

From: [Debbie Tarry](#)
To: [Will Hall](#); [John Norris](#)
Cc: [Carolyn Wurdeman](#); [Rachael Markle](#); [Steve Szafran](#); [Heidi Costello](#)
Subject: RE: LCLIP questions
Date: Monday, July 20, 2015 3:03:53 PM

Will -

Here are responses to your questions. This will be loaded into the green folder for tonight.

There are a few other questions that I think may help us evaluate whether, when, and how to consider LCLIP.

1. What other approaches could we consider to fund infrastructure improvements in these areas, and how do those approaches compare with LCLIP in terms of the amount of funding available, the timing, short term and long term costs, and risks. Examples might be using current revenue streams, bonding against current revenue streams, running a ballot measure to bond for improvements, seeking grants, etc.

You have listed some of the potential resources – most of those would be done on a city-wide basis that could potentially generate more revenue, but would also potentially require payment from a broader base of taxpayers than LCLIP. LCLIP revenues are generated off the property tax generated by the “new construction” value of the development. Other potential revenue sources could be Local Improvement District, additional Transportation Benefit District revenues, dedication of Real Estate Excise Tax created from the sale of properties in the identified areas (although this could reduce REET for other projects), adoption of a revenue generating business license fee with funds dedicated for capital improvements, to name a few.

2. What impact might this program have on the pace of development in Shoreline compared to neighboring cities including nearby areas of Seattle that do not have TDR programs?

In the case of using a market rate 8 year property tax exemption as the incentive (8-year MFTE), as long as the incentive is structured right, it should make it somewhat financially advantageous for the developer. As a result, parcels within the study area would be more likely realize development than surrounding areas with the incentive.

Additionally by investing in public improvements the city can make redevelopment more attractive in certain areas by reducing developer costs and providing amenities that make a neighborhood more desirable. The intent of LCLIP is to provide cities with new financial resources to support growth in places where they want it.

See #3 – Seattle has TDR program in two specific areas.

3. What cities have successfully implemented TDR programs?

Seattle does have an LCLIP program for the downtown and South Lake Union. Northern

neighborhoods near Shoreline do not, though.

The following are a list of cities in the region that currently have TDR programs, but very few have actually placed TDR credits: Arlington, Snohomish, Mountlake Terrace, Seattle, Issaquah, Sammamish, Bellevue, Normandy Park, Redmond and Tacoma. Only Seattle, Redmond and Issaquah have completed TDR transactions. Mountlake Terrace is positioned to complete a TDR transaction in the near term. LCLIP was created as an incentive to make TDR more attractive. Other cities where LCLIP could be viable and that are currently exploring implementation include Mountlake Terrace, Tukwila, and Tacoma.

4. Before floating a bond measure, a city would typically have a specific list of projects to be funded. It looks like we would not need that until after designating the area. Do we have any initial list for the areas where staff is suggesting we consider LCLIP?

I believe the step of identifying the projects that bonds will be used to fund in advance of the bond being approved is required by State law and it helps the voter's determine if they want to tax themselves to fund specific projects.

If the Council instructs staff to pursue a TDR program in combination with LCLIP, the City will also identify where this program should apply (Town Center, CRA, 185th Street Station Area, 145th Street Station Area, all of the above). Then the LCLIP eligible projects in the associated plans or even more specifically those projects from the area plans that are also listed in the City's CIP could target LCLIP funds as a funding source. For example, the 185th Street Light Rail Subarea has mitigations that could take advantage of LCLIP funds. Improvements include transportation, utilities, parks and open space, and schools and other public services. The full list can be found starting on page 7-6 of the 185th Street Station Subarea Plan. The CRA Planned Action (yet to be adopted) includes a number of projects including intersection improvements or regional surface water detention system. A number of mitigation items are already included in the 145th Sub-Area plan (yet to be adopted).

5. The staff report presumes familiarity with TIF. Might some council members and interested members of the public benefit from additional background and a more basic explanation of what is being proposed?

This will be included in the presentation this evening by the consultant.

6. What are the pros and cons of working on LCLIP now as opposed to after completing the station area plan for 145th? We've been spending a lot of time and energy on land use issues and for me, completing the 145th station area plan is a higher priority.

If the City wants to include TDR into the development regulations for the 145th Light Rail Subarea Plan, we may want to think about ways to encourage TDR. TDR and the Plan can move along at the same time. Or waiting to pursue TDR & LCLIP is an option. We are discussing it now since we received the grant to fund the feasibility study. Also, the City can delay the start of the program to a point in time that the City feels is the most likely to yield the redevelopment necessary to "sell the

TDR credits". One risk in waiting is that the City's LCLIP funding level is based on the increment of redevelopment – therefore if the redevelopment occurs before the City enters the program, then that projects valuation is not added to the total eligible for the City to receive LCLIP funding. An advantage in waiting is to match the availability of staff resources with program development. Program development would probably take approximately 12 months.

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-----Original Message-----

From: Will Hall
Sent: Thursday, July 16, 2015 3:46 PM
To: Debbie Tarry; John Norris
Cc: Carolyn Wurdeman
Subject: LCLIP questions

There are a few other questions that I think may help us evaluate whether, when, and how to consider LCLIP.

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2. What impact might this program have on the pace of development in Shoreline compared to neighboring cities including nearby areas of Seattle that do not have TDR programs?
3. What cities have successfully implemented TDR programs?
4. Before floating a bond measure, a city would typically have a specific list of projects to be funded. It looks like we would not need that until after designating the area. Do we have any initial list for the areas where staff is suggesting we consider LCLIP?
5. The staff report presumes familiarity with TIF. Might some council members and interested members of the public benefit from additional background and a more basic explanation of what is being proposed?
6. What are the pros and cons of working on LCLIP now as opposed to after completing the station area plan for 145th? We've been spending a lot of time and energy on land use issues and for me, completing the 145th station area plan is a higher priority.

Will Hall, Councilmember
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