



MEMORANDUM

TO: Mayor Roberts and City Councilmembers

FROM: Jessica Simulcik Smith, City Clerk

DATE: November 7, 2017

RE: Documents received at 11/6/17 Council Meeting

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

Attached hereto are documents received from the public at your November 6, 2017 City Council Regular Meeting.

- 1) Written comment from Forterra regarding Landscape Conservation and Local Infrastructure Program (LCLIP) submitted by Lindsay Hanna.

November 6th, 2017

Dear Mayor Roberts and members of the City Council,

Thank you for the opportunity to comment on the staff report associated with agenda item 9(a) on the November 6 council meeting agenda about the Landscape Conservation and Local Infrastructure Program (LCLIP).

In 2015 Forterra briefed the council on the potential benefits of pursuing LCLIP. This program gives cities a financial incentive to adopt policies and regulations that encourage the use of regional transfer of development rights (TDR) to gain additional density in infill projects. LCLIP would generate new revenue for the city to help pay for infrastructure investments that support planned growth. Council found this opportunity sufficiently attractive to direct staff to continue exploring implementation. Since then, the city has adopted two rezones around future light rail stations that include provisions for TDR. These rezones set the stage for Shoreline to adopt LCLIP.

The staff report recommends against pursuing LCLIP further, citing the expense of updating revenue projections and the financial risk to the city should the private market not meet performance requirements under the program. As the chief architect of LCLIP, Forterra respectfully disagrees with this assessment and rationale. We agree that an update to the revenue projections would be useful, as those in the staff report are three years out of date and the real estate market has changed over this period. In conferring with our consulting partners, ECONorthwest, we estimate that an update to this study would be \$5,000.

Furthermore, adopting LCLIP does not impose obligated costs on the city as mentioned in the staff report. Should the city proceed, the statute specifies milestones for TDR credit placement over the duration of the program to continue earning revenue. As currently structured, Shoreline's TDR policies encourage the private market to acquire these credits. Should the private market for redevelopment fall short of projections, the city has *the option* to use public funds to meet these milestones, however there is no requirement to do so. An alternative is to simply let the program expire, in which case the city forgoes future program revenues it otherwise would earn.

There are several cities in addition to Shoreline that are in a similar position of considering LCLIP. These include Mountlake Terrace, Bothell, Bellevue, Tukwila, and Tacoma. Seattle adopted the program in 2013. Forterra recognizes that there are uncertainties inherent to

projecting growth or revenue. In the case of LCLIP, however, we think that Shoreline took a thoughtful approach to including TDR in its light rail station area rezones and laid solid groundwork for the success of LCLIP. An update to revenue projections would give a clearer picture of the benefits the program would produce for the city. Given the limited risk and the potential for generating millions of dollars in new revenue for infrastructure with no change in taxes, Forterra encourages Shoreline to continue pursuing LCLIP. Thank you for considering these factors in your decision.

Sincerely,



Skip Swenson
Vice President of Policy and Programs