



MEMORANDUM

TO: Mayor Roberts and City Councilmembers

FROM: Jessica Simulcik Smith, City Clerk

DATE: March 22, 2016

RE: Documents received at 3/21/16 Council Meeting

CC: Debbie Tarry, City Manager
John Norris, Assistant City Manager

Attached hereto are documents received from the public at your March 21, 2016 City Council Business Meeting.

- 1) Written comment regarding Ordinance 717 submitted by Dan Jacoby.

Dan Jacoby

Public comment to the Shoreline City Council

March 21, 2016

I trust you've read the email I sent last week in support of Ordinance 717, applauding the Council's adoption of Council Member Salomon's amendment and supporting Council Member Scully's amendment. I also support the staff recommendation to extend the exemption to light industrial and manufacturing.

In fact, we should eliminate the TIF for all businesses.

As I made clear in my email, the supposed cost to the city is far lower than the city staff claims. Last year we took in about \$180,000 in business TIFs, but \$95,000 of that was a one-off from Swedish Medical, and we can't expect that again.

But the true cost includes the enormous cost to the city of driving yet more businesses away with exorbitant fees and other issues that give Shoreline the well-earned reputation of being hostile to business. Ten years ago, 22% of city revenues came from sales taxes; today that's down to 20%, with no expectation of improvement. Gambling tax revenues have been cut by more than a third, and that appears permanent. We make it up with giant increases in fees and property taxes that drive business away and drive up the cost of living here.

What's more, most new businesses result in less traffic, not more. If you wanted to open, say, a dry cleaner or a coffee shop, you'd naturally locate where there are lots of residents and no nearby competitor. As a result, people who used to drive a mile, a mile and a half, or more now drive half a mile or less – or just walk. But the TIF charges you for the extra traffic you're not going to create.

The city needs to change course.

We need to encourage businesses to locate, relocate and expand here. We need to bring in not only the extra property tax revenue from new commercial construction, but more importantly the sales tax revenue that it generates. The city pays lip service to pursuing this concept, but the business TIF gives the lie to those words. Eliminating the business TIF sends a strong message that the city is changing course, and is now open for business.

It would be a good start.