

From: [Megan Kogut](#)
To: [Chris Roberts](#); [Shari Winstead](#); [Jesse Salomon](#); [Will Hall](#); [Doris McConnell](#); [Keith McGlashan](#); [Keith Scully](#)
Cc: [City Council](#)
Subject: Ordinance 717 public comment
Date: Monday, February 29, 2016 5:45:03 PM

Dear Council members,

Thank you for a thoughtful and engaged January Council meeting discussing the TIF as applied to businesses. I was riveted the entire time.

Well, that's enough accolades for now! I'll get back to the technical stuff.

I've read the staff report. There's a lot I could say of course, but here are my two specific recommendations about the proposed options for Ordinance 717:

1. A year ago Jarred and I brought the examples of coffee shops and restaurants, and small businesses, as food for thought regarding the TIF program. But we think that all businesses should be considered for an exemption regardless of size or type. We brought only examples because that's all we had. We were trying to inspire a thorough reevaluation of or major adjustment to the TIF program. I now call these examples the Ghosts of Business Future, to borrow from Charles Dickens. Here are two more Ghosts of Business Future: grocery stores and daycares also have relatively high TIF rates. Downtown Ridgecrest once had a grocery store, and I estimate that it would cost about \$300K to get it back someday. Many other great things could happen in Downtown Ridgecrest, and in other commercial areas that are currently mostly general retail/service and light manufacturing. So in the absence of a robust analysis of future possibilities and potential impacts in all existing commercial areas in Shoreline, I would exempt all businesses.
2. I fully support a 100% exemption for all businesses with a sunset clause. A 50% cut is arbitrary at best. At worst, 50% of a big number may still be a big number compared to the total startup budget and therefore a game changer.

I have two general comments:

1. The staff report for this Council meeting frames the reconsideration of the TIF as "tax relief", which is standard language. But I want to clarify that for me, this issue is not about helping businesses for their own sake. I want to again reframe this discussion as a practical issue for the City – does the TIF program significantly interfere with the City goal of vibrant and walkable neighborhoods? I think it is time to recognize businesses as necessary components of a great City. We are not talking about providing assistance to business owners. We are talking about removing unreasonable road blocks for businesses moving to Shoreline; in other words, we are talking about a competitive City of Shoreline.
2. At the risk of being Captain Obvious, I want to bring up that the City's sales tax base, another significant source of revenue to the City, may be constrained by the TIF. It's a point that that's not been brought up before to my knowledge, but I think it's important to consider. Ridgecrest Pub is currently forecast to pay sales tax of about \$2500 annually to the City, which is a recurring amount comparable to any TIF it might have been assessed. The tax base

will grow regardless of the TIF program. But I think it will grow faster, and it will grow in far more style, if the City of Shoreline eliminates the TIF for businesses.

Finally, I think the case against the TIF program as applied to businesses is so clear that the program deserves full and permanent elimination. But I would support the sunset clause and stay tuned. I have reasons to suspect that 2016 and 2017 will be huge years for Shoreline's business community, and I look forward to seeing what happens.

Thank you again for your consideration.

Megan Kogut PhD

15806 10th Ave NE