

Landscape Conservation and Local Infrastructure Program (LCLIP)

City Council
July 20, 2015



Agenda

- Background
- Consultant Presentation
- Questions, Concerns and Next Steps



Land Use Policy 58

- *Support regional and state Transfer of Development Rights (TDR) programs throughout the city where infrastructure improvements are needed, and where additional density, height and bulk standards can be accommodated.*



Grant Funding

- The City received a \$42,060 grant to study the feasibility of establishing a TDR program and using LCLIP as a funding source for improvements.

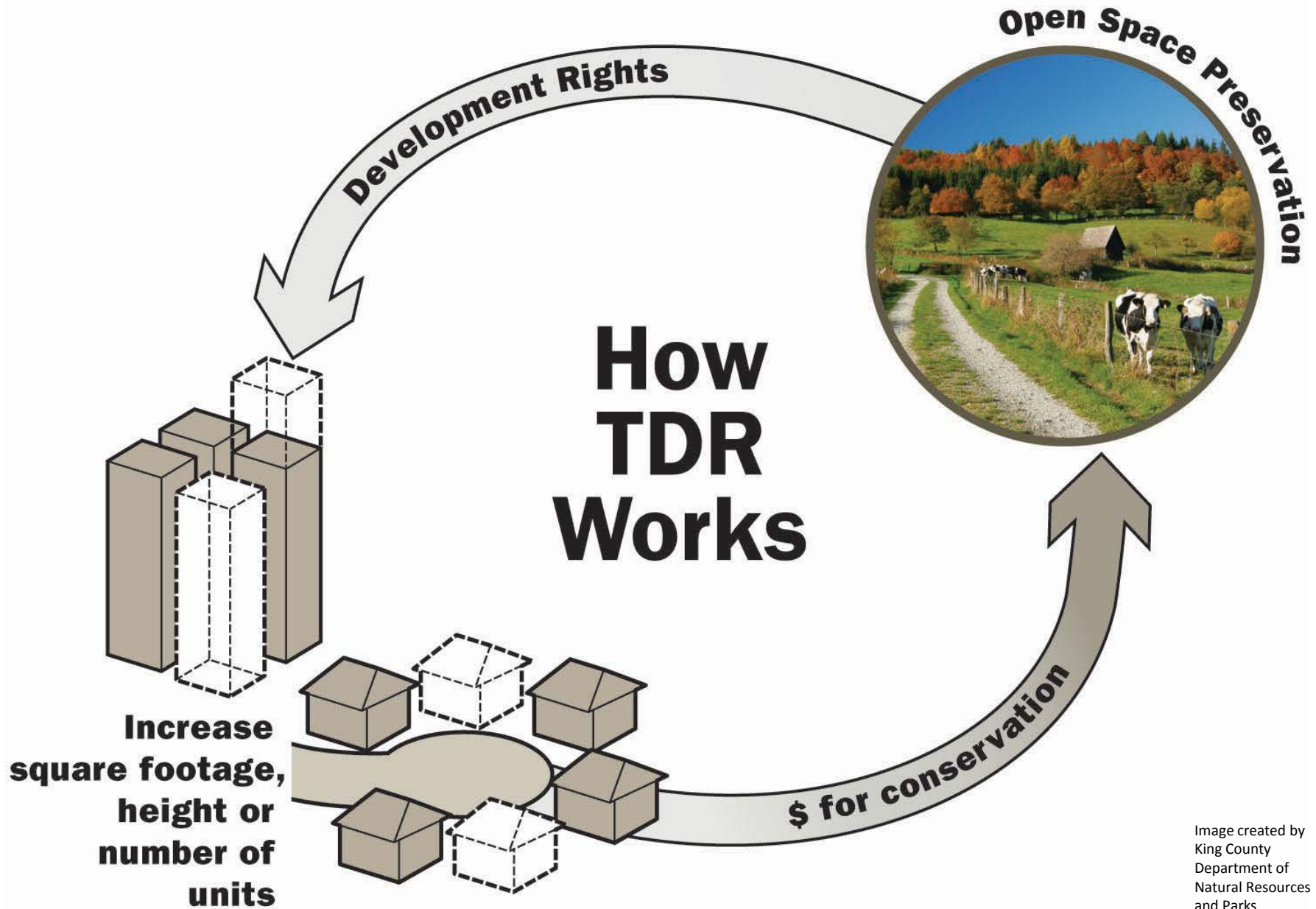


December 8, 2014

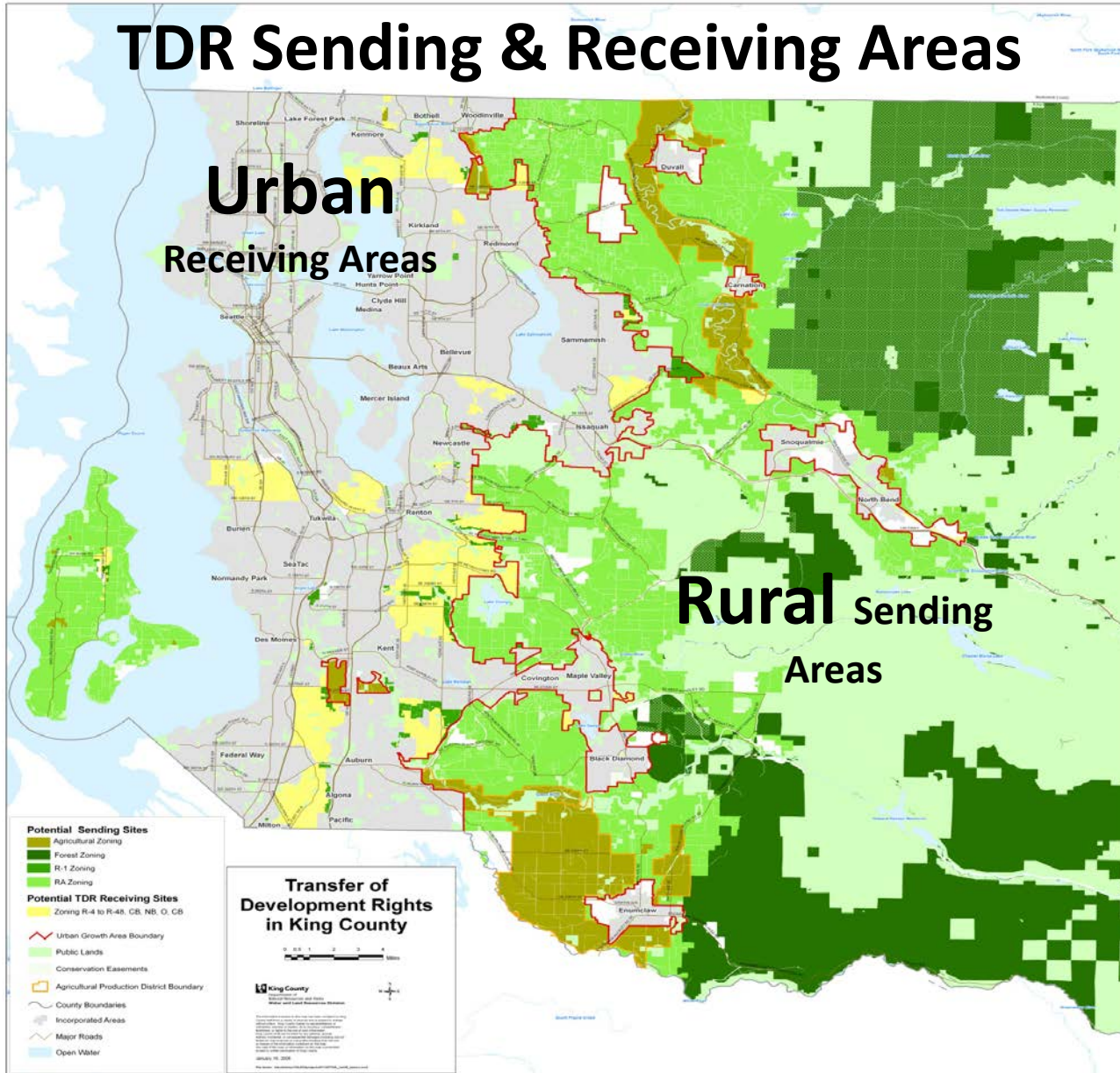
- The consultant presented preliminary findings to Council on December 8, 2014.



LCLIP Feasibility Study Findings



TDR Sending & Receiving Areas



King County - City TDR Partnerships

- 39 cities in King County
- County goal - critical mass of partner cities to steer development away from rural / resource lands
- Link economic redevelopment in cities with rural land preservation

LCLIP: Landscape Conservation and Local Infrastructure Program

Beyond TDR

Cities need infrastructure to support growth



LCLIP: What It Is

TDR + TIF = LCLIP

**Conserved Farms
and Forests**

+

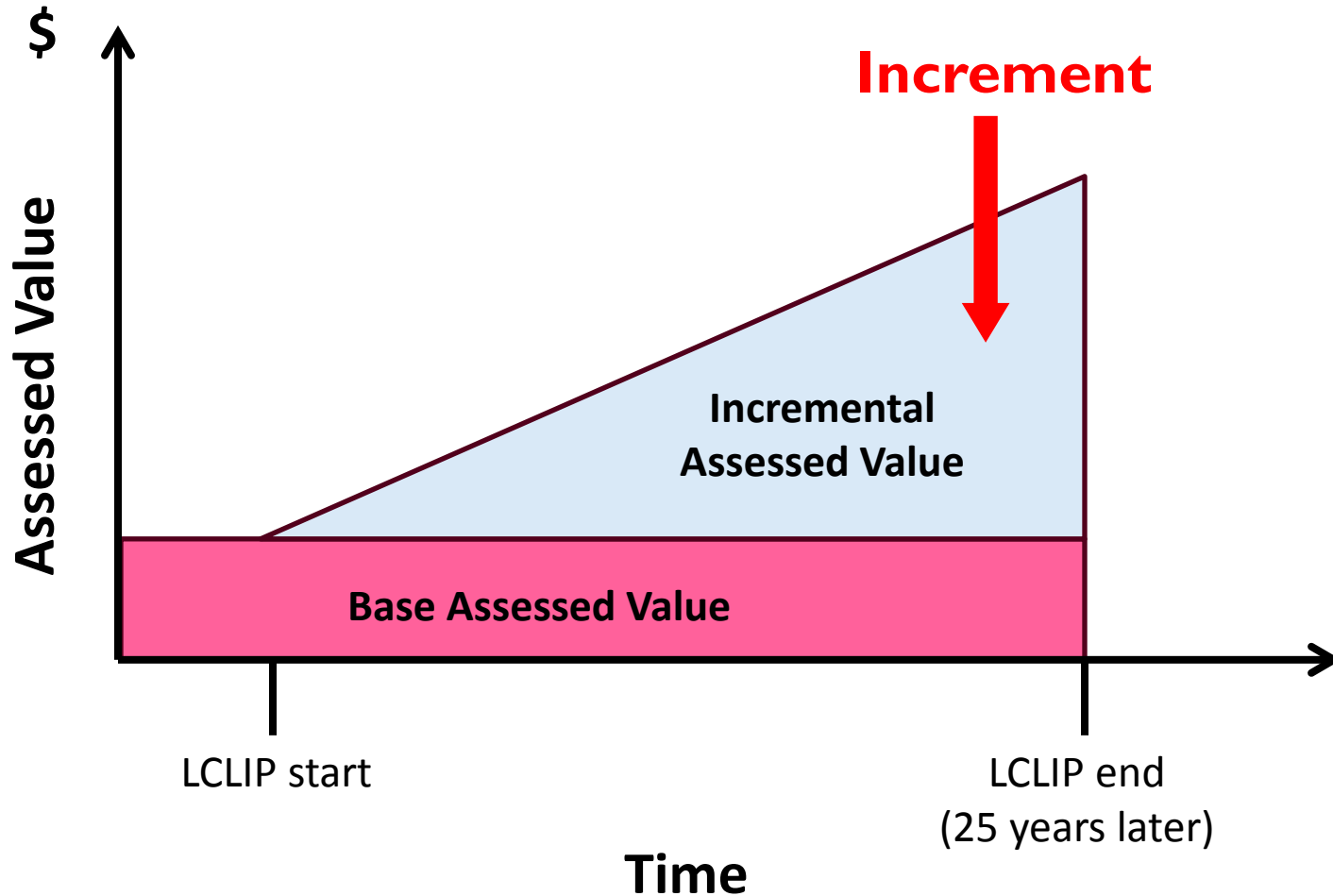
**Revitalized
Communities**

=

**A Better Future
for Our Families**

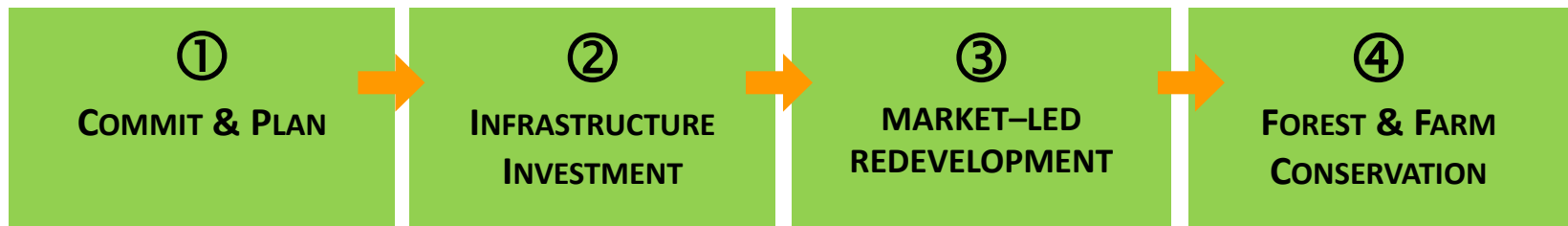


Tax Increment Financing



How Does LCLIP Work?

Landscape Conservation & Local Infrastructure Program Process



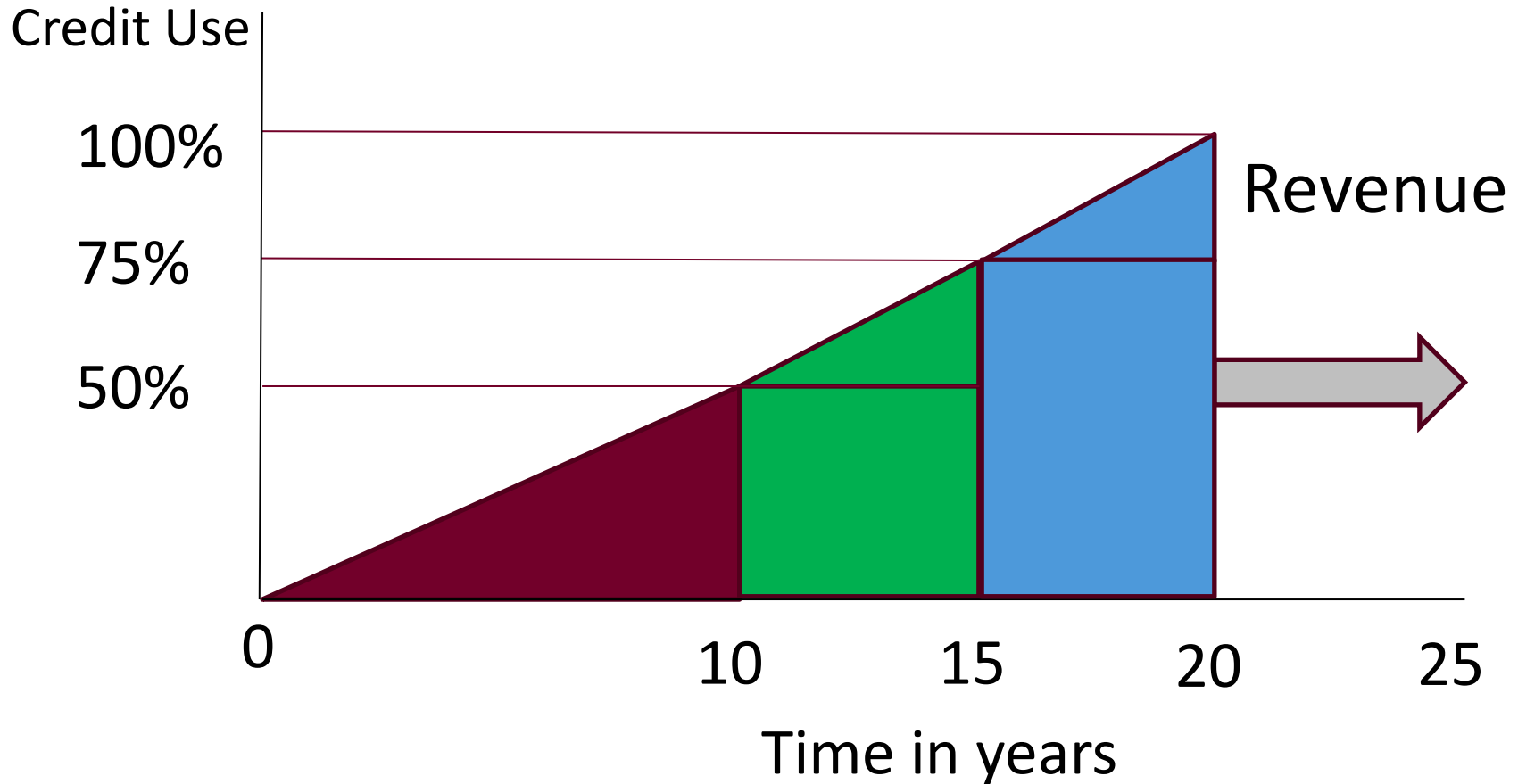
- City conducts feasibility study
- City agrees to TDR goal
- Establishes district
- Creates development plan
- County ILA

- City finances using future tax revenue
- Infrastructure improvements made as planned

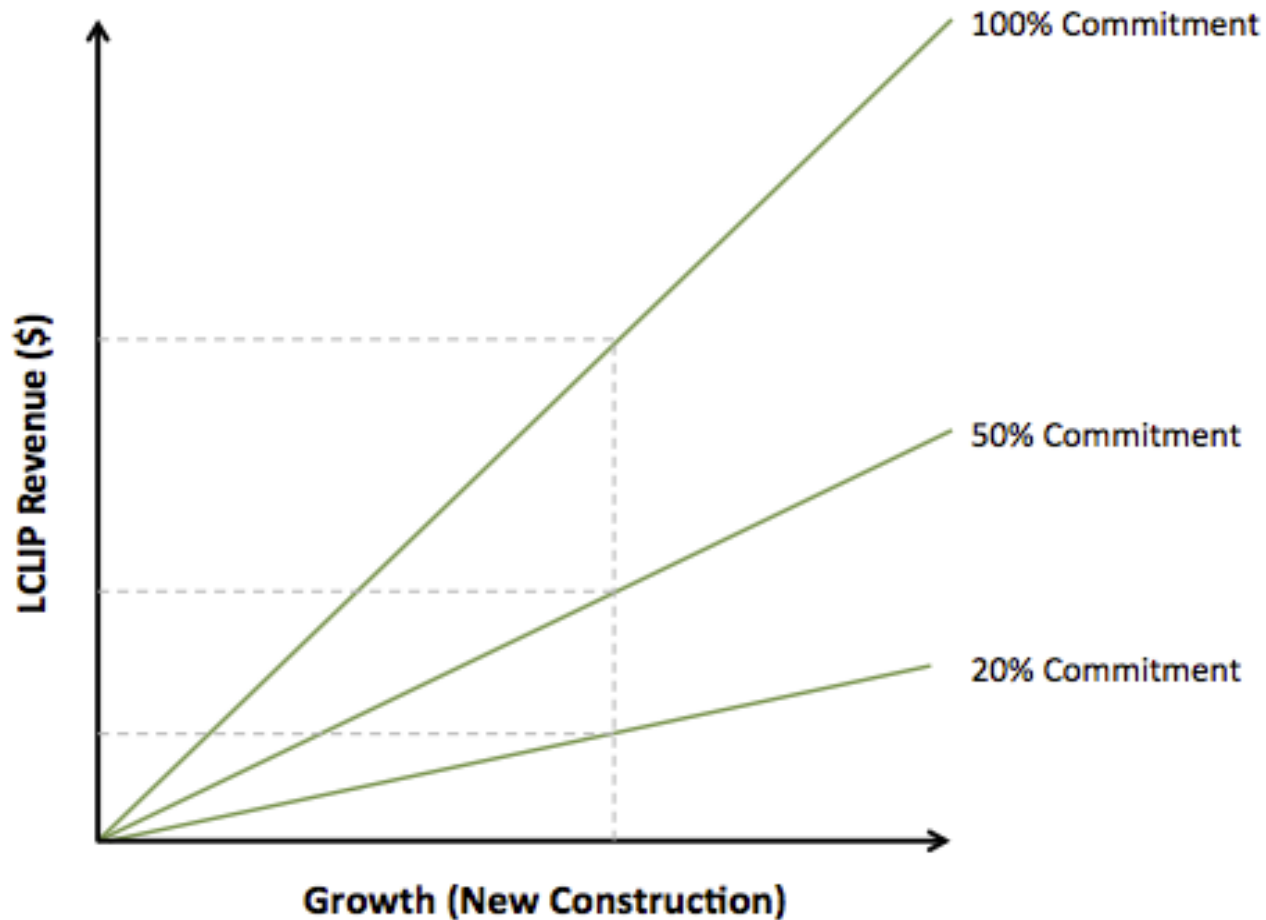
- District is more favorable for development
- Private market responds
- TDR used in district
- Increased property tax revenues

- Over time the City's TDR goal is met

Program Milestones



Revenues and City Commitment



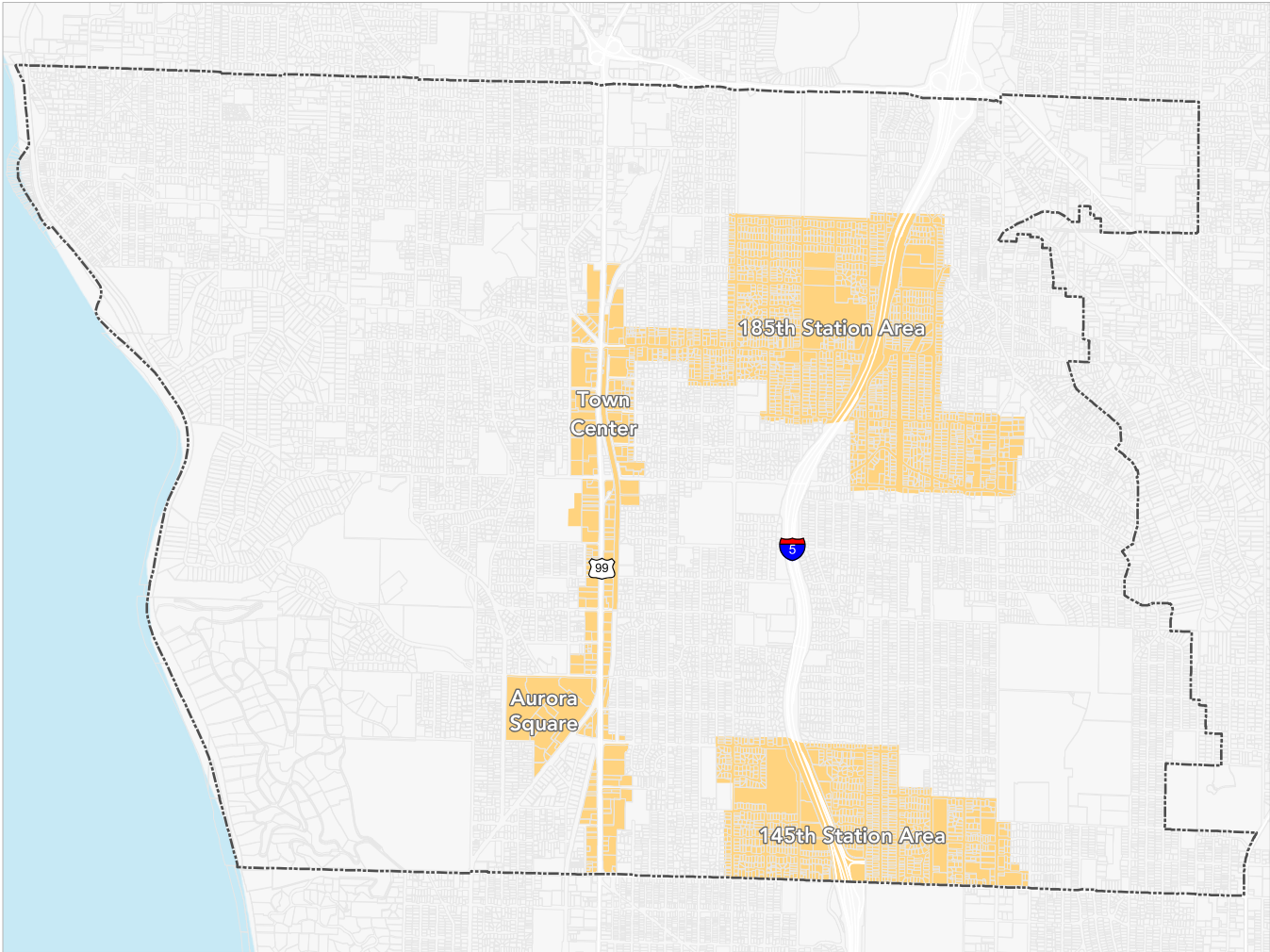
Feasibility Study

- Will LCLIP work here? Under what conditions?
- How much money will it generate?
- When should the city begin to use it?
- What are the risks?

Study Findings

- LCLIP is feasible in Shoreline.
- The program would generate revenue to help fund infrastructure in the city
- Challenges include mechanisms for TDR credit placement and timing of the program and development

Expand Subareas



Source: City of Shoreline, King County

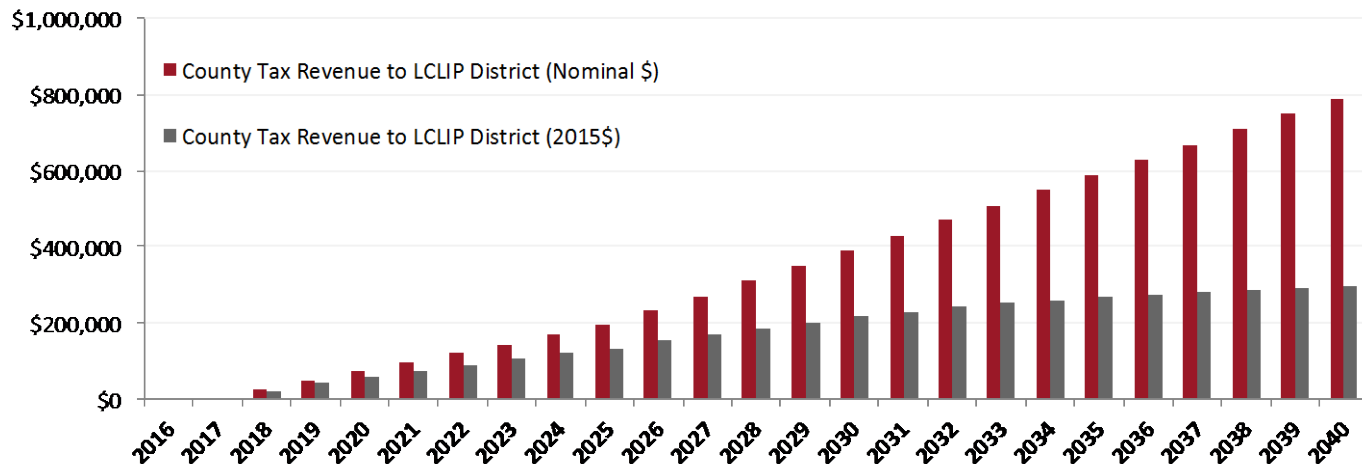
Scenario 1: 185th Station Area

- Assumes half of PSRC based growth for 185th Station Area in first 10 years
- First 300 units eligible for 8-year MFTE with exchange rate of 1 TDR per 4 Units
- Wouldn't meet first performance threshold with just 54 credits placed; 62 credit gap to reach 116 credits
- Cost \$1.35 million
- Other mechanisms are needed to support TDR placement

Scenario 2: All Study Areas, MFTE

- 3.7 million square feet of growth (current growth trend)
- All 231 credits placed and performance thresholds met
- \$4.4 million (inflation adjusted)/\$8.5 million (non-inflation adjusted) new revenue to city

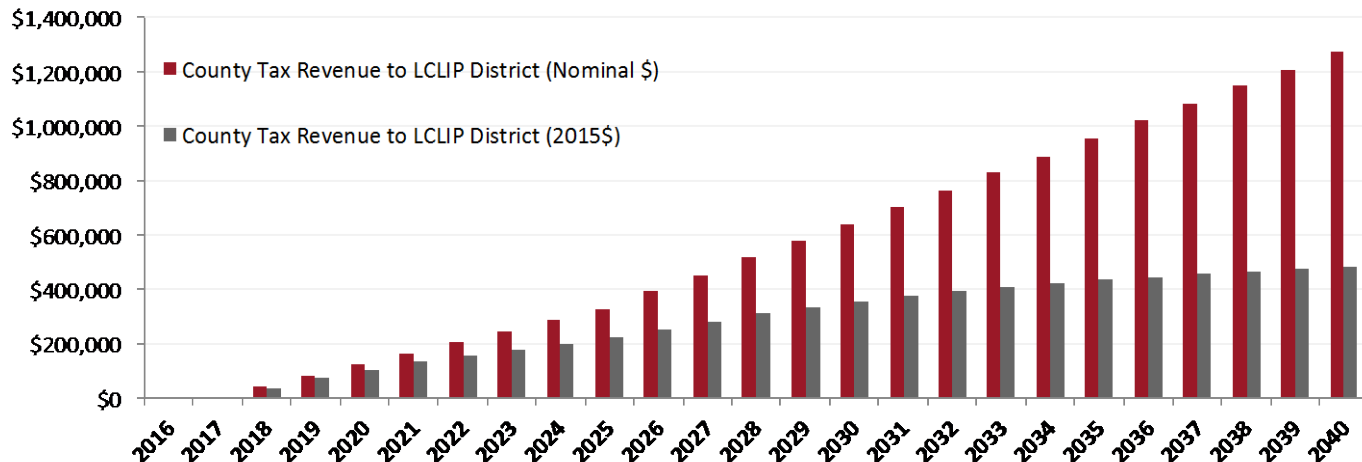
Annual Revenues



Scenario 3: High Growth, MFTE

- 5.4 million square feet of growth (higher rate of growth)
- All 231 credits placed and performance thresholds met
- \$7.3 million (inflation adjusted)/\$13.9 million (non-inflation adjusted) new revenue to city

Annual Revenues



Recommendations

- Accept all 231 credits
- Expand study areas to reach 25% of AV limit
- Extend MFTE TDR option to entire study area
- Consider incentive zoning/MFTE in 145th Station Area
- Pursue Development Agreements for Aurora Square
- Work with County on ILA for milestones/price guarantees
- Prepare policy and code groundwork for adoption of LCLIP
- Time start of program with major development

Next Steps

- Direct staff to create proposal for TDR program
- Develop ordinance
- Work with King County on ILA
- Pass ordinance

Thank you

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Darren Greve, King County

Erik Rundell, ECONorthwest

Summary

- LCLIP is feasible
- Questions to be Answered:
 - Best Incentive Mechanisms (8-year MFTE, height bonus, parking reductions)
 - LIPA
 - Timing of Implementation (Now? After 145th Subarea Plan?)
 - How Many TDR Credits to Commit To?



Next Steps Tonight

- Council Discussion
- Are There Other Questions?
- Should Staff Continue to Pursue the LCLIP Program?
- If Yes, Should Program Implementation Occur 2016-2018?

