

From: [Dan Jacoby](#)
To: [City Council](#)
Subject: January 4th Business Meeting agenda item 8-a
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Attachments: [Comment_MarketingStudy_160104.doc](#)

To the Council:

First of all, my apology for getting this in late. I meant to send it earlier, but got caught up in revisions. Fortunately, as tonight's agenda item is just a discussion and no action is anticipated, there is plenty of time to review this at your leisure.

Thank you for your consideration,
Dan Jacoby

To the Shoreline City Council and appropriate city staff

Re: Business Meeting, January 4, 2016
Item 8a, "Discussion of Promote Shoreline Campaign"

Dear Council Members and staff:

Having read through the Strategic Marketing Plan (the "Plan"), I believe that any plans to advertise Shoreline are premature at least, and that the specific recommendations in the Plan are ill-advised.

For starters, the Plan doesn't say much about Shoreline's reputation that people in Shoreline don't already know. For instance:

- That people who move here want to live in homes, not apartments;
- That Shoreline has no "destination" shopping area;
- That Shoreline is almost completely without arts and night life;
- That Shoreline has no "fine dining" restaurants;
- That Shoreline has very little in the way of professional and executive office space; and
- In short, that Shoreline is a very nice place to make a home, or go to school, but not a great place to shop, go out, or pretty much anything else.

Many of the shortcomings are due to the fact that Shoreline was never planned to be anything but a sleepy bedroom community. Unfortunately, for local governments the economics of bedroom communities, especially in Washington where property and sales taxes are shared between state and local governments, are extremely difficult. Unless Shoreline can attract higher-end retail businesses, the city government's budget will continue to be extremely tight.

Even worse, the BAE Urban Economics study commissioned by (consultant for both the City of Shoreline and Sound Transit) OTAK on the 185th St. Subarea noted in its summary that, "Retail should be limited to a small amount of convenience oriented retail serving residents and transit riders and located at the transit station." (Pg. 1) and, "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." (Pg. 2) In other words, despite the enormous upzone around, and extending more than half a mile away from, the pending 185th St. light rail station, there is little likelihood that this area will see much in the way of higher-end retail.

Unfortunately, the Plan contains almost no recommendations for attracting such businesses. Instead, the recommendations include an attempt to dispel (by the way, someone needs to tell the authors of the Plan how to spell the word "dispel") the accurate view that Shoreline is full of strip malls rather than boutique stores, fine dining restaurants, and arts.

The Plan also contains a truly odd statement:

"Homes in the same ZIP code as Trader Joe's have jumped an average of 40 percent in value since their purchase, while those near a Whole Foods have increased by 34 percent." (Pg. 5, end of Table 2.1.1)

There is no Whole Foods anywhere near Shoreline, and while Trader Joe's is coming, it hasn't opened yet. There is no reason to ascribe any property value changes to either of these stores' presences. Why, then, is this bullet point even included in the Plan?

In addition, the notion that a “Squatch” character can become an accepted mascot for the city without a much more expensive ad campaign is silly. Sure, the Geico gecko and the Taco Bell chihuahua are successful, but it took a long campaign, costing tens of millions of dollars, to make them successful. (Note: I have focus-group tested this concept with a variety of people, and the consensus is clear — it's a terrible idea.)

Renaming Aurora Avenue is another silly notion. Why go to all the expense when the name is already not only usable but actually appropriate as it is? Aurora was the Roman goddess of the dawn; the new Aurora Avenue should be marketed (at the proper time) as the new dawn of Shoreline.

On the subject of silly notions, a “date night”? Really? Where, exactly, is someone supposed to go on a date in Shoreline? There aren't a lot of good options because, as I noted above, Shoreline doesn't have much of a night life.

Instead of coming up with silly notions, how about not spending money on an advertising campaign until the problems that keep people from coming to Shoreline are solved? Yes, Aurora Avenue has been dramatically upgraded, but the “destination” stores don't exist, there is no walkable shopping center (just two small strip malls), there is almost no nightlife — in short, there is no reason for people to come here.

Don't put the cart before the horse.

Instead of spending money on a retail marketing campaign, Shoreline should become more business-friendly. When Dick's Drive-In chose to locate along Highway 99 in Edmonds rather than in Shoreline, it should have been a wake-up call that our city is actively hostile to new businesses. And as if that weren't bad enough, the pending loss of The Door Store is another warning that the city needs to change its attitude toward business.

Instead, the City Council chose to enact a new traffic impact fee with a schedule that is enormously higher than the one in Edmonds and without an exemption for a “business core” such as they have in Lynnwood. It should be instructive that the two new businesses that recently opened in Ridgecrest did so only because they were able to avoid paying that fee.

Basically, Shoreline's strengths are:

- ✓ Location — close to Seattle, and on the north where growth is projected;
- ✓ Schools — the majority of people who move to Shoreline do so because of the schools; and
- ✓ Neighborhoods — Shoreline is still primarily a single-family home city, with an abundance of parks and trees;

Shoreline's weaknesses are:

- ✗ Transportation — it often takes less time to get from Lynnwood to Seattle than from Shoreline, there is very little east-west mass transit within the city, and our arterials are rapidly approaching maximum use;
- ✗ No business core — Shoreline's development as a bedroom community has left us without a “downtown” area;
- ✗ No walkable shopping areas — while there are several “strip mall” areas, they lack the draw of upscale boutique stores, so most people who drive to one of these areas do so solely for the purpose of going to only one store for a planned purchase, rather than to go shopping;

- ✦ High cost to businesses — between increasing property prices, permitting requirements and the new traffic impact fees, Shoreline is an expensive place to start, or move, a business; and
- ✦ Competition — Lynnwood and Everett are much more successful at attracting new businesses.

In order to attract new businesses, rather than spending money on a marketing campaign, Shoreline could better use that money to:

1. Create and maintain a real-time list of available retail and office space, as well as a list of places where new retail and/or office space could be built.
2. Alter the Traffic Impact Fee in two ways:
 - a) Reduce the overall fee schedule to bring it more in line with the schedule in Edmonds; and
 - b) Allow businesses to pay the fee over five annual payments, back-loaded so that each payment is higher than the previous one, and with no requirement of a guarantee that the entire fee will be paid if the business goes bankrupt. Additionally, any business that seeks to open where a previous business failed prior to paying the entire fee should be credited with any payments made by the previous business.
3. Streamline the permitting process and reduce fees;
4. Fine-tune zoning and other regulations to encourage higher-end retail and office space (note: the city has at least attempted this path with its signage rules for the Aurora Square CRA); and
5. Locate, target, and actively recruit specific businesses that operate elsewhere (such as Seattle, but also other high-cost cities in the region) to relocate to Shoreline.

Trying to advertise Shoreline as a great place to move into a new apartment building, when people don't want to move here for apartment living, won't be very effective. Trying to advertise Shoreline as a great place to do business, when the city doesn't have any walkable shopping areas and has a reputation for being hostile to new business, will be similarly ineffective.

On the other hand, the steps outlined above can create a Shoreline that is much more business-friendly, develop truly walkable communities, engender far greater desire for people to move here (including a greater willingness to move into an apartment), and bring in the extra tax revenues that can help balance Shoreline's books.

I hope you will consider these ideas.

Respectfully submitted,
Dan Jacoby