



AGENDA

SHORELINE CITY COUNCIL WORKSHOP DINNER MEETING

Monday, June 10, 2013
5:45 p.m.

Conference Room 104 · Shoreline City Hall
17500 Midvale Avenue North

TOPIC/GUESTS: Council Operations

SHORELINE CITY COUNCIL BUSINESS MEETING

Monday, June 10, 2013
7:00 p.m.

Council Chamber · Shoreline City Hall
17500 Midvale Avenue North

	<u>Page</u>	<u>Estimated Time</u>
1. CALL TO ORDER		7:00
2. FLAG SALUTE/ROLL CALL		
3. REPORT OF THE CITY MANAGER		
4. COUNCIL REPORTS		
5. PUBLIC COMMENT		
<i>Members of the public may address the City Council on agenda items or any other topic for three minutes or less, depending on the number of people wishing to speak. The total public comment period will be no more than 30 minutes. If more than 15 people are signed up to speak, each speaker will be allocated 2 minutes. When representing the official position of a State registered non-profit organization or agency or a City-recognized organization, a speaker will be given 5 minutes and it will be recorded as the official position of that organization. Each organization shall have only one, five-minute presentation. Speakers are asked to sign up prior to the start of the Public Comment period. Individuals wishing to speak to agenda items will be called to speak first, generally in the order in which they have signed. If time remains, the Presiding Officer will call individuals wishing to speak to topics not listed on the agenda generally in the order in which they have signed. If time is available, the Presiding Officer may call for additional unsigned speakers.</i>		
6. APPROVAL OF THE AGENDA		7:20
7. CONSENT CALENDAR		7:20
(a) Minutes of Business Meeting of May 13, 2013	<u>1</u>	
Minutes of Business Meeting of May 20, 2013	<u>5</u>	
Minutes of Special Meeting of May 22, 2013	<u>8</u>	
(b) Approval of expenses and payroll as of May 31, 2013 in the amount of \$2,046,355.50	<u>12</u>	
8. STUDY ITEMS		
(a) Discussion of Community Renewal Area (CRA) Plan for Aurora Square	<u>14</u>	7:20

9. EXECUTIVE SESSION: Litigation RCW 42.30.110(1)(i)

8:30

The Council may hold Executive Sessions from which the public may be excluded for those purposes set forth in RCW 42.30.110 and RCW 42.30.140. Before convening an Executive Session the presiding officer shall announce the purpose of the Session and the anticipated time when the Session will be concluded. Should the Session require more time a public announcement shall be made that the Session is being extended.

- (a) Authorization for entering into settlement agreement for *City of Shoreline v. New Cingular Wireless* 48 8:50

10. ADJOURNMENT

9:00

The Council meeting is wheelchair accessible. Any person requiring a disability accommodation should contact the City Clerk's Office at 801-2231 in advance for more information. For TTY service, call 546-0457. For up-to-date information on future agendas, call 801-2236 or see the web page at www.shorelinewa.gov. Council meetings are shown on Comcast Cable Services Channel 21 and Verizon Cable Services Channel 37 on Tuesdays at 12 noon and 8 p.m., and Wednesday through Sunday at 6 a.m., 12 noon and 8 p.m. Online Council meetings can also be viewed on the City's Web site at <http://shorelinewa.gov>.

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Community Renewal Area (CRA) Plan for Aurora Square Area
DEPARTMENT: Economic Development
PRESENTED BY: Dan Eernisse, Economic Development Manager
ACTION: ___ Ordinance ___ Resolution ___ Motion <u>X</u> Discussion

PROBLEM/ISSUE STATEMENT:

On September 4, 2012, after establishing that the Aurora Square area suffers from economic blight, the City Council designated Aurora Square as a *Community Renewal Area* (CRA) according to Washington law (RCW 35.81). Once a CRA is established, RCW 35.81 requires that a city adopt a *CRA Plan* to show how it plans to renew the area. With an adopted CRA plan, the City is given access to a toolkit of powers it can use exclusively in the CRA. Tonight's discussion will examine the proposed CRA Plan with the intention of adopting a CRA Plan and related Property Tax Exemption and Westminster Street vacation at a future meeting.

RESOURCE/FINANCIAL IMPACT:

The cost of creating the proposed CRA Plan thus far is approximately \$15,000, which falls within the adopted \$25,000 allocation in the 2013 budget; further financial impacts of adopting the CRA Plan will likely be limited to staff time. The financial impact of implementing the CRA Plan falls into two categories of projects: unilateral City projects and public-private partnership (PPP) projects. The estimated cost of implementing all of the proposed unilateral City projects is estimated at \$500,000 over the next two years. The combined cost of implementing all of the PPP projects is not estimated, as each will be dependent on a financial cost/benefit analysis as part of its unique partnership agreement to be considered and adopted by Council.

RECOMMENDATION

No action is required this evening, as this item is scheduled for Council discussion. Staff has scheduled a public hearing and the potential adoption of a resolution adopting the Aurora Square CRA Plan and initiating the property tax exemption and Westminster Way street vacation for July 8.

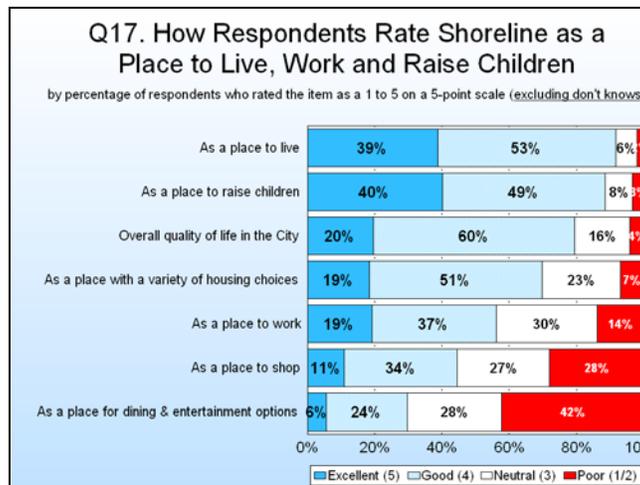
Approved By: City Manager **JU** City Attorney **IS**

INTRODUCTION

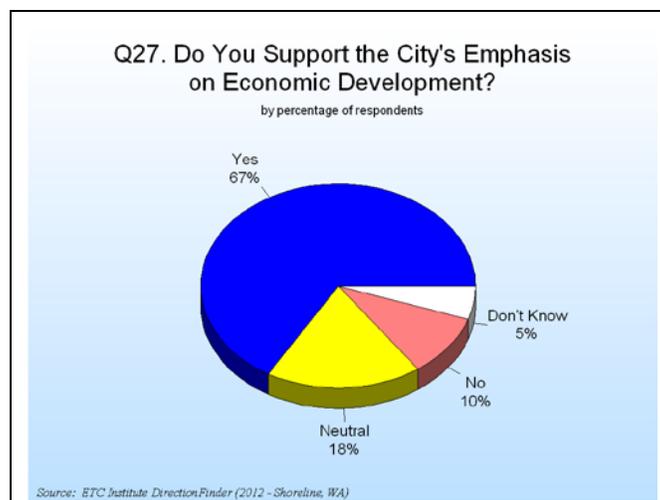
On September 4, 2012, after establishing that the Aurora Square area suffers from economic blight, the City Council designated Aurora Square as a *Community Renewal Area* (CRA) according to Washington law (RCW 35.81). Once a CRA is established, RCW 35.81 requires that a city adopt a *Community Renewal Plan* (the CRA Plan) to show how the city plans to renew the area. With an adopted CRA plan, the city is given access to a toolkit of powers it can use exclusively in the CRA. Tonight's discussion will examine the proposed CRA Plan prepared by staff with the intention of adopting a CRA Plan at a future meeting.

DISCUSSION

The City regularly surveys its citizens about ways to improve Shoreline. It's clear in the graph below that residents rate Shoreline as a place to live and raise children as high. However, as a place for employment, shopping, entertainment and dining we see low ratings.



In the last survey, a question specifically about economic development was included (economic development was defined as increasing opportunities for more retail, multi-family housing and commercial developments in Shoreline):



Aurora Square is a sleeping giant. Given its size, location, demographics, transportation access, and the projections for growth in the Puget Sound economy, Aurora Square could become a very special destination shopping and employment center. Aurora Square is a key to all of these opportunities, in addition to providing area for a significant potential film-industry employment center.

The CRA Plan relies on healthy, market-driven private enterprise, and it is the key to the Plan's success. Therefore, the CRA Plan seeks to influence and encourage rather than control private investment on private property; once this foundational point is grasped, the key question is whether the City will be in a strong enough position to contribute sufficient resources to make the PPP projects attractive to the private sector. The proposed CRA Plan (Attachment A) is designed to function both as an official document that complies with the requirements of RCW 35.81 and as a compelling marketing piece for the City to use to attract investors to Shoreline, as well as demonstrating the City's resolve to be a valuable agent in the process.

The CRA Plan contains the following components:

- **The Vision** of a renewed Aurora Square.
- **The Challenge** of economic blight, including the designation of the CRA and adoption of the CRA Plan by Council.
- **The CRA Toolkit** provided by RCW 35.81, including special city powers in the areas of property ownership (with eminent domain specifically forbidden), planning and zoning, public-private partnerships, building infrastructure, and incentives and impacts.
- **City-led Master Planning** that identifies two categories of renewal projects—City-led Renewal Projects and Public-Private Partnership Renewal Projects—that both help Aurora Square function better and provide significant public benefit.
 - **City-led Renewal Projects** include:
 - Complete a planned action or similar legislation
 - Conduct a traffic analysis to establish circulation needs
 - Establish a special overlay district
 - Re-brand Aurora Square
 - Construct signage for the area and Shoreline Community College
 - Create template developer agreements
 - Negotiate political support, agreement and Request For Proposal (RFP) for construction of a parking garage and sound stage on Washington State Department of Transportation (WSDOT) property
 - Seek grants for infrastructure improvements in and around the CRA, especially for the improvement of N 160th Street
 - Investigate the viability of eco-district and low-impact development
 - **Public-private Partnership Projects** include:
 - Transform Westminster into a pedestrian-friendly connector
 - Create an Eco-District

- Integrate the CRA into the context of the neighborhoods, Aurora Avenue N, Shoreline Community College, and City parks
- Establish a vibrant center on the property
- Reinvent the Sears Building through adaptive reuse
- Build new homes to establish 24/7 activity and presence
- Trade surface parking for jobs through the construction of a parking garage and a world-class sound stage for the film industry
- Incorporate the College and give Shoreline Community College more presence from Aurora Avenue N
- Add nightlife to the mix with entertainment and restaurant venues

The Conceptual Site Plan (Attachment B) is not to be considered “the” master plan nor does it dictate how a property owner will redevelop its property. The Conceptual Site Plan is simply a useful illustration of how the different City-led projects and PPP projects might look if enacted. Note that the conceptual site plan left many Aurora Square CRA properties untouched, anticipating the reality of a “phased” market-led redevelopment over time.

Compliance with State Law

According to RCW 35.81.010(18), a community renewal plan must:

1. **Have all renewal projects within the designated Community Renewal Area.** All of the identified renewal projects are within the 70+ acre area that Council designated through the adoption of Resolution No. 333 on September 4, 2012, as the Aurora Square Community Renewal Area.
2. **Conform to the City’s overall Comprehensive Plan.** The Aurora Square CRA Plan is found to be consistent with the City’s Comprehensive Plan according to Section ED6 of the Economic Development Element No. 5 in which it is stated that the City will “Work to reinvigorate economically blighted areas in Shoreline by establishing Community Renewal Areas with associated renewal plans.”
3. **Indicate with some specificity what land is to be acquired, buildings demolished or redeveloped, or what improvements are to be carried out.** The proposed plan identifies a number of City-led renewal projects and PPP projects that provide this level of specificity.
4. **Indicate what changes are contemplated in zoning, land use, densities or building requirements.** The proposed plan identifies a number of City-led renewal projects and PPP projects that provide this level of specificity.
5. **Outline the Plan’s relationship to appropriate land uses, improved traffic and transportation, public utilities, recreational and community facilities and other improvements.** The proposed plan identifies a number of City-led renewal projects and PPP projects that provide this level of specificity.
6. **Address the need for replacement housing.** No housing currently exists within the Aurora Square CRA, so none will need to be replaced.
7. **Provide maximum opportunity for renewal by private enterprise.** The proposed CRA Plan is completely dependent on private investment and initiative for renewal. The renewal projects identified in the CRA Plan are either City-led renewal projects that seek to improve the climate for private investment or PPP renewal projects that augment private initiative and investment with public resources.

8. **A sound and adequate financial program exists for the financing of the project.** The City-led renewal projects will be undertaken according to the City's established budgeting process which will designate funds for renewal, and only funded City-led renewal projects will be undertaken. The PPP renewal projects must be approved individually by Council based on the financial merits of each project.

The CRA Plan is exempt from SEPA as it is not proposing to regulate anything and is working within the confines of existing plans and codes. Therefore, the CRA Plan is categorically exempt from SEPA under WAC 197.11.800(19).

Public Private Partnership – Right-of-Way Vacation and Dedication

The Proposed CRA Plan includes a number of conceptual Public-Private Partnership (PPP) Projects that would improve the function of Aurora Square as well as provide clear public benefit. These PPP projects require clarity beyond the general framework of the CRA Plan; therefore, each is planned to be brought before Council only as the City establishes private partners willing to enter into developer agreements that accomplish each specific PPP project. The PPP project ready for discussion is the vacation of an approximately 8,000 square foot portion of public right-of-way (ROW) along the east edge of Westminster Way N. In return for the vacated property, the property owner will dedicate to the City an equivalent amount of property. The vacation and dedication will allow the beginning of the transformation of Westminster Way N between 155th and 160th into a more pedestrian-friendly connector within the site.

Westminster Way N between 155th and 160th does not function now as it was originally designed; the Aurora Corridor Project and the construction of the Interurban Bridges left the short section of Westminster Way N a strange combination of one-way accesses and disconnected driveways. Rather than connecting sections of Aurora Square, the absence of buildings or parking along Westminster frontage, the lack of attractive pedestrian amenities, the inability to walk directly to Sears, and the high speed of south-bound traffic effectively cuts the "Denny's triangle" property off from the rest of Aurora Square. As a result, three of the four buildings on site have experienced chronic vacancy.

The current owner of the site, Rick Tsang, is supportive of the vacation and has indicated his willingness to work with the City to support the vacation. His consultant has provided a diagram indicating that he is willing to trade a nearly identically-sized northern finger of property for the vacated ROW (Attachment C).

The trade of vacated ROW for the northern finger of property will take positive steps toward the transformation of Westminster Way N and provide clear public benefit by allowing the Aurora Square road network to be improved. Gaining the northern finger of property will provide three benefits that all help transform Westminster in a positive way for the public and for the businesses operating at Aurora Square.

While Tsang is currently marketing his site for multi-family use, the vacation helps improve Westminster Way N regardless of use, as the road-section that results from the vacation is better sized for the type of street it is hoped will be built. Since no setback exists in this zone, new construction—whatever type it may eventually be—will likely

move 15' further toward the west, bringing it closer to the street and to the rest of Aurora Square. Staff has concluded that if 15' of ROW were vacated, the resulting 85' road section should be improved with 42.5' half-street improvements.

Since the City will be initiating this vacation action, the process is somewhat streamlined. If Council directs staff to proceed with the vacation process, staff will prepare an agreement with the property owner and a staff report addressing the legislative issues for the July 8 meeting. At that time Council will be asked to docket the vacation with the Hearing Examiner. If Council proceeds, then the Hearing Examiner will hold a public hearing on the vacation within 60 days and reach a recommendation no more than 14 days after the hearing. After the Hearing Examiner open record hearing, the Council will take final action in a closed record hearing.

Since the City is initiating the vacation, the vacation process will involve the devotion of staff resources, the processing fees, and the cost of the Hearing Examiner ruling on the case. The value of the ROW vacated will be offset by an equivalent amount of dedicated ROW. Should Council decide to proceed with the process, a developer agreement will be prepared that defines what and if the City will incur roadwork costs with closing the section of Westminster Way N that lies to the north of the Aurora pedestrian bridge, the elimination of the current right-in/right-out driveway, or the construction of a new right-in/right-out driveway in the dedicated property.

Property Tax Exemption

In January 2012, Council adopted Ordinance No. 624 which created a five-year market-rate Property Tax Exemption (PTE) program that provides incentive to developers of multifamily projects in many new areas of Shoreline. The 5-year program did not supplant or change Ordinance No. 520, which already provided the North City or Ridgecrest commercial areas with both an 8-year and 12-year PTE program based on various levels of affordability.

At the time of adoption of Ordinance No. 624, it was suggested that staff wait at least one year, then bring to Council a 12-year PTE program that encourages affordable housing. In addition, it was recognized that the state's minimum definition of affordability (80% of county median income) roughly matched market rents in Shoreline, so a more robust definition would be required to justify seven additional years of tax abatement.

Currently the owner and a potential purchaser of the Denny's triangle property located in the Aurora Square CRA, is soliciting the City to institute a 12-year PTE program. The developer contends that the additional seven years of abatement are of sufficient value to tip the scale in favor of development. In addition, they contend that the 12-year PTE is needed to allow Shoreline to remain competitive with the City of Seattle given Shoreline's higher property tax rate (\$4.26 per \$1,000 assessed property valuation) and sewer connection charges (approximately \$2,500/unit). A letter from the developer is attached to this report (Attachment D and E).

The City's most cost effective incentive that it can offer to multifamily investors in the Aurora Square CRA is the institution of a 12-year Property Tax Exemption program that meets the minimum standards of the Washington State regulation. Given that the City's portion of the overall Shoreline property tax bill is only 12.5% (includes 2006 park bond),

the creation of the PTE provides a much larger incentive for the developer – nearly eight times the City’s portion of the exemption. At the same time, other jurisdictions, such as the School District and Fire District are held harmless as their levies continue to be collected in whole without additional burden to existing tax payers. In addition, the City of Shoreline doesn’t have to come up with cash to provide the incentive to the builder. A comparison of the property tax rates in Seattle and Shoreline is provided in Attachment F.

In order to do everything possible to encourage development in the Aurora Square CRA, staff is recommending that Council consider an ordinance at its July 8 meeting that creates a 12-year PTE district for the Aurora Square CRA with terms equivalent to the North City Ordinance No. 520. The Aurora Square PTE area would – like the North City area – be capped at 500 units and would require that 20% of units be rented as affordable units as defined by RCW 84.14. These affordable units that are studios and 1 bedroom units will not exceed 70% of the median family income and 2 bedroom or larger units household income will not exceed 80% of the median family income.

STAKEHOLDER INPUT

Since the designation of the Aurora Square CRA, staff has held or participated in the following meetings outlining its progress on the CRA Plan:

- 1) Neighborhood meeting on February 13, 2013;
- 2) Pro Shoreline group meeting on February 27, 2013;
- 3) Richmond Beach Community Association meeting on March 12, 2013;
- 4) Planning Commission on March 21, 2013;
- 5) City Hall Open House on April 24, 2013;
- 6) Echo Lake Neighborhood Association has not yet been held, but it is scheduled for June 18, 2013.

In addition, staff has shared its proposed CRA Plan, and solicited feedback, with consultants and advisors, at the ULI Terwilliger Housing Conference in Seattle, with Shoreline Community College leadership, with the King County Economic Development Council, with four Aurora Square property owners, with real estate brokers, and with a number of potential development investors.

Staff’s outreach generated many helpful comments which were incorporated into the proposed plan. The response was universally positive with broad-based support for the community good that Aurora Square renewal will bring to Shoreline. While supportive of the idea of renewal, one Westminster Triangle neighbor pointed out the need for traffic management if the renewal of Aurora Square is as successful as envisioned, and a few investors advised the City to remember that the project must be market-driven.

COUNCIL GOALS ADDRESSED

Renewal of Aurora Square will promote the Council’s Goal 1: Strengthen Shoreline’s economic base. The City Council adopted a six-year comprehensive Economic Development Strategy in January of 2012 that specifically calls out the need to improve Aurora Square as one of the city-shaping place-making opportunities in Shoreline.

RESOURCE/FINANCIAL IMPACT

The cost of creating the proposed CRA Plan thus far is approximately \$15,000, which falls within the adopted \$25,000 allocation in the 2013 budget; further financial impacts of adopting the CRA Plan will likely be limited to staff time. The financial impact of implementing the CRA Plan falls into two categories of projects: unilateral City projects and public-private partnership (PPP) projects. The estimated cost of implementing all of the proposed City-led renewal projects is estimated at \$500,000 over the next two years. The combined cost of implementing all of the PPP projects is not estimated, as each will be dependent on a financial cost/benefit analysis as part of its unique partnership agreement to be considered and adopted by Council.

RECOMMENDATION

No action is required this evening as this item is scheduled for Council discussion. Staff has scheduled a public hearing and the potential adoption of a resolution adopting the Aurora Square CRA Plan for July 8 and initiating the Property Tax Exemption and Westminster Way street vacation components of the plan.

ATTACHMENTS

Attachment A: Proposed CRA Plan

Attachment B: Conceptual Site Plan

Attachment C: Westminster Way Right-of-Way Vacation Diagram

Attachment D: Letter from Sean Hyatt, Mill Creek Residential Trust, LLC (May 3, 2013)

Attachment E: Excerpt of E-Mail from Sean Hyatt, (May 28, 2013)

Attachment F: Property tax rate comparisons for Seattle and Shoreline



RENEWAL PLAN

The September 1967 Grand Opening of the City of Shoreline's Sears was heralded with great fanfare. After 45 years the Sears store and its surroundings are in need of renewal, and the City of Shoreline is seeking renewal partners.

AURORA SQUARE CRA

The Shoreline City Council designated the 70+ acre Aurora Square area as a Community Renewal Area (CRA) where economic renewal would clearly deliver multifaceted public benefits. Now that the CRA and Renewal Plan is established, the City is empowered to partner with private enterprise to encourage 21st century renewal.



Aurora Square Community Renewal Plan

Project Type
Public Private Partnership

Web Site
[www.shorelinewa.gov/
aurorasquarer renewal](http://www.shorelinewa.gov/aurorasquarer renewal)

Aurora Square CRA
70+ acres
155th & Aurora Ave N

Current Anchors
Sears, Central Market,
Marshalls, Pier 1, Big Lots

“Aurora Square
is a sleeping
giant”

THE VISION

Imagine an open, green plaza in the center of Shoreline, filled with sunbathing and studying students, young families watching their children run and play, an elderly couple enjoying a Central Market picnic, dogs wagging their tails, actors practicing their lines, and the sound of college-age buskers singing with an occasional clink as coins fall into a hat.

This is the backdrop to the busy comings and goings of shoppers and lunching workers who relish the time of their day that allows them to visit the renewed Aurora Square shopping center. It is a “one-stop” convenient shopping solution that provides dining, nightlife, and healthy-lifestyle options. It is a community gathering place, where a leg stretching walking easily turns into a serendipitous rendezvous with friends.

It is an environmentally sensitive district within walking distance of Metro’s Rapid-Ride bus service and the Interurban Trail: the intersection of life, study, entertainment, sustainability and retail.

THE CHALLENGE

Aurora Square was developed as a Sears-anchored retail center in 1967, and Sears Holding Company owns almost 17 acres of the site and operates an enormous building. Unfortunately, given the current retail climate the building and site are underutilized. Ownership of the balance of the site over time was sold to nine other property owners creating a difficult environment for cohesive planning and renewal. While many excellent tenants operate in Aurora Square, they are not aided by synergy one would expect from a comparably-sized center.

The lack of economic productivity is illustrated by a mid-2012 comparison of sales tax revenues generated by Shoreline’s nearby retail center, Aurora Village. Aurora Village generated over six times more sales tax per acre than did Aurora Square’s retail area. If Aurora Square became even half as effective as Aurora Village, it would generate over \$500,000 annually in sales tax revenues while adding many more jobs, goods, and services for the community.

On September 4, 2012, the Shoreline City Council designated Aurora Square as a Community Renewal Area after finding that it qualified as economically blighted according to most of the qualifying conditions defined in RCW 35.81: old, obsolete buildings, defective or inadequate street layout, faulty lot layout, excessive land coverage, diversity of ownership, and connectivity problems.

THE CRA TOOLKIT

The Council's action to designate Aurora Square as a CRA provides a toolkit of powers that the City intends to utilize to bring renewal to the CRA.

PROPERTY OWNERSHIP

- With a CRA, a city is allowed to buy, lease, condemn, acquire, and dispose of real property with the intent to be resold to private parties for economic development.
- Although allowed by State statute, the Shoreline City Council expressly prohibited the use of condemnation to cure economic blight in the Aurora Square CRA.
- With a CRA, a city can hold, clear, or improve real property not only for public facilities, but also for eventual private use and ownership.

PLANNING AND ZONING

- With a CRA, a city can use its resources to master plan private property or create a special district with unique rules.
- In a CRA, the city can create a Subarea Plan utilizing a planned action SEPA review to expedite the process and lower costs for future project permits.

PRIVATE PARTNERSHIPS

- In a CRA, a city can identify partners to develop all or part of a property prior to purchasing the property, and it can also dictate how the property will be used by the eventual owner.
- With a CRA a city can select a buyer that agrees to further the area's goals.
- The CRA expands the public purposes for contracts and other instruments needed to correct blight.

BUILDING INFRASTRUCTURE

- Without a CRA, a city can only close, vacate, and rearrange streets and sidewalks for city purposes, but with a CRA, these purposes can include promotion of economic development.
- Only with a CRA in place can a city borrow money and accept grants to carry out economic renewal.

INCENTIVES AND IMPACTS

- With a CRA, a city is given more flexibility to provide incentives to tenants who help fulfill the community renewal plan. With a CRA, a city can provide loans, grants, or other assistance to property owners or tenants affected by the CRA process or implementation. With a CRA, a city can provide financial or technical incentives for job creation or retention. Without a CRA, these incentives are either not allowed or extremely limited.

“The CRA toolkit can be used to make a worthy project pencil.”

MASTER PLANNING

Aurora Square is home to many outstanding businesses, but due to the absence of cohesive planning and investment, the center provides little synergy between them. In order to create an effective Renewal Plan, the City of Shoreline conducted a master planning effort that identified ten projects for renewal, which are further explained in the pages to follow.

The ten renewal projects that emerged from the master planning provide a dynamic and flexible framework for guiding public-private partnership projects by allowing each individual property owner to understand and invest in the “big picture” while not needing to control other properties. While not an exhaustive list, these renewal projects help the CRA become more economically healthy for the property owners, tenants, and community.

The master planning effort also illustrates that the City of Shoreline is seeking to renew Aurora Square dramatically by augmenting the current structures and road network, rather than starting with a completely new slate. That is why the master planning focused on repurposing buildings, increasing land use efficiency, enhancing the “on-ground” experience, and providing creative solutions to stubborn design and connectivity problems.



INCREASE
LAND
EFFICIENCY
BY 200%

CITY-LED RENEWAL PROJECTS

Master planning identified a number of projects that the City of Shoreline can accomplish on its own. Following the adoption of this CRA Plan, the City will initiate action on these projects according to priority given and as resources allow.

- Put applicable Renewal Projects into the City’s Capital Improvement Budget, Traffic Mitigation Plan, Budget, and Comprehensive Plan.
- Analyze and account for environmental impacts of major redevelopment through a Planned Action or similar legislation which would allow future investors to eliminate the need for project-specific environmental review.
- Conduct a traffic analysis to determine how best to improve circulation on site.
- Establish a special overlay district that allows for special rules to encourage the creation of an entertainment district.
- Re-brand Aurora Square
- Construct signage for Aurora Square and Shoreline Community College.
- Create developer agreements for public-private partnership projects in order to establish and promote the City’s available resources.
- Negotiate a contract for the construction of a world-class sound stage which is contingent on finding suitable development and operating partners.
- Seek grants for infrastructure improvements in and around the CRA, especially for the improvement of N 160th Street.
- Investigate the viability of eco-district and low-impact development practices that can be cost-effectively implemented in the Aurora Square CRA.

As time passes and needs arise, these city-led projects will be augmented as appropriate.

PUBLIC-PRIVATE RENEWAL PROJECTS

The economic realities of the 21st Century dictate that significant economic renewal requires active participation by government and private partners. Therefore, the City of Shoreline is committing itself to providing substantive incentives, investment, and side-by-side effort to private partners willing to join the City in renewing Aurora Square.

The City anticipates that it will form a number of partnership agreements to accomplish renewal projects that both help Aurora Square function better and provide significant public benefit. In the pages that follow, the CRA Renewal Plan identifies a number of these high value Public-Private Renewal Projects.

“Get the message out: we are ready to partner with private investors.”

Mayor Keith McGlashan

TRANSFORM WESTMINSTER

Westminster Way between 155th and 160th is transformed into a green and attractive pedestrian-friendly street that provides additional retail and residential frontage, on-street parking, and festival gatherings while at the same time providing the critical connection between the upper and lower parts of the center.



“Strolling makes
happy shoppers”

Aurora Square CRA
Public-Private Renewal Project

City Proposals

Vacate portions of right-of-way

Improve driveway and site access

Private Investment

Dedicate property and make
typical frontage improvements

Public Benefit

Safety and predictability

Better site connectivity and
capacity



OFFRAMP
TO STROLL



CREATE AN ECO-DISTRICT

Exceptional environmental wins are achieved when clusters of buildings work together to achieve sustainability in a "eco-district." The Aurora Square CRA provides sufficient size to experience economies of scale with cost-effective facilities and infrastructure, whether they be treating storm or waste water, providing clean power, or achieving other environmental goals.



"21st Century design sense"

Aurora Square CRA
Public-Private Renewal Project

City Proposals

Finance or guarantee cost-effective systems

Build district infrastructure and awareness

Private Investment

Construct on-site or in-building infrastructure

Public Benefit

Management of environment

Paradigm for future



GREY TO GREEN



INTEGRATE INTO THE CONTEXT

Investment in sidewalks, entrances, and signage will allow Aurora Square to be better connected to its 300,000+ Shoreline and north Seattle neighbors (5-mile trade area). Westminster Way N and Aurora Ave N, Metro Transit's Rapid-Ride, and the Interurban Trail already provide traditional and non-traditional access to the center, but enhancements will make Aurora Square a preferred destination.

“A good neighbor in a good neighborhood”

Aurora Square CRA
Public-Private Renewal Project

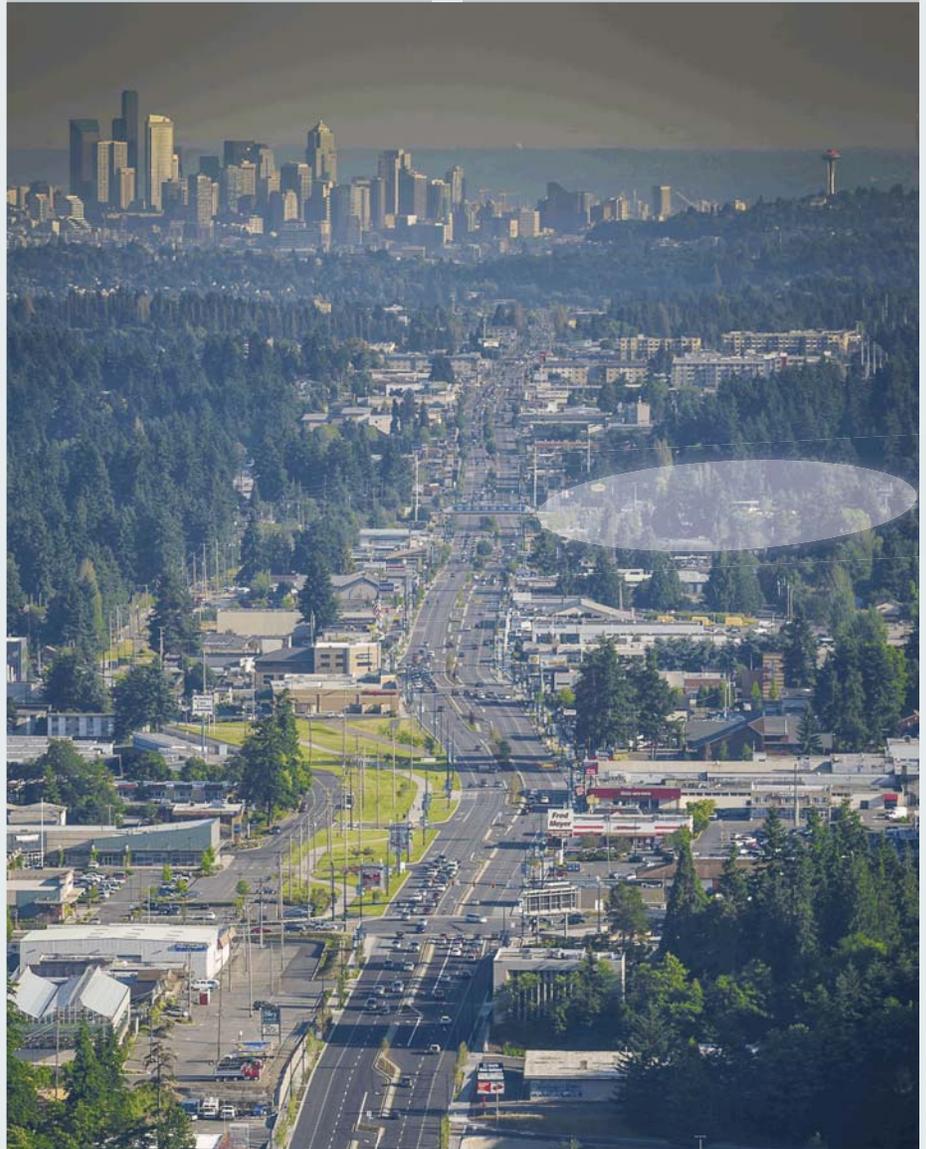
City Proposals
Improvement of N 160th St

Construction of sidewalks, bike lanes, and sidewalks

Private Investment
Internal extensions of neighborhood access points

Public Benefit
Better site access

Encouragement of healthy forms of transportation



SPOKE
TO HUB

ESTABLISH A VIBRANT CENTER

The center of a place is defined by where the lines intersect, but currently the center of Aurora Square is a huge parking lot. By focusing interest and activity in the center on play areas, restaurants, an outdoor stage, and public art, the center takes its rightful place in the minds of the shopper.



“The heart of Aurora Square”

Aurora Square CRA
Public-Private Renewal Project

City Proposals

Establish special district

Finance parking structure

Private Investment

Build such amenities play areas, fountain, and outdoor dining

Public Benefit

Entertainment and dining options

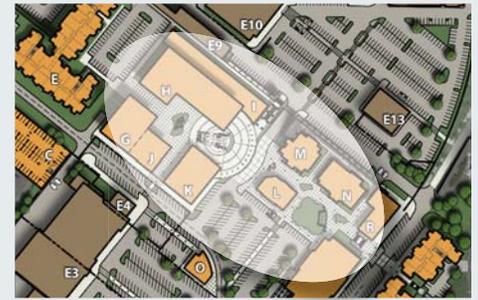
Family gathering place

PAVED TO PARK



REINVENT THE SEARS BUILDING

Sears built its flagship suburban store in Shoreline in 1967; nearly five decades later, the site combines its almost 17-acres with strong demographics, progressive zoning, and outstanding traffic counts on Aurora Ave N to make it one of the best adaptive reuse opportunities in the northwest.



“Adaptive reuse spans time”

Aurora Square CRA
Public-Private Renewal Project

City Proposals

Finance or build infrastructure

Guarantee lease

Purchase property to resell

Private Investment

Purchase and redevelop property

Public Benefit

Options for goods and services

Tax revenue

Community pride

TIRED TO FRESH



CONSTRUCT INTERNAL CONNECTIONS

When Aurora Square was built in 1967, little thought was given to connectivity since Sears was everyone's destination. Now the most important retrofit to make Aurora Square function as a cohesive retail center is the construction of multiple internal ways for multi-modal interaction. If done well, shoppers will reward businesses by staying longer and buying more.

“It is so easy to get around!”

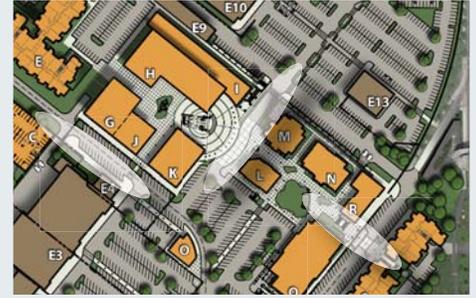
Aurora Square CRA
Public-Private Renewal Project

City Proposals
Conduct traffic analysis

Construct and/or design
intersection improvement in ROW

Private Investment
Tie site together with vehicle
and pedestrian connections

Public Benefit
Enhanced connectivity and
traffic flow on and around site



WALLS
TO WAYS



INCORPORATE THE COLLEGE

Shoreline Community College (SCC) is a dynamic local asset that can serve as a cultural anchor by giving it a presence in the CRA. The City is already working with SCC to improve 160th from Aurora to SCC. The next steps are to provide educational, housing, and performance venues in the CRA that add collegial life and vitality to the center.



“Nine thousand SCC students”

Aurora Square CRA
Public-Private Renewal Project

City Proposals

Improve and rename N 160th St

Signage to highlight SCC events,
programming and location

College Investment

Grant funding and lease payments

Programming to support
community and economic growth

Public Benefit

Growth of film industry

Educational opportunities



SUBDUED TO LIVELY



BUILD NEW HOMES

Zoning once divided homes from other uses, but we now appreciate the lifestyle advantages of living close to shopping, dining, work, transit, education, and leisure. Residential units built in Aurora Square will take advantage of these at-hand amenities while enjoying a period of property tax exemptions.



“People who live here are lucky”

Aurora Square CRA
Public-Private Renewal Project

City Proposals

Establish a 12-year Aurora Square
CRA Property Tax Exemption

Private Investment

Multifamily housing in compliance
with affordability requirements

Public Benefit

Housing choices
Activation of center 24/7
Tax revenue

ERRAND
TO HOME



TRADE SURFACE PARKING FOR JOBS

Washington State Department of Transportation's 16-acre regional headquarters is dominated by surface parking. By providing WSDOT adequate parking in a structure a third of the site can be freed up to allow for film industry use that can bring jobs and prestige to Shoreline while helping the other CRA businesses.



“Parking wastes valuable land”

Aurora Square CRA
Public-Private Renewal Project

City Proposals

Financing of parking garage

Purchase property from WSDOT to
resale to sound stage builder

Private Investment

Construction and lease of sound
stage and parking garage

Public Benefit

Create film industry jobs

Educational opportunities

Community pride

ASPHALT TO JOBS



ADD ENTERTAINMENT TO THE MIX

Bi-annual resident surveys reveal a strong desire for more entertainment and dining options in Shoreline. Combine that desire with a supportive arts community, a college specializing in performance art and digital media, and a lack of options, and the conclusion is that an entertainment district could be wildly successful.

“OMW 2U 4drinks”

Aurora Square CRA
Public-Private Renewal Project

City Proposals

Establish entertainment district
with appropriate signage

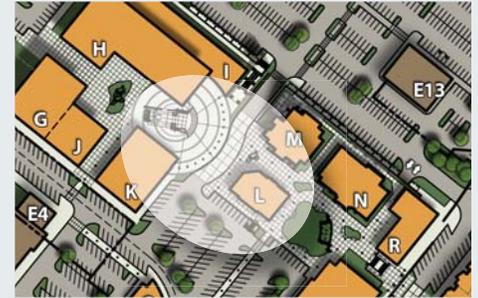
Finance or guarantee lease of
venues and/or parking structure

Private Investment

Build such amenities as multi-plex
cinema, theater, outdoor stage,
restuarants, and parking structure

Public Benefits

Entertainment and dining options
Support arts community
Encourage film industry

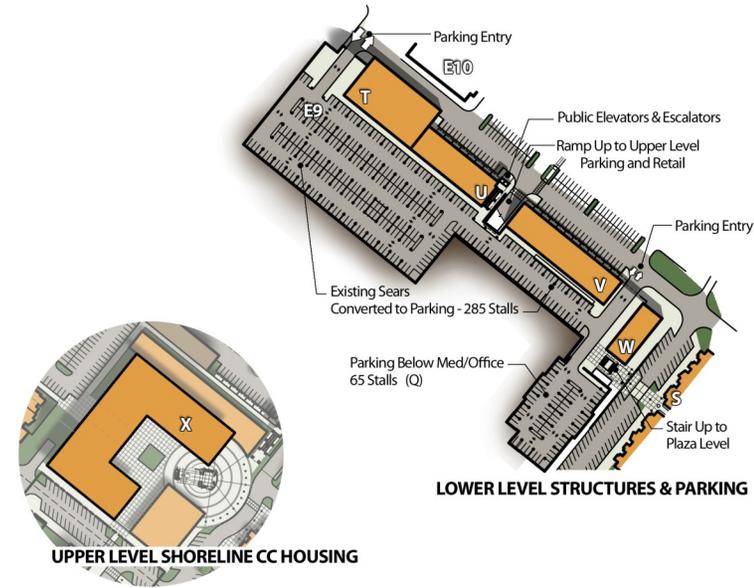
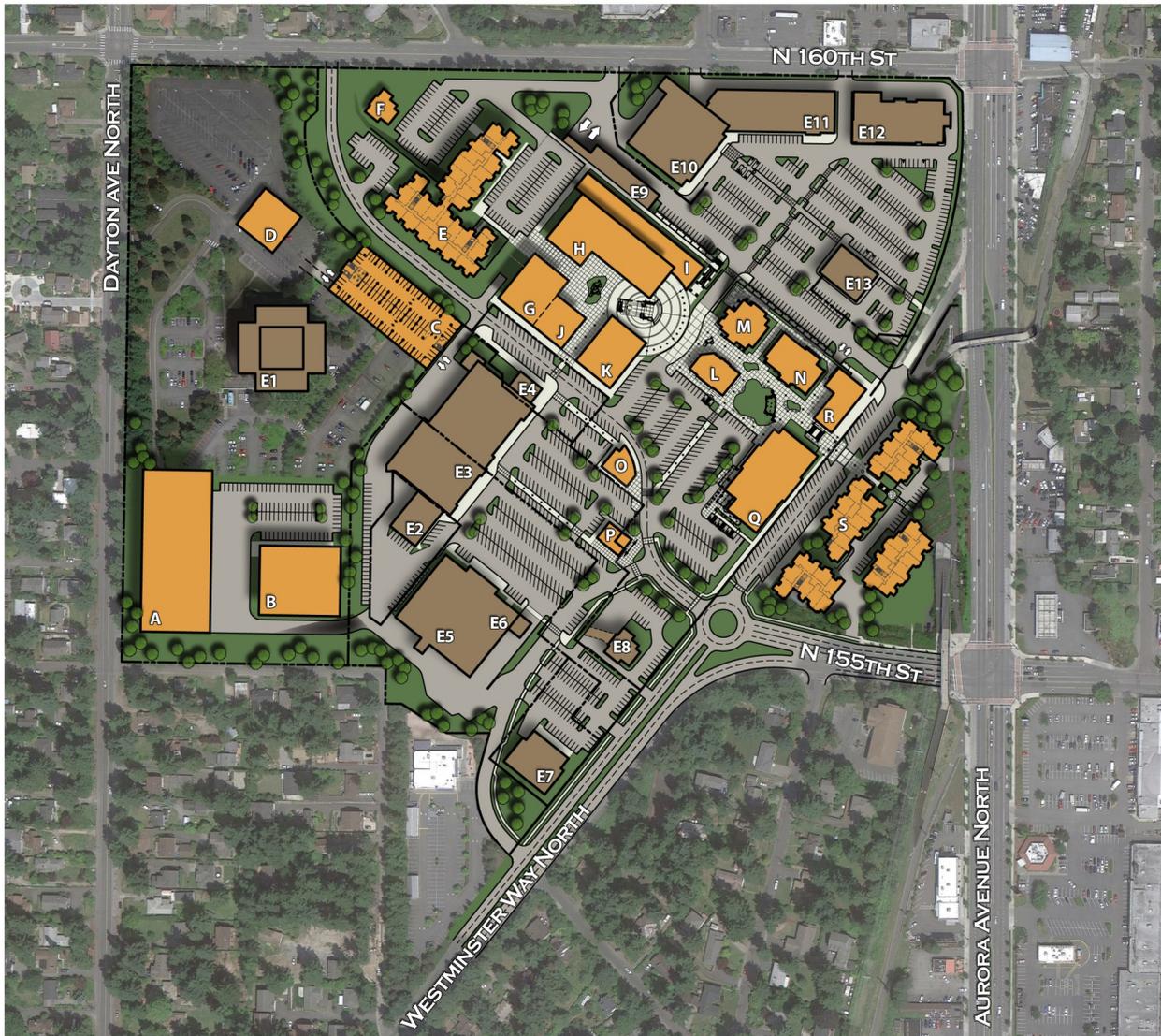


DARK TO LIGHTS

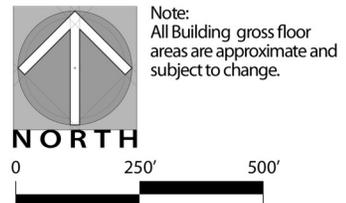


Dan Eernisse
Economic Development Manager
206.801.2218
deernisse@shorelinewa.gov

Attachment B: Conceptual Site Plan of Renewed Aurora Square



LEGEND: Proposed New Construction		LEGEND: Existing Construction			
A.	Sound Stage	53,000 sf	E1. Existing Office	116,000 sf	
B.	Sound Stage	26,000 sf	E2. Existing Retail	6,900 sf	
C.	Public Parking - (4) Levels	385 Stalls	E3. Existing - 'Central Market'	48,000 sf	
D.	Office Expansion		E4. Existing Retail	2,400 sf	
E.	Residential	120 Units	E5. Existing - 'Big Lots'	37,000 sf	
F.	Residential Community Club		E6. Existing - 'Bank of America'		
G.	Black Box Theater	11,800 sf	E7. Existing - 'Super China Buffet'	10,000 sf	
H.	Shoreline CC Classrm/Book Store	26,000 sf	E8. Existing - 'US Bank'	3,600 sf	
I.	Shoreline CC Classroom	14,000 sf	E9.	Re-use Existing for Shoreline CC	
J.	Retail	6,800 sf	E10.	Existing - 'Marshalls'	26,700 sf
K.	Retail	11,800 sf	E11.	Existing Retail	23,000 sf
L.	Retail	5,400 sf	E12.	Existing Retail	19,000 sf
M.	Restaurant	7,200 sf	E13.	Existing - 'Pier 1 Imports'	7,800 sf
N.	Restaurant	4,500 sf	E14.	Existing Retail	1,600 sf
O.	Restaurant / Retail	3,600 sf			
P.	Restaurant / Retail	2,700 sf			
Q.	Medical Office	46,0V00 sf			
R.	Retail / Office	12,000sf			
S.	Mixed Use Development				
T.	Shoreline CC Workshop	17,000 sf			
U.	Retail	11,000 sf			
V.	Retail	15,000 sf			
W.	Retail Below (Office Above)	6,000 sf			
X.	Shoreline CC Housing (Above)	300 rooms			
	(3) Levels				

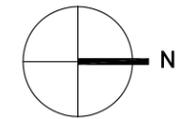




1

WESTMINSTER WAY N - R.O.W. VACATION SCHEMATIC DIAGRAM

1" = 1000'



DATE:
5/30/2013
PROJECT NUMBER:
2013.82

PROJECT NAME:
WESTMINSTER APARTMENTS
SCALE:
1" = 1000'
DESCRIPTION:
WESTMINSTER WAY N -
000039 R.O.W. VACATION SCHEMATIC DIAGRAM





May 3, 2013

Mr. Dan Eernisse
Economic Development Manager
City of Shoreline
Address
City, State, ZIP

RE: Aurora Square Community Redevelopment Area – Multi-Family Tax Exemption

Dear Mr. Eernisse:

As you and I have discussed over the past few months, my company, Mill Creek Residential Trust (MCR) is pursuing an apartment development opportunity at the intersection of the North 155th Street, Westminster Way NE and Aurora Avenue North (former Joshua Green Corporation property).

MCR's corporate background is attached, but in summary, we are the successor organization to Trammell Crow Residential. We have a significant track record in the Puget Sound area, including recent deals in Ballard, Green Lake and Redmond. MCR formed in 2010, and by the end of 2013 will have 15,000 units and \$3 billion under ownership or development nationwide.

In our underwriting of this opportunity, we have determined that in order to be attractive to the capital markets, this project needs two primary things: a 12-year property tax exemption consistent with RCW 84.14, and the ability to be permitted, ready to close a construction loan, and begin construction by the end of 2013.

In determining the need for the property tax exemption, we have evaluated the key components of any development deal: achievable rents, costs to construct, and the economic return required to attract capital. We have correlated rents for a class "A" apartment community with market information for comparable properties throughout Shoreline and north Seattle submarkets. We have prepared internal cost estimates and solicited third party general contractor cost estimates to construct the development (based on conceptual plans), and our capital markets team has discussed with numerous investment groups the terms and performance necessary to access capital.

The underwriting for this deal results in a yield on cost (total cost divided by total net income) of approximately 5.3% – too low to attract investment capital from our discretionary investment fund or



3055 112TH AVENUE NE SUITE 202 BELLEVUE, WA 98004
P 425.828.3003 MCRTRUST.COM

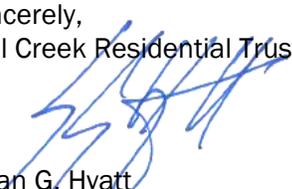


separate account investors. However, with a 12-year property tax exemption, the yield is slightly over 6.00%. This yield compensates investors for taking development risk versus the equivalent cap rates currently in the market. There are two reasons the tax exemption is so accretive. The first is the comparable levy rate in the City of Seattle is 10.51 while Shoreline's is 14.76 or 40% higher for equivalent valuations. Secondly, market rate rents in the City of Shoreline are lower than Seattle's due to the economic realities of concentric drive times from major employment centers and the near linear decline in rents from those employment centers.

I realize there is an existing 5-year property tax exemption in place for the property due to the Community Renewal Area you have adopted. However, due to the hold horizons of investors, a 5-year exemption is not underwriting in operating expenses (resulting in higher expenses and lower NOI) but is added back as a premium to the sales price. This results in a yield too low to compensate for the risk of the initial investment. A 12-year exemption, as it eclipses the term of original permanent financing, is underwritten as a reduction in operating expenses (resulting in higher NOI) and therefore an increase in value.

We are confident in our evaluation of this opportunity, and hope that the City of Shoreline will accommodate our request to adopt a 12-year property tax exemption for this property. To be clear, we have made this a contingency of our agreement to purchase the land, and hope that the exemption designation can be adopted within 120 days. I can be reached at (425) 739-7669 if there are any questions, and look forward to discussing this further with you and City of Shoreline council members in the near future.

Sincerely,
Mill Creek Residential Trust, LLC



Sean G. Hyatt
Managing Director

Cc: Mr. Tsang

Attachments



3055 112TH AVENUE NE SUITE 202 BELLEVUE, WA 98004
P 425.828.3003 MCRTRUST.COM

MILL CREEK

RESIDENTIAL TRUST LLC

COMPANY DESCRIPTION

January 2013

Launched in 2010, Mill Creek Residential (MCR) is a new company with a long and rich history. Established by former Trammell Crow Residential executives, who have spent decades working together as a team, we provide the perfect platform to build upon our expertise and bring innovative vision to our investments. Our team of multifamily experts offers a renowned level of experience, integrity, and reliability along with a fresh outlook and strategic new ideas for the future. Together, we have participated in the development and acquisition of over 260,000 apartment units, executed over \$15 billion in transactions since 1993, and have a proven ability to identify and optimally address market conditions.

Operating in major geographic markets across the U.S., Mill Creek Residential employs approximately 210 associates. Our executive management team represents an average of 28 years of industry experience, and our regional development and construction teams' expertise and knowledge also runs deep with numerous years of successful and notable experience.

Mill Creek Residential targets core market areas that have been historically profitable in development, construction, and acquisition endeavors and that demonstrate above-average population growth, strong employment characteristics, and consistent and sizable institutional investment demand. Our team boasts a proven strategy and platform that has historically delivered strong returns to our investors.

Mill Creek Residential organizes its business geographically, allowing the executives to be the "local experts" and positioning them to take advantage of local opportunities. This local real estate expertise is coupled with key national operating procedures and standards and is supported by a Management Committee that directs the strategic day-to-day operations of the firm. The MCR Management Committee includes **Charlie Brindell**, *CEO*; **Bill MacDonald**, *Executive Managing Director—East Region*; **Mike Collins**, *Executive Managing Director—West Region*; **Mike Hefley**, *Executive Managing Director—Operations*; **Sherry Brown**, *Chief Finance Officer*; **Mark Dempsey**, *Executive Managing Director—Acquisitions*; **Michael Melaugh**, *Executive Managing Director—National Capital Markets*; **Kevin Andrade**, *Senior Managing Director*, and **Chip Bay**, *Senior Managing Director*.

DEVELOPMENT CAPABILITIES

Our development team is one of the most experienced and successful in the multifamily industry. Our senior management team oversees a development team of 90+ experienced associates.

The West and East regions are supported by divisional Senior Managing Directors (SMD's) who report to the EMD's and oversee the day-to-day operations for their respective business divisions. These individuals include:

Northeast	<i>Peter Porraro</i>
Mid-Atlantic/Carolinas	<i>Chip Bay</i>
North Florida/Southeast	<i>Alan Kolar</i>
South Florida	<i>Callum Parrott</i>
Texas & Colorado	<i>Darren Schackman</i>
West Coast	<i>Kevin Andrade</i>
East Acquisitions	<i>Wes Dickerson</i>
West Acquisitions	<i>Alex Gill</i>

CONSTRUCTION CAPABILITY

Mill Creek Residential has one of the most experienced and well-respected construction teams in the multifamily industry. Our construction executives and associates are located in every key region in which we operate and leverage from their many years of experience. They bring expertise in all types of multifamily construction and rehabilitation—including garden product and high-density residential and mixed-use communities—and have a deep knowledge of current construction economics. We support our construction teams via an array of services throughout the development process; and they are an invaluable resource during due diligence, concept analysis, pre-construction, project design, and acquisition of stabilized assets.

The promotion of teamwork, communication, attention to detail, and the highest level of quality construction are a focus for each of our construction executives. Our quality control systems include strict guidelines for budget management, cost control, safety, and communication. We recognize, embrace, and apply the best management practices and standards of care necessary to protect and preserve the environments around us and strive to incorporate green building practices wherever possible. Together, we have executed the construction of more than 240,000 apartment homes nationwide.

ACQUISITIONS CAPABILITY

Mill Creek Residential is pursuing multifamily acquisitions in targeted markets across the United States. Our competitive advantage derives from a broad and deep reach into primary markets across the country supported by a seasoned team of acquisitions, development, construction, finance, and asset management associates in 16 offices. We possess demonstrated investment expertise in the acquisition of existing assets that have opportunity to improve through physical upgrades or operational improvements, transforming them into exceptional leading-edge properties. We target core markets that have been historically profitable in development, construction, and acquisition endeavors and demonstrate above-average population growth, strong employment characteristics, and consistent and sizeable institutional investment demand.

For additional information on Mill Creek Residential, please visit us at www.MCRTrust.com

MILL CREEK

RESIDENTIAL TRUST LLC

FACT SHEET

January 2013

Name:	Mill Creek Residential Trust LLC
Corporate Office Address:	2001 Bryan Street, Suite 3275 Dallas, TX 75201
Phone:	214.922.8500
Fax:	214.922.8510
Year Formed:	2010
Ownership:	Privately held limited liability corporation
Number of Associates:	Approximately 210
Senior Management:	Charles R. Brindell, Jr.— <i>Chairman and CEO</i> Sheryl A. Brown— <i>Chief Finance Officer</i> Michael A. Collins— <i>Executive Managing Director, West Region</i> William C. MacDonald— <i>Executive Managing Director, East Region</i> Mark R. Dempsey— <i>Executive Managing Director, Acquisitions</i> Michael M. Hefley— <i>Executive Managing Director, Operations</i> Michael G. Melaugh— <i>Executive Managing Director, Capital Markets</i> Rachel R. Purcell— <i>Chief Administrative Officer</i>
Company Focus:	Land entitlement, development, construction, acquisition, and sale of multifamily communities in major U.S. markets
History:	<p><u>2012 Highlights</u></p> <ul style="list-style-type: none"> • Focused on new apartment development and acquisition of existing apartment communities <ul style="list-style-type: none"> ○ Initiated development on approximately 5,000 multifamily rental units ○ Acquired 1,326 existing rental apartment units at total capitalization of \$178.5MM <p><u>2013 Outlook</u></p> <ul style="list-style-type: none"> • Expect to start construction on more than 4,500 additional multifamily rental units • Focus on value added acquisitions of existing apartment communities

For additional information on Mill Creek Residential, please visit us at www.MCRTrust.com

Attachment: Letter from Sean Hyatt, Mill Creek Residential Trust, LLC

NOTE: This letter is in response is in a string of emails between me and Sean Hyatt. Rather than include the entire email, I have abridged the email and put explanatory notes in brackets.

May 28, 2013

Dan,

The rough delta on a 60% AMI [*the level Council discussed at its May 13 dinner meeting*] versus a “blended” 75% AMI [*Seattle’s program of 65/75/85 based on size of units or Shoreline’s North City program*] is about \$200,000 less in annual NOI. Our programming is not complete so this will change as that advances. This does not include ancillary analysis of things such as ability to pay utilities, credit loss, parking, etc. . . . Using the market cap rate the ‘value’ of that difference is over \$4 Million. More importantly the yield drops well below a 6.0% current yield on cost with the loss of NOI.

. . . For the same building in Shoreline, the costs are actually higher than in Seattle. Subcontractors don’t care what side of the line you are on – it costs the same to build the same box. Unfortunately, development is saddled with municipal fees in Shoreline (i.e. Ronald Wastewater’s *connection charges of approximately \$2,500 per multifamily unit*) that aren’t charged in Seattle. Granted, land values reflect this, so the pro forma needs to, and does, cover all of these adjustments.

At the end of the day, if the City wants to catalyze this spectrum of development, a catalyst needs to be provided. I know the land owner already feels that he is getting less than the land is ‘worth’ and has asked if we are going to cancel the contract as a result of this, so I do not think the difference will be made up there. There are a number of thresholds for us as well (spread over adjusted cap rates, current yield on cost, profitability, and ultimately market approval – which includes timing) that I need to meet.

Given the level of affordability sought in the other two PTE areas adopted by the City, it seems reasonable to work toward something similar here.

As you know, getting this letter [*confirming that the City is proceeding with a 12-year PTE ordinance for the Aurora Square CRA site*] is a contingency of our deal. More importantly, we need to work this out for scheduling as the other criteria is being able to attract a 2013 capital allocation. If you think it would be beneficial for me to meet with council members immediately, I am willing to do so. Is there anything else I can do on this point?

Regards,

Sean G. Hyatt | Managing director

D 425.739.7669 | C 425.241.5822 | F 425.889.0892



P Please consider the environment before printing this e-mail

SEATTLE : 130th & LINDEN



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PARCEL

Parcel Number	192604-9438
Name	BITTER LAKE VILLAGE ASSOCIA
Site Address	13000 LINDEN AVE N
Legal	PCL A SEATTLE SP#2503697 REC# 20050921900009 SD SP BEING POR S 1/2 OF NE 1/4 OF SW 1/4 LY ELY OF LINDEN AVE N POR TAXABLE

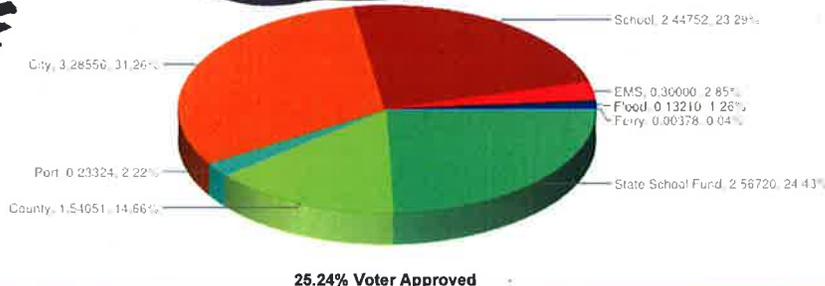
BUILDING 1

Year Built	2006
Building Net Square Footage	160868
Construction Class	WOOD FRAME
Building Quality	AVERAGE/GOOD
Lot Size	74424
Present Use	Apartment(Mixed Use)
Views	Y
Waterfront	



TOTAL LEVY RATE DISTRIBUTION

Tax Year: 2013 Levy Code: 001 **Total Levy Rate: \$10.50991** Total Senior Rate: \$7.85685



LAND BASE = \$40/SF

[Click here to see levy distribution comparison by year.](#)

TAX ROLL HISTORY

Valued Year	Tax Year	Appraised Land Value	Appraised Imps Value	Appraised Total	Taxable Land Value	Taxable Imps Value	Taxable Total
2012	2013	\$2,976,900	\$28,195,100	\$31,172,000	\$205,400	\$1,945,500	\$2,150,900
2011	2012	\$2,976,900	\$24,841,100	\$27,818,000	\$205,500	\$1,714,100	\$1,919,600
2010	2011	\$2,976,900	\$19,493,100	\$22,470,000	\$205,400	\$1,345,000	\$1,550,400
2009	2010	\$2,976,900	\$28,703,100	\$31,680,000	\$205,500	\$1,980,600	\$2,186,100
2008	2009	\$2,976,900	\$32,223,100	\$35,200,000	\$205,400	\$2,229,800	\$2,435,200
2007	2008	\$2,976,900	\$32,023,100	\$35,000,000	\$205,400	\$2,214,800	\$2,420,200
2006	2007	\$2,976,900	\$3,940,000	\$6,916,900	\$205,400	\$272,500	\$477,900
2005	2006	\$1,637,300	\$0	\$1,637,300	\$1,637,300	\$0	\$1,637,300
2004	2005	\$1,630,100	\$0	\$1,630,100	\$1,630,100	\$0	\$1,630,100

Updated: April 24, 2013

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PARCEL

Parcel Number	182604-9452
Name	TSANG RICK
Site Address	904 N 155TH AVE 98133
Legal	POR OF SE 1/4 OF NW 1/4 BEG AT CTR OF SD SEC WCH IS ALSO PT ON C/L PSH #1 N 115TH ST TO N 160 TH ST TH N 01-09-30 W ALG SD C/L 88.50 FT TO HWY ENGR SURVEY STA 186+44.4 TH S 88-50-30 W 160 FT TO POB TH N 01-09-30 W PLW SD C/L 215 FT TH S 88-50-30 W 123.55 FT TH S 37-29-30 W 52.16 FT TH S 01-09-30 E PLW SD C/L 137.06 FT TO N LN OF N 155TH ST TH S 77-45-13 E 160.50 FT TO POB

BUILDING 1

Year Built	1977
Building Net Square Footage	5509
Construction Class	MASONRY
Building Quality	AVERAGE
Lot Size	29621
Present Use	Restaurant/Lounge
Views	N
Waterfront	



TOTAL LEVY RATE DISTRIBUTION

Tax Year: 2013 Levy Code: 2263 Total Levy Rate: \$14.76445 Total Senior Rate: \$8.30911



43.72% Voter Approved

[Click here to see levy distribution comparison by year.](#)

TAX ROLL HISTORY

Valued Year	Tax Year	Appraised Land Value	Appraised Imps Value	Appraised Total	Taxable Land Value	Taxable Imps Value	Taxable Total
2012	2013	\$1,332,900	\$1,000	\$1,333,900	\$1,332,900	\$1,000	\$1,333,900
2011	2012	\$1,332,900	\$1,000	\$1,333,900	\$1,332,900	\$1,000	\$1,333,900
2010	2011	\$1,332,900	\$1,000	\$1,333,900	\$1,332,900	\$1,000	\$1,333,900
2009	2010	\$1,332,900	\$1,000	\$1,333,900	\$1,332,900	\$1,000	\$1,333,900
2008	2009	\$1,332,900	\$1,000	\$1,333,900	\$1,332,900	\$1,000	\$1,333,900
2007	2008	\$1,184,800	\$1,000	\$1,185,800	\$1,184,800	\$1,000	\$1,185,800
2006	2007	\$1,184,800	\$1,000	\$1,185,800	\$1,184,800	\$1,000	\$1,185,800
2005	2006	\$888,600	\$219,700	\$1,108,300	\$888,600	\$219,700	\$1,108,300
2004	2005	\$888,600	\$219,700	\$1,108,300	\$888,600	\$219,700	\$1,108,300
2003	2004	\$888,600	\$158,100	\$1,046,700	\$888,600	\$158,100	\$1,046,700
2002	2003	\$740,500	\$306,200	\$1,046,700	\$740,500	\$306,200	\$1,046,700
2001	2002	\$533,100	\$513,600	\$1,046,700	\$533,100	\$513,600	\$1,046,700
2000	2001	\$533,100	\$466,900	\$1,000,000	\$533,100	\$466,900	\$1,000,000
1999	2000	\$533,100	\$466,900	\$1,000,000	\$533,100	\$466,900	\$1,000,000
1998	1999	\$533,100	\$466,900	\$1,000,000	\$533,100	\$466,900	\$1,000,000

LAND BASE
=
\$35/SF

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CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Authorization for Settlement in New Cingular Wireless v. Shoreline
DEPARTMENT: City Attorney's Office
PRESENTED BY: Ian R. Sievers, City Attorney

ACTION: Ordinance Resolution Motion
 Discussion Public Hearing

PROBLEM/ISSUE STATEMENT:

In November 2010, New Cingular Wireless submitted a refund claim with the City of Shoreline in the amount of \$130,345.60 for overpayment of taxes. Specifically, the claim was for overpayment of New Cingular's taxes related to data services¹, or internet access, for the time period of November 1, 2005 – September 30, 2010. Federal law prohibits taxation of internet access and New Cingular had erroneously paid taxes on the data services to cities nationwide. Cingular agreed, as part of a class action settlement with ratepayers, to pursue collection actions on the ratepayers' behalf. Under terms of that settlement New Cingular Wireless will deposit refunds in a settlement trust for the benefit of the ratepayer class. In April 2012 New Cingular filed suit against over 100 Washington cities, including Shoreline, seeking a refund of these tax payments.

Adjustments to the original claim have been made by New Cingular during the course of discovery and negotiations over defenses, and an additional settlement discount was offered by New Cingular in May to avoid the costs of refiling against each city as required by a trial court ruling that the large group of cities had been improperly joined in a single action. Staff is satisfied that the proposed settlement amount of \$103,008.07 is a fair settlement in the interest of the City and Shoreline's ratepayers to avoid additional legal expense and risks of trial as further detailed in the confidential settlement memorandum distributed to the City Council.

RESOURCE/FINANCIAL IMPACT:

The settlement will be satisfied with a credit on future utility tax due from New Cingular Wireless until the settlement amount is fully discharged.

¹ Data services is transmission of electronic data across the internet (allows a user to "surf" the Internet, send e-mail and otherwise use the Internet).

RECOMMENDATION

Staff recommends that Council approve a credit against future utility tax obligations of New Cingular Wireless PCS LLC in the amount of \$103,008.07 in full settlement of the claims brought against Shoreline for utility tax refunds in King Co. Superior Court No. 12-2-1501-1.

Approved By: City Manager ____ City Attorney ____

SUPPORTING DOCUMENTS

-Confidential Settlement Memorandum dated June 4, 2013, separately distributed.