3% | 0.4% |
| Bicycle | 0.6% | 0.8% | 1.3% |
| Walked | 1.8% | 2.2% | 4.5% |
| Other Means (Incl. Taxi, Motorcycle) | 1.0% | 1.0% | 1.1% |
| Worked at Home | <u>5.7%</u> | <u>4.3%</u> | <u>5.5%</u> |
| Total | 100.0% | 100.0% | 100.0% |
| Residents Who Traveled to Work on Public Transportation or Non-Motorized Transportation (a) | 13.9% | 15.5% | 16.8% |

Notes:

Primary Trade Area includes the City of Shoreline; Secondary Trade Area consists of Edmonds, Lake Forest Park, Lynnwood, Mountlake Terrace and North Seattle Census Tracts 1, 2, 3, 4.01, 4.02, 5, 6, 7, 8, 10, 11, 12, 14

(a) Excludes those who drove alone, carpooled, worked at home or used other means including taxi or motorcycles.

Sources: ACS, 2007-2011; BAE, 2013.

REAL ESTATE MARKET TRENDS

Office Market Trends

Shoreline has a limited office market that primarily houses smaller professional and other service firms oriented towards local residents. Shoreline is an in-between market compared to Seattle north of Downtown and Lynnwood, who have much larger office markets that accommodate a range of corporate users and regional offices. Businesses with larger office needs seek vacant space in the Seattle and Lynnwood markets because of their existing office clusters, and because they offer the larger floor plates such businesses typically seek. Shoreline's many smaller and older office buildings are not competitive with Class A and B space available in the Seattle and Lynnwood markets, and serve a niche for locally oriented businesses that want to be located in Shoreline.

According to CBRE's Second Quarter 2013 local market report, the North Seattle/Interbay office submarket that includes Shoreline had a vacancy rate of just over 10 percent (with a vacancy rate of nearly 24 percent in the adjacent Lynnwood / Edmonds / Mountlake Terrace submarket). In addition, Shoreline's relatively lower full service rents of \$22.50 per square foot per year, full service gross, indicate lower demand than other locations in the Trade Area that can support higher rents. Since Shoreline's economy is based around educational services, health care services, and retail trade, near-term demand for office space is most likely to be driven by increased demand from these sectors.

Table 8: Shoreline Trade Area Office Market Trends, Second Quarter 2013

| | Inventory (sq. ft.) | Vacancy Rate | Net Absorption Q2 2013 (sq. ft.) | Class A Avg. Full Service Rent (per sq. ft./year) |
|---|------------------------|-----------------|-------------------------------------|---|
| Shoreline Trade Area Submarket (a) | | | | |
| North Seattle/Interbay | 2,393,912 | 10.1% | (3,802) | \$25.12 |
| Lynnwood/Edmonds/Mountlake Terrace | 2,502,650 | 23.5% | 26,869 | \$24.84 |
| Bothell | 3,132,093 | 18.0% | (11,988) | \$22.65 |
| Downtown/ Eastside Aggregation (b) | | | | |
| Downtown Seattle | 43,734,230 | 14.6% | 20,342 | \$31.93 |
| Eastside | 30,328,826 | 14.7% | (385,103) | \$29.26 |

Notes:

(a) North Seattle/Interbay includes cities of Shoreline, Lake Forest Park, and office buildings within the city of Seattle, not included in Downtown. Bothell submarket contains the city of Kenmore.

(b) Downtown Seattle submarket includes Seattle CBD, Waterfront, Pioneer Square, Denny Triangle/Regrade, Lower Queen Anne, Lake Union and Canal areas. Eastside submarket includes Bellevue CBD, I-405, SR-520, I-90, Bel-Red Road, Kirkland, Redmond and Bothell.

Sources: CBRE, 2013; BAE, 2013.

Retail Market Trends

Highway 99/Aurora Avenue is Shoreline’s central retail corridor, with considerable potential for transformation into a more mixed-use urban setting that can accommodate additional retail. The corridor contains much of Shoreline’s retail in various types of shopping center and highway oriented retail. It is in the beginning stages of the market-based redevelopment into a more urban mixed-use area, with new dense mixed-use residential projects. This redevelopment can be encouraged through a node approach, identifying major and minor nodes based on their development potentials.

Promoting nodal development at busier intersections that already draw Shoreline residents can catalyze redevelopment along the corridor more quickly than disparate project-by-project development.

As new development and the introduction of RapidRide E Line bus rapid transit attracts new households, this will create the potential to attract new retailers, particularly food, dining, and other types of specialty retail that target younger households who seek a more urban lifestyle. At the same time, overall retail demand in Shoreline, particularly for destination retailers, will continue to be constrained by the City being located in-between overlapping trade areas for the Alderwood Mall in Lynnwood and the Northgate Mall in North Seattle, and the retail and entertainment uses clustered around these locations (as noted in the analysis of retail leakage in the City’s Comprehensive Plan). Most new retail in Shoreline will continue to be local-serving; Aurora Avenue North does have the potential to attract some larger format retail uses.

According to the Kidder Matthews Second Quarter 2013 Seattle Retail Real Estate Market Review, within King, Snohomish, and Thurston counties vacancies are down and rents have stabilized since 2012. Construction is beginning to come back, but the market first needs to absorb vacant space at current rents before tenants will pay rents that can support new development. Developments with an anchor tenant can support triple-net (NNN)⁸ rents ranging between \$25 and \$30 per square foot per year, while those without anchors can support NNN rents that range between \$15 and \$25 per square foot per year.

Residential Market Trends

Shoreline is primarily a built-out residential community that is seeing an increasing amount of new multifamily development along Aurora Avenue North and the 15th Avenue NE corridors. The City’s housing stock mostly consists of single-family residential units, although since the City is largely built out, new residential development has been occurring in the form of denser multi-story mixed-use residential with ground floor units. There is considerable

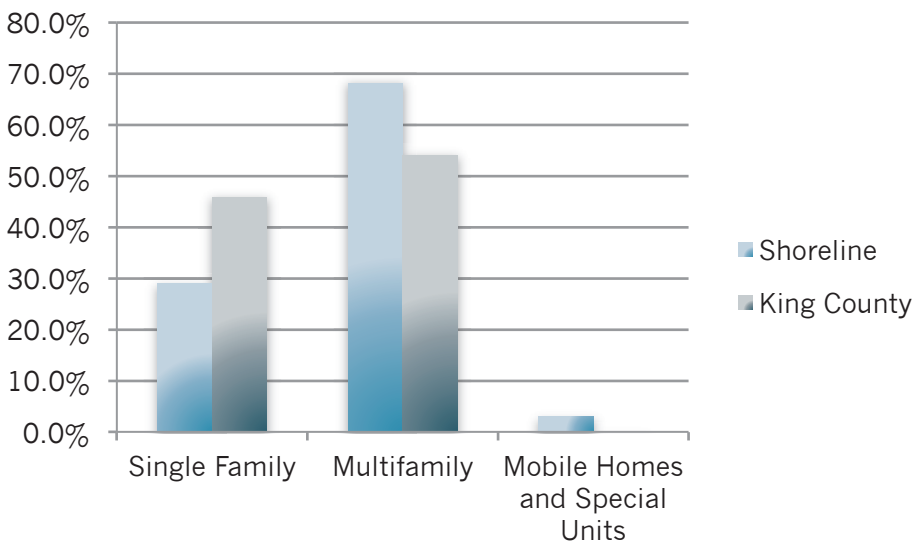
⁸ NNN rents do not include property taxes, insurance costs, or maintenance fees that are charged to tenants separately.

potential for larger, obsolescent properties along Aurora Avenue North, and to a lesser extent 15th Avenue NE, to accommodate the largest portion of the City's future residential growth.

Between 2000 and 2012, Shoreline's residential inventory increased modestly, by 7.6 percent, even with no net population growth, compared to a more than 16 percent increase in residential units in King County. As noted earlier, the substantial decrease in household size helps explain growth in housing units even with no net increase in population.

Most of this growth (68 percent) came from the development of multifamily units, compared to 54 percent of County units. This suggests that the market is already responding to meet the needs of smaller households.

Figure 6: Product Type Share for Residential Unit Development, 2000-2012



Single-Family Housing

Home prices in Shoreline cover a fairly broad range, as shown in Table 9. Median home prices in the past year have increased considerably in central and eastern Shoreline, at a rate nearly double that of King County, however they have remained essentially flat in the western area of Shoreline. As the housing market continues to strengthen, much of Shoreline continues to be attractive to potential homebuyers looking for a greater value than other areas in the County. Amenities, such as Shoreline's high-performing school district, RapidRide E Line BRT, and the coming Lynnwood Link extension will contribute to strengthening demand for existing and new housing in Shoreline.

Table 9: Median Home Price, Shoreline and King County, 2012-2013

| | <u>2012</u> | <u>2013</u> | <u>% Change 2012-2013</u> | <u>Sales Volume</u> | <u>% Change</u> |
|------------------------------|-------------|-------------|-------------------------------|-------------------------|-----------------|
| King County | \$349,772 | \$383,000 | 9.5% | 9,982 | 20.3% |
| City of Shoreline (a) | | | | | |
| West - 98177 | \$463,950 | \$450,000 | -3.1% | 109 | 21.1% |
| Central - 98155 | \$260,718 | \$317,175 | 17.8% | 160 | 18.5% |
| East- 98133 | \$261,120 | \$320,000 | 18.4% | 192 | 17.8% |

Note:

(a) Zip codes 98177, 98155 and 98133 for the city of Shoreline include portions of northern Seattle city.

Source: DQNews; BAE, 2013.

Multifamily Housing

Multifamily units represent most of the new housing being developed in Shoreline and King County. Much of this has been in the form of new mixed-use residential development with ground floor commercial space (leaseable for office or retail use), both in Shoreline and in adjacent communities, such as with the Arbor Village mixed-use project in Mountlake Terrace. Shoreline currently has three new mixed-use residential development in the initial lease up stage along the Aurora Avenue North and 15th Avenue NE corridors, and there are several such projects further south along Aurora Avenue in North Seattle.

There are currently 3,248 units under construction, planned, or proposed within the Trade Area, suggesting a very active market for this use. There will be potential to develop additional housing in Shoreline, particularly within walking distance from the new Lynnwood Link stations as well as near stops on the Metro RapidRide E Line BRT. Appendix A shows the planned and proposed developments within the Shoreline Trade Area.

Rental Units

By and large, one and two bedroom units represent the bulk of new development, representing 43 percent and 40 percent of total units, respectively. In the Trade Area, apartment rents range from \$940 per month for a 420 square foot studio built in 2012 to \$2,300 for a 1,380 square foot two-bedroom/two-bathroom unit built in 2013. Occupancy rates exceed 90 percent, indicating a relatively healthy rental market.

Condominiums

According to DataQuick, a third party data vendor that collects County Assessor data, 113 condominiums sold in Shoreline between December 2012 and September 2013. Median sale prices ranged from \$82,000 for a one-bedroom unit to nearly \$470,000 for a unit with four or more bedrooms. This represents existing condominium units; although the residential market has not recovered to the point of supporting new condominium development in Shoreline, when it does prices for new units are likely to be somewhat higher than these figures (with the pricing constraint being the value of existing single-family residential units).

Table 10: Shoreline Condominium Sales, December 2012 – September 2013

| Sale Price Range | Number of Units Sold | | | | Total | % Total |
|---------------------------|----------------------|------------------|------------------|------------------|------------------|---------------|
| | 1 BRs | 2 BRs | 3 BRs | 4+ BRs | | |
| Condominiums (a) | | | | | | |
| Less than \$200,000 | 12 | 46 | 6 | 1 | 65 | 57.5% |
| \$200,000-\$299,999 | 1 | 16 | 13 | 1 | 31 | 27.4% |
| \$300,000-\$399,999 | 0 | 4 | 9 | 0 | 13 | 11.5% |
| \$400,000 or more | 0 | 0 | 0 | 4 | 4 | 3.5% |
| Total | 13 | 66 | 28 | 6 | 113 | 100.0% |
| % Total | 11.5% | 58.4% | 24.8% | 5.3% | 100.0% | |
| Median Sale Price | \$82,000 | \$160,000 | \$270,000 | \$469,375 | \$167,000 | |
| Average Sale Price | \$104,187 | \$170,700 | \$257,557 | \$426,458 | \$198,150 | |
| Average Size (sf) | 721 | 1,116 | 1,460 | 3,117 | 1,262 | |
| Average Price/sf | \$145 | \$153 | \$176 | \$137 | \$157 | |

Notes:

(a) Data represents unverified sales of condominiums in the city of Shoreline between December 2012 and September 2013 as verified sales data were unavailable.

Sources: DataQuick; BAE, 2013.

PROJECTIONS FOR FUTURE GROWTH

Population, Housing, and Employment Growth Projections

Projection data are derived from the Puget Sound Regional Council's (PSRC's) 2013 Land Use Targets Forecast. The Forecast reflects each County and jurisdiction's development capacities and land use policies as reflected in the VISION 2040's Regional Growth Strategy.

The PSRC forecasts considerable growth for Shoreline over the next 25 years. An estimated 7,218 new jobs will bring the jobs housing ratio to 0.91 as a projected 4,657 new housing units provide living space for 8,000 new residents. While Shoreline is projected to grow more slowly than the Trade Area and County in all categories, the growth is considerably higher than the past 10 years. Despite the city's relatively high rate of growth, King County is expected to grow at an even faster rate, reducing Shoreline's future share of both regional housing and regional employment.

Table 11: Projected Population, Housing Unit and Employment Growth, 2010-2035

| Population | 2010 | 2035 | Change | Annual % Change |
|----------------------|-------------|-------------|---------------|------------------------|
| Shoreline | 53,037 | 61,046 | 8,009 | 0.6% |
| Secondary Trade Area | 170,157 | 209,402 | 39,245 | 0.8% |
| King County | 1,931,277 | 2,383,978 | 452,701 | 0.8% |
| Housing Units | | | | |
| Shoreline | 22,799 | 27,456 | 4,657 | 0.7% |
| Secondary Trade Area | 78,943 | 98,635 | 19,692 | 0.9% |
| King County | 851,261 | 1,085,798 | 234,537 | 1.0% |
| Employment | | | | |
| Shoreline | 17,910 | 25,128 | 7,218 | 1.4% |
| Secondary Trade Area | 129,750 | 194,556 | 64,806 | 1.6% |
| King County | 1,194,995 | 1,832,411 | 637,417 | 1.7% |

Note:

Primary Trade Area includes the City of Shoreline; Secondary Trade Area consists of Edmonds, Lake Forest Park, Lynnwood, Mountlake Terrace, and Seattle Traffic Analysis Zones 1-11, 13-16, 18, 19

Sources: PSRC-Local Targets Representation, 2013; BAE, 2013

SUPPORTABLE STATION AREA DEVELOPMENT AND PRODUCT TYPES

Based on the market analysis and PSRC's growth projections, multifamily residential units present the greatest potential for new development. Because Shoreline is relatively built out, developers will need to provide the residential units needed to meet demand through new townhouse, condominium, and apartment projects, including senior housing. Denser projects are needed to generate sufficient development value to make it feasible for developers to acquire already improved existing properties that have higher values than vacant sites. PSRC projects that the Trade Area will need 19,692 new residential units by 2035, 4,657 of which will be located in Shoreline. There are currently 3,248 units under construction, planned, or proposed within the Trade Area.⁹ There will be potential to develop additional housing in Shoreline, particularly within walking distance from the new Lynnwood Link stations as well as near stops on the Metro RapidRide E Line BRT. Appendix A shows the planned and proposed developments within the Shoreline Trade Area.

There is also development potential for a small amount of convenience retail to serve residents and transit users. Demand for commercial uses around the NE 185th Street Station will be limited due to the distance from the new station to other arterials and Shoreline's commercial areas. Aurora Avenue North, Shoreline's primary commercial corridor, is located one mile from the new stop at I-5 and the NE 185th Street Station, which means that it will be difficult to attract new retailers who will have a preference for being located in active retail areas (and setting aside the lack of existing sites suitable for retail development). This suggests that new retail development around the new NE 185th Street Station should not be targeted at destination retail, but rather retail uses that are viable based on demand in the immediate area, combined with new transit users. A location at the new transit station would be preferable in order to capture the greatest amount of this local and transit-oriented customer base. This could include small scale food and beverage uses, such as a coffee shop/café, small scale convenience stores, and personal services.

The lack of readily available development sites, and the existing low density single-family residential character of the station area, means that parcels will need to be assembled to create viable development sites. The Shoreline School District property west of I-5 and the existing obsolete commercial building to the east of the new NE 185th Street Station and 10th Avenue that are the best immediate candidates for redevelopment. Other new development requires site assembly. It is assumed that Sound Transit will only use its eminent domain powers to assemble parcels for station facilities. The parcels adjacent to NE 185th Street, from the new NE 185th Street Station to 10th Avenue North, provide a reasonable opportunity for site assemblies of three to five parcels that could accommodate multifamily projects of approximately 30

⁹ None of the units currently under construction, planned, or proposed are located in Shoreline.

to 40 units, depending upon the size of the assembly and the density that is allowed. Site assemblies of one or two parcels could support cottage houses, townhouses, or small rental projects (e.g. fourplexes). Larger land assemblies would involve more impacts upon the single-family neighborhoods, and are less likely to be pursued by developers because of the lower likelihood of successfully getting a large number of property owners to all agree upon terms and conditions of sale). There is undeveloped land near the station area that includes sites occupied by electrical transmission towers, which are not available for development.

To the extent the City is able or willing to undertake land assembly, it could increase developer interest in the area. Strategies that the City could consider to enhance development potential and facilitate site assembly could include creation of a Community Renewal Area, if the required blight standard can be met. Minimum or contingent zoning that only provides density for infill TOD-type development once a certain parcel size has been achieved (e.g. one acre or more) could enhance interested neighbors in working with each other to facilitate site assembly.

The Shoreline School District property, with the existing Shoreline Conference Center and other uses, is the single best potential development site. A challenge with this site will be, incorporating or replicating elsewhere the District Offices (it could be a ground floor use in new mixed-use development), sports fields and other recreational facilities that are currently on the site. Other portions of the school site could be redeveloped for new housing, pending analysis by the School District to determine future facility needs. Until the School District identifies what portion of the site it would be willing to make available for new uses, it will be difficult to generate interest from developers.

IMPACTS TO PROPERTY VALUES AND PROPERTY TAXES

The final topic this market analysis addresses is the potential for a new transit station to increase land values for properties adjacent to it. This topic has been researched extensively over the past couple decades in conjunction with the construction of numerous light rail and heavy rail systems across the U.S. in the context of a “value premium” that can be “captured” to contribute to system financing. While use of “value capture” for financing is not envisioned for the Lynnwood Link extension, the research that has been conducted on this topic provides information to address questions raised by Shoreline residents near the new station site as to what impact the station might have on their property values, and potentially their property taxes.

Value Premium Impacts

A substantial amount of research and analysis has been undertaken by policy experts over the past decades to track and document the effects of fixed guideway transit systems (e.g., term includes heavy rail and light rail) on property values. This topic has commanded so much attention because many policymakers believe that fixed guideway transit systems create a value premium, i.e. an increase in property values or related economic factors as a result of the increased access and desirability of the land served by the fixed guideway transit. If increased value can be linked to the transit investments, a portion of this increase has strong potential to be “captured” up front in the transit development process, and converted to a funding source for public improvements that support the transit system. In other words, some local and regional governments seek to share in the economic benefits that fixed guideway transit is thought to bring to private property owners, in order to finance the transit system.

Numerous studies have used statistical models and other methods to examine whether premiums exist for real estate prices or lease rates near transit stops, particularly for commuter and light rail systems.

A summary of various fixed guideway transit value premium studies was published in 2008 by the Center for Transit Oriented Development, a non-profit organization associated with Reconnecting America. Entitled *Capturing the Value of Transit*, the publication reviews the concepts associated with this topic, and summarizes the findings of more than 20 analyses of the effect of fixed guideway transit on different land uses around the U.S. Many of these studies, in turn, identified a range of value premiums associated with fixed guideway transit, and utilized a variety of techniques to come to this conclusion. The range of findings from the wealth of literature indicates that this topic presents challenges in distilling conclusions applicable directly to other locations. As shown below, *Capturing the Value of Transit* found the reviewed studies to conclude the following, as shown in Table 12:

Table 12: Range of Value Premiums Associated with Transit

| | Range of Property Value Premium | |
|----------------------------------|--|--|
| Single Family Residential | +2% w/in 200 ft of station <i>(San Diego Trolley, 1992)</i> | to +32% w/in 100 ft of station <i>(St. Louis MetroLink Light Rail, 2004)</i> |
| Condominium | +2% to 18% w/in 2,640 ft of station <i>(San Diego Trolley, 2001)</i> | |
| Apartment | +0% to 4% w/in 2,640 ft of station <i>(San Diego Trolley, 2001)</i> | to +45% w/in 1,320 ft of station <i>(VTA Light Rail, 2004)</i> |
| Office | +9% w/in 300 ft of station <i>(Washington Metrorail, 1981)</i> | to +120% w/in 1,320 ft of station <i>(VTA Light Rail, 2004)</i> |
| Retail | +1% w/in 500 ft of station <i>(BART, 1978)</i> | to +167% w/in 200 ft of station <i>(San Diego Trolley, 2004)</i> |

Notes:

VTA Light Rail is the Santa Clara, CA Valley Transportation Authority

BART is Bay Area Rapid Transit

Source: Capturing Value from Transit (Center for Transit Oriented Development, November 2008)

While the above table focuses on those studies that found a premium, the report also describes a study that found negative impacts on value associated with fixed guideway transit. A 1995 study, by Dr. John Landis at the University of California, Berkeley, found that values for single family homes within 900 feet of light rail stations in Santa Clara County were 10.8 percent lower than comparable homes located further away, and no value premium could be identified for commercial properties within one-half mile of BART stations in the East Bay of the San Francisco Bay Area.

One of the most thorough analyses conducted after 2000, when contemporary fixed guideway transit systems had established their resurgence as a modern, desirable form of transportation in urban America, was conducted by Dr. Robert Cervero at the University of California, Berkeley. This study, a survey of other studies covering only housing value premiums associated with fixed guideway transit, found that among the seven locations (Philadelphia, Boston, Portland, San Diego, Chicago, Dallas, and Santa Clara County), value premiums ranged from 6.4 to over 40 percent. The authors concluded that value premiums depended on a variety of factors, including traffic congestion, local real estate market conditions, and business cycles.

Transit in Europe can also provide insight to ways of measuring value capture. A study of 15 light rail systems in France, Germany, the United Kingdom, and North America measured housing prices, residential rent, office rent, and property values in each of the cities, concluding that there was a positive value premium in all but two cities. These two cities initially experienced negative value impacts from fixed guideway transit due to the noise associated with the light rail system.

One key aspect of this literature is the separation of fixed guideway transit's impacts on existing real estate versus its impacts on new development. In many situations, once a fixed guideway transit

system is planned, local governments also increase zoning densities or implement policies that densify allowable development. This makes sense, because fixed guideway transit allows the movement of people without commensurate automobile traffic impacts. However, studies of value premiums often face the challenge of controlling the analysis for changes in zoning (to allow for denser development) and the effects of related development policies. Conversely, increases in allowable development through denser zoning, even in the absence of fixed guideway transit, will almost always result in a higher land value, because a developer can build more units on the same site under the increase in allowed density.

Based on the analysis of value premiums, and considering the range of outcomes for previous projects, it would be reasonable to assume a potential value premium ranging from five percent up to 10 percent for properties located within one-half mile of the new transit station (one-half mile is considered the point at which resident interest in walking to a transit station substantially decreases). This value premium would represent a one-time increase in values that would be associated with a new transit station, and would also capture the benefit of changes in zoning and other City implementation actions to encourage TOD projects.

Property Tax Impacts

An increase in property values does not result in a proportional increase in property taxes (e.g., a five percent increase in property value leading to a five percent increase in property taxes) due to the overlapping effects of three state constitutional and statutory measures:

- **One-Percent Constitutional Limit:** the State Constitutions limits the regular combined property tax rate for all agencies to one percent, except for voter approved levies for schools or other agencies (such as the increase in the tax rate approved by Shoreline voters in 2010);
- **Levy Increase Limit:** Taxing districts, such as cities, are limited to a levy limit (limit on increase in property tax revenues) of no more than one percent of prior year property tax revenues, except for increases due to new construction, annexation, or voter approved increases; and
- **Levy Amount Limit:** There is a statutory limit on the maximum total levy for various types of taxing districts. The current maximum amount for cities is 0.59 percent of assessed value, excluding any voter-approved additional levies.

King County reassesses properties to fair market value on an annual basis. However, because of the One-Percent Constitutional Limit and Levy Amount and Levy Increase Limits, an increase in property values and assessed values does not automatically lead to an equivalent increase in property taxes. For example, each taxing district must on an annual basis adjust its levy (property tax) rate so that the increase in property taxes, excluding new construction, annexations, or voter-approved increases, does not exceed one percent. Other adjustments to levy rates may need to be made to stay within the One-Percent Constitutional and Levy Amount limits.

As described in the previous section, there may be a potential for a *one-time* increase of between five to ten percent in property values within one-half mile of the NE 185th Street Station. The amount of the increase is likely to be less than it has been in other station areas where the local jurisdiction has done extensive zoning changes to allow changes in use (e.g. industrial to residential) and much denser development. Aside from specific parcels developed near the NE 185th Street Station, the combination of the area's existing character and market forces suggest that the rest of the surrounding neighborhood should be expected to remain single-family residential in character.

The one-time increase in property values will need to be evaluated against overall changes in Shoreline property values to determine how it would impact property taxes for homeowners around the new NE 185th Street Station. For example, if the new NE 185th Street Station leads to a five percent increase in value, but this occurs in a hot real estate market where property values are increasing at a faster rate on an annual basis, the increase in assessed values for properties around the station may be driven more by market conditions than the new transit station. Only in a flat market could homeowners around the new station possibly experience a one-time increase in property tax rates that could approach the rate of increase in property values. It should be noted that an increase in property values represents a 100 percent increase in homeowner equity.

Because of the complexity of the overlapping limits, it is not possible to make a specific forecast for how much property taxes might increase around the station area. Instead, one would need to run a series of multiple scenarios with varying assumptions for market-based increases in property values, the increase in the value of properties around a new transit station, and evaluation of how the constitutional and statutory limit affect Shoreline to come up with a projection for a range of possible outcomes.

For homeowners who might be severely affected by a property tax increase, King County operates several programs to assist homeowners who may face difficulty paying property taxes for any reason. This includes a property tax exemption for senior citizens and disabled persons, based on household income, that freezes valuation and can create some exemptions from regular property taxes. Another program provides property tax deferrals for homeowners with limited income. The State also provides a property tax deferral program, administered by county assessors, that allows for full or partial deferral of property taxes. Another State provides means-tested direct grant assistance for property tax payments to seniors and disabled persons who are widows or widowers of veterans, which for eligible households could help offset an increase in property taxes if it occurs.

APPENDIX A: SHORELINE TRADE AREA PLANNED AND PROPOSED DEVELOPMENTS, SEPTEMBER 2013

| Project Location Developer | Site Area (acres) | Size | Comments |
|--|-------------------|--|---|
| Shoreline | | | |
| Shoreline Star (a) 1210 N 152nd Street, Shoreline | 1.16 | 129 new residential units | Residential Building with below grade and on grade parking |
| North City Family Apartments (b) 17542 12th Ave NE, Shoreline | N/A | 80 new residential units | 5 story residential over 1 story above grade Type 1A Parking and Basement Parking |
| US Biotek (b) 16020 Linden Ave N, Shoreline | 1.35 | 20,731 sq ft office/lab | 2 story office/lab building |
| International Community Health (b) 16549 Aurora Ave N, Shoreline | 1.1 | 48,895 sq ft office | 3 story medical and dental outpatient clinic with one level below grade parking |
| Mountlake Terrace | | | |
| Arbor Village (a) 23601 56th Avenue W, Mountlake Terrace | 1.3 | 123 new residential units 10,000 sq. ft. commercial | New multifamily residential with ground floor commercial |
| Aspen Lane (a) 4028 214th St SW, Mountlake Terrace | N/A | 6 new residential units | Condominium development |
| Hall Lake Townhomes (a) 5913 212th Place SW, Mountlake Terrace | 0.52 | 8 new residential units | Townhomes |
| Terrace Heights Garden (a) 4713 216th Street SW, Mountlake Terrace | N/A | 16 new residential units | Multifamily |
| Monterra Townhomes (a) 21426 48th Avenue W, Mountlake Terrace | 1.84 | 53 new residential units | Multifamily |
| 52nd Avenue West (a) 21216 52nd Avenue W, Mountlake Terrace | 0.94 | 63 new residential units | Multifamily |
| Kings Gate (a) 24007 56th Ave W, Mountlake Terrace | 0.93 | 46 new units 3,475 sq. ft. commercial | Multifamily with ground floor commercial |
| Lynnwood | | | |
| Lynnwood Crossing Shopping Center (b) Lynnwood | N/A | 124,000 sq ft new commercial | Binding Site Plan approved (preliminary) |
| Lynnwood High School Redevelopment (c) Lynnwood Place 3001 184 St. SW Edmonds School District & Cypress Equities | 40.22 | 500 new residential units 490,000 sq ft retail | Costco approved as anchor, Development Agreement & Planned Action Designation in process. |
| Ryann Building (c) 2328 196th Street, Lynnwood | N/A | 12,000 sq. ft. office | Replaces gas station & convenience store; additional permits required |
| Bowl & Skate PUD (c) 6210 200th St SW, Lynnwood | N/A | 6,000 sq ft retail | Project Design Review not yet submitted |
| Office Building (c) Lynnwood | N/A | 22,554 sq ft office | PDR under review |

Note:

Primary Trade Area includes the City of Shoreline; Secondary Trade Area consists of Edmonds, Lake Forest Park, Lynnwood, Mountlake Terrace and North Seattle Census Tracts 1, 2, 3, 4.01, 4.02, 5, 6, 7, 8, 10, 11, 12, 14

(a) Denotes Projects Under Construction

(b) Denotes Projects Approved, but Construction has not yet commenced

(c) Denotes Projects Pending Approval

Source: Cities of Shoreline, Seattle, Lynnwood, Lake Forest Park, and Mountlake Terrace; BAE, 2013.

Appendix A: Shoreline Trade Area Planned and Proposed Developments, September 2013, Continued

| Project Location Developer | Site Area (acres) | Size | Comments |
|---|-------------------|---|---|
| North Seattle | | | |
| 301 N 107th St (b) North Seattle | N/A | 54 new residential units | 4 story mixed use apartment building; three live-work units at grade |
| 14002 Linden Ave N (b) North Seattle | N/A | 178 new residential units | 7 story apartments; low income senior housing above first floor offices and residential amenity space |
| 14027 Lake City Way (b) North Seattle | N/A | 320 new residential units 9,000 sq ft. retail | Parking for 432 vehicles below grade |
| 525 NE Northgate Way (b) North Seattle | N/A | 266 new residential units 28,261 sq ft retail | Ground floor retail; 6 story apartments |
| 12311 32nd Ave NE (b) North Seattle | N/A | 144 new residential units | 7 story building; 9 live-work units; parking for 36 bicycles |
| 10502 Lake City W (c) North Seattle Allan Development | N/A | 92 new residential units | Demolish existing buildings, construct mixed-use |
| 13716 Lake City Way (c) North Seattle | N/A | 152 new residential units 4,696 sq. ft. office | 7 story residential, parking & office building |
| 3310 NE 125th Street (c) North Seattle | N/A | 65 new residential units | 5 story, parking at and below grade, ground floor retail |
| Lake Forest Park | | | |
| Southern Gateway Village (c) Lake Forest Park Intercorp | 7.06 | 114 new residential units | 86 townhomes, 28 single family detached residences; will replace an Elks Lodge |
| Summary of Trade Area Development | | | |
| Total New Residential Planned and Proposed (units) | | 2,257 | |
| Total New Office Planned and Proposed (sq. ft.) | | 108,876 | |
| Total New Commercial Planned and Proposed (sq. ft.) | | 670,736 | |

Note:

Primary Trade Area includes the City of Shoreline; Secondary Trade Area consists of Edmonds, Lake Forest Park, Lynnwood, Mountlake Terrace and North Seattle Census Tracts 1, 2, 3, 4.01, 4.02, 5, 6, 7, 8, 10, 11, 12, 14

(a) Denotes Projects Under Construction

(b) Denotes Projects Approved, but Construction has not yet commenced

(c) Denotes Projects Pending Approval

Source: Cities of Shoreline, Seattle, Lynnwood, Lake Forest Park, and Mountlake Terrace; BAE, 2013.