



2014 Legislative Retreat

Economic Development

At last year's City Council legislative retreat, the City Council discussed the City's potential role in promoting economic development, including the role that City investment in the community could play in stimulating the redevelopment of the City's downtown core. Through the discussion, Council and staff concluded that the following represented their thinking about economic development:

- Think, plan and act for the long-term.
- Economic development is about sustained effort, by government, investors and others to create a vibrant community with amenities and services that conform to its values.
- There is a role for the public sector (e.g. cities, counties, etc.) in creating the environment that can initiate and sustain economic development.
- Economic development is not just about jobs, businesses and revenue; it is also about creating or strengthening community values. For Mill Creek, economic development might enhance home values, facilitate social and community events, keep the local environment one that is family-friendly and inviting to individuals of diverse cultures, backgrounds and ages.
- City improvements can make a significant positive impact.
- It is important for the City to:
 - Create a sense of place.
 - Engage in public-private partnerships.
 - Continue support for local arts and community events.
 - Market a downtown identity.

Further, it was agreed that following strategies will be key to Mill Creek's long-term success:

- Preserving and enhancing Mill Creek's unique atmosphere and appearance.
- Ensuring that economic and community growth is sustainable.
- Preserving substantial amounts of open space.
- Providing strong public sector leadership.
- Seeking out public-private sector partnerships.
- Generating public support for new community investments – public and private.
- Being a catalyst for economic development – perhaps by creating an enhanced city center (a sense of place).
- Maintaining high development standards, which result in development that conforms to and enhances Mill Creek's community values.
- Creating and marketing a sustainable community identity.

Over the past few years, the City has taken actions to promote economic development within the City. These activities are listed below:

- a) Implementation of development regulations that foster pedestrian friendly business and residential environments, minimize sign pollution, create a high level of aesthetics and create a consistent look and feel.
- b) Proposed amendments to the sign code to allow freestanding signs at most commercial centers and increase the area of wall and freestanding signs.
- c) Proposed code amendment removing zoning restrictions in EGUV (maximum building size and minimum # of units).
- d) Proposed code amendment restricting residential uses to second floor or above in EGUV.
- e) Proposed Comprehensive Plan amendment that allowed more flexibility in roadway buffers (variance process) on shallow properties.
- f) Proposed a Comprehensive Plan amendment/zone change for several properties. Properties are now zoned for commercial use.
- g) Code enforcement to maintain aesthetic non-cluttered streetscape and properties.
- h) Provide high level of customer service to work with developers and businesses with permits for development and redevelopment. This includes meeting or beating level of service for permit review and allowing for electronic plan review.
- i) Not adopted local B&O taxes and providing relatively low overall tax rates.
- j) Special event/recreation program sponsorships/promotions.
- k) Staff education/training.
- l) Created an Economic Development web page showing data that favorably compares the City of Mill Creek with other jurisdictions.
- m) Joined and participated in economic development groups (MCBA and ED Pros).
- n) Vacant land survey/analysis showing the remaining development opportunities within the City.
- o) Actively worked with property owners/developers to encourage development.
- p) Created a Local Revitalization Financing District for the East Gateway Urban Village. This provides a powerful financing tool that could be used to encourage development.
- q) Actively reached out to potential business to encourage them to locate in Mill Creek.



In addition to the items listed above, staff is working on other economic development tasks as follows:

- a) Proposing regulations to allow redevelopment of property adjacent to critical areas utilizing the existing non-conforming buffers. This would encourage new development and improves the condition of critical areas and buffers while bringing the properties up to current community character standards.
- b) Conducting a survey seeking feedback from community property owners and business owners. Results should be available in time for retreat.
- c) More active role getting word out about City development/activities (web page/media).
- d) Comprehensive Plan/development regulations to allow more flexibility in development/redevelopment of properties – more residential above commercial.

Not surprisingly, other cities are pursuing economic development. The list below is just a sample of economic development activities other jurisdictions have used. Hopefully, the activities listed below will inspire other ideas that can be discussed at the retreat.

- 
- a) Invest in redevelopment through public/private partnerships on a wide scale (example: Bothell) tax increment financing programs.
 - b) Partner with private sector or other public agency to construct public facilities.
 - c) Change zoning restrictions to encourage more profitable uses of property such as allowing taller buildings and denser development.
 - d) Prepare master plans for specific subareas to encourage/facilitate specific type of development (Mill Creek has done this previously).
 - e) Reduce development standards/restrictions, which may be discouraging development.
 - f) Zone properties or create regulations to encourage tourism or draw spending from outside the City (examples: Leavenworth, Lynnwood – Alderwood Mall, Edmonds).
 - g) Zone to increase residential density in a way that feeds surrounding businesses with increased customer base while creating efficiencies for public infrastructure and public transportation.
 - h) Provide public services that attract private investment and/or spending from outside City. For example, public parks and facilities can serve as anchors to attract and complement private development (Bothell, Mukilteo, Snohomish)
 - i) Provide relatively small beautification grants for improving commercial properties For example, flower pots or street furniture.
 - j) Invest in infrastructure such as streetscape furniture and sidewalks to create pedestrian friendly areas (Marysville, Everett, Edmonds).
- 

- k) Create economic development commission to prepare economic development plan, promote economic development in the City, and provide a forum to get the right people together (Edmonds).**
- l) Create Economic Development Director position to implement economic development plan full time (Edmonds, Lynnwood, Mountlake Terrace, Snohomish).**
- m) Organize and staff private neighborhood business association which could actively seek desirable businesses and work to retain existing businesses (Ellensburg).**
- n) Host/sponsor additional community events/festivals.**

G:\PLANNING\wp\COUNCIL\2014 Council Retreat\Economic Development.docx

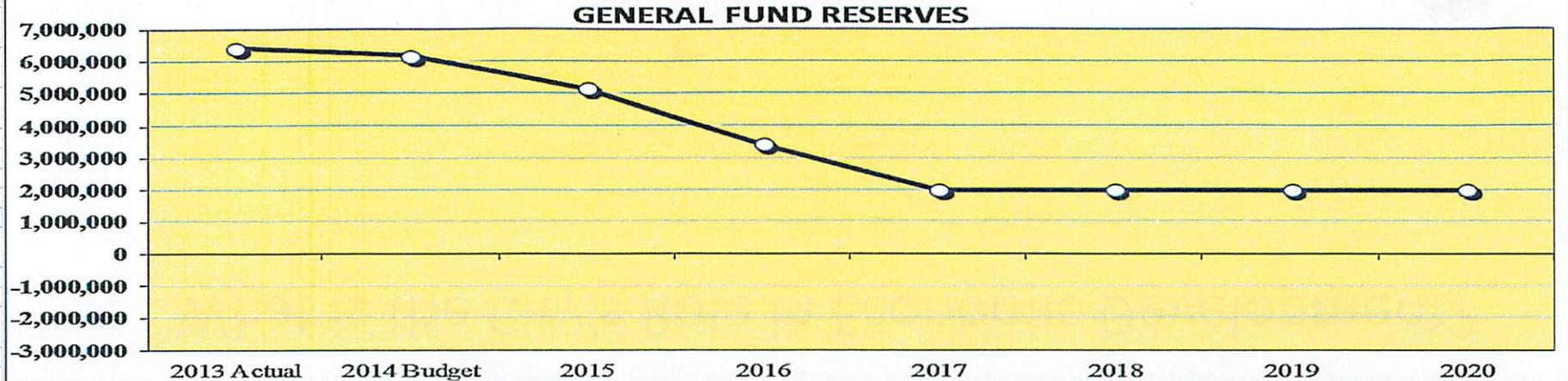
Economic/Community Development

- What does Economic Development mean to you?
- What is the City's Role in Economic Development?

General Fund – Status Quo No EGUV Revenue

General Fund - Status Quo No New Revenue from EGUV

2/21/2014

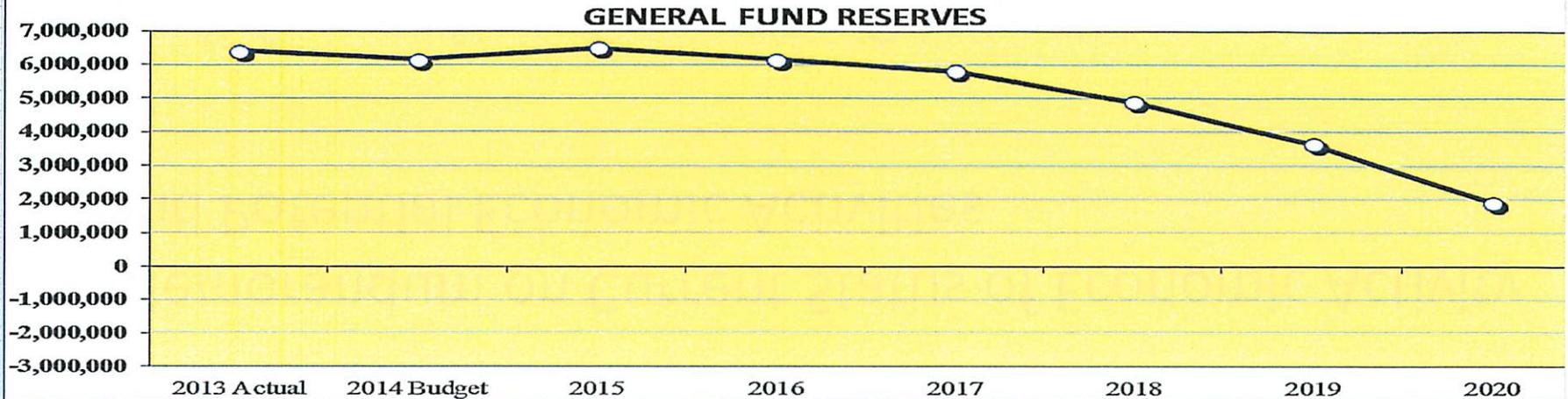


	2013 Actual	2014 Budget	2015	2016	2017	2018	2019	2020
BEGINNING RESERVE BALANCE	5,852,922	6,406,149	6,141,954	5,137,140	3,419,989	2,000,416	1,999,431	1,999,820
REVENUES								
Property Taxes	6,464,783	6,603,283	6,775,251	6,934,228	7,283,180	7,382,812	7,483,320	7,584,714
Sales Taxes	2,494,719	2,483,388	2,719,334	2,558,448	2,596,825	2,635,778	2,675,314	2,715,444
Other Taxes	279,183	331,206	330,801	335,716	626,709	2,617,781	2,946,932	3,463,165
Licenses/Permits	693,581	664,870	605,721	551,838	658,279	575,105	652,226	599,701
Grants	5,064	1,500	3,000	3,000	3,000	3,000	3,000	3,000
Services Charges	421,911	325,000	328,075	331,196	334,364	337,580	340,843	344,156
Fines/Forefeits	197,634	247,000	250,675	254,407	258,196	262,043	265,950	269,917
Interest Earnings	32,777	57,250	57,250	57,250	57,250	57,250	57,250	57,250
Miscellaneous Revenues	388,807	341,879	353,642	365,802	378,625	391,957	405,888	420,450
Transfers In	320,000	320,000	-	-	-	-	-	-
Total Revenues	11,298,459	11,375,375	11,423,749	11,391,886	12,196,429	14,263,306	14,830,725	15,457,797
	22,673,834							
EXPENSES								
Council	53,572	53,775	53,774	53,773	53,772	53,771	53,770	53,769
Executive	695,796	736,544	714,153	738,594	762,011	788,350	813,761	842,195
Finance	467,481	458,406	443,841	504,882	474,614	539,972	508,094	576,920
Police	4,490,945	4,881,401	5,086,905	5,330,283	5,571,036	5,838,928	6,098,981	6,368,963
Non-Departmental	3,255,586	3,656,518	4,213,103	4,514,766	4,722,784	4,942,110	5,184,062	5,374,438
Planning	460,444	482,971	498,087	515,406	533,884	552,912	572,785	593,550
Building	292,475	300,737	313,954	325,190	335,617	352,616	364,368	377,504
Engineering	477,205	476,030	490,307	506,250	523,864	541,685	560,250	579,598
Facilities	216,447	237,872	242,547	240,622	247,270	254,507	262,100	269,966
Park Maintenance (not Rec)	335,281	355,317	371,893	379,272	391,150	399,440	412,164	421,346
Total Expenses	10,745,232	11,639,570	12,428,563	13,109,037	13,616,002	14,264,291	14,830,336	15,458,250
Net Change in Reserves	553,227	(264,195)	(1,004,814)	(1,717,151)	(1,419,573)	(986)	389	(453)
ENDING RESERVE BALANCE	6,406,149	6,141,954	5,137,140	3,419,989	2,000,416	1,999,431	1,999,820	1,999,366
Additional Revenue to Maintain Reserve Balance at \$2 Million					286,000	2,272,000	2,596,000	3,107,000

General Fund – Status Quo Plus 3.5 Targets

General Fund - Status Quo Plus 3.5 Target Stores

2/21/2014

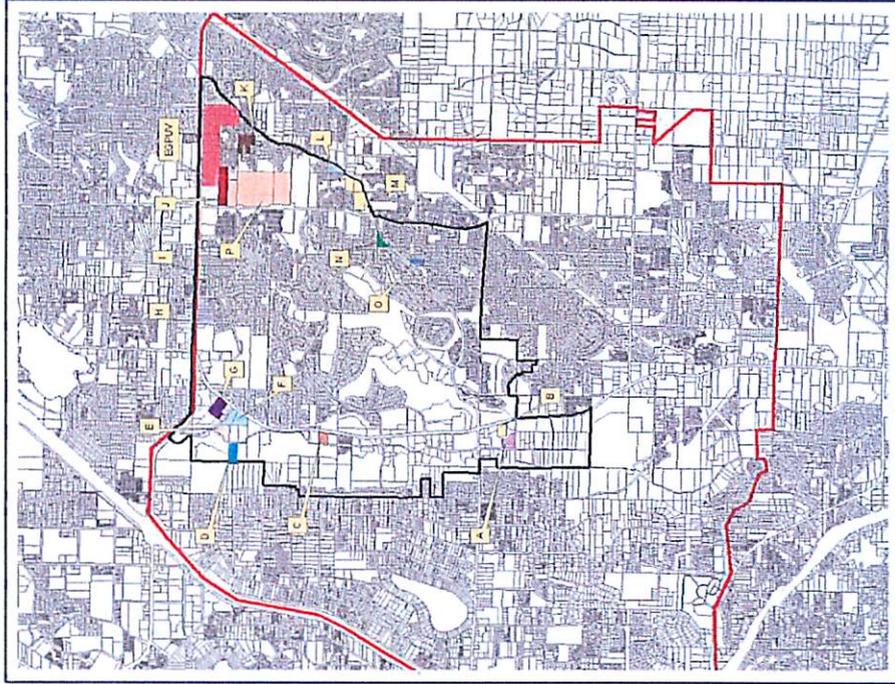


	2013 Actual	2014 Budget	2015	2016	2017	2018	2019	2020
BEGINNING RESERVE BALANCE	5,852,922	6,406,149	6,141,954	6,498,640	6,142,989	5,798,916	4,887,431	3,653,320
REVENUES								
Property Taxes	6,464,783	6,603,283	6,775,251	6,934,228	7,283,180	7,382,812	7,483,320	7,584,714
Sales Taxes	2,494,719	2,483,388	2,719,334	2,558,448	2,596,825	2,635,778	2,675,314	2,715,444
Other Taxes	279,183	331,206	1,692,301	1,697,216	1,702,209	1,707,281	1,712,432	1,717,665
Licenses/Permits	693,581	664,870	605,721	551,838	658,279	575,105	652,226	599,701
Grants	5,064	1,500	3,000	3,000	3,000	3,000	3,000	3,000
Services Charges	421,911	325,000	328,075	331,196	334,364	337,580	340,843	344,156
Fines/Forefeits	197,634	247,000	250,675	254,407	258,196	262,043	265,950	269,917
Interest Earnings	32,777	57,250	57,250	57,250	57,250	57,250	57,250	57,250
Miscellaneous Revenues	388,807	341,879	353,642	365,802	378,625	391,957	405,888	420,450
Transfers In	320,000	320,000	-	-	-	-	-	-
Total Revenues	11,298,459	11,375,375	12,785,249	12,753,386	13,271,929	13,352,806	13,596,225	13,712,297
	22,673,834							
EXPENSES								
Council	53,572	53,775	53,774	53,773	53,772	53,771	53,770	53,769
Executive	695,796	736,544	714,153	738,594	762,011	788,350	813,761	842,195
Finance	467,481	458,406	443,841	504,882	474,614	539,972	508,094	576,920
Police	4,490,945	4,881,401	5,086,905	5,330,283	5,571,036	5,838,928	6,098,981	6,368,963
Non-Departmental	3,255,586	3,656,518	4,213,103	4,514,766	4,722,784	4,942,110	5,184,062	5,374,438
Planning	460,444	482,971	498,087	515,406	533,884	552,912	572,785	593,550
Building	292,475	300,737	313,954	325,190	335,617	352,616	364,368	377,504
Engineering	477,205	476,030	490,307	506,250	523,864	541,685	560,250	579,598
Facilities	216,447	237,872	242,547	240,622	247,270	254,507	262,100	269,966
Park Maintenance (not Rec)	335,281	355,317	371,893	379,272	391,150	399,440	412,164	421,346
Total Expenses	10,745,232	11,639,570	12,428,563	13,109,037	13,616,002	14,264,291	14,830,336	15,458,250
Net Change in Reserves	553,227	(264,195)	356,686	(355,651)	(344,073)	(911,486)	(1,234,111)	(1,745,953)
ENDING RESERVE BALANCE	6,406,149	6,141,954	6,498,640	6,142,989	5,798,916	4,887,431	3,653,320	1,907,366
Additional Revenue from 3.5 Target Stores				1,361,500	1,361,500	1,361,500	1,361,500	1,361,500

Materials in Packet

- Memorandum from 2013 Retreat Regarding Economic Development
- Recap of 2013 Developer Forum in Everett
- Memorandum on Current Status of Economic Activity and Potential Economic Activities
- Draft Survey from Economic Outreach

Potential Development Opportunities Within the City



LEGEND
: 2014 City Limits
: Municipal Urban Growth Area



Potential Development Opportunities Within the City

Potential Development Opportunities Within the City

Property Group	Owner(s)	Acres	Zone District	Approved Plan	Developable Area	Dev. Area w/Roads	Residential Units	Park Mitigation Fees	Mitigation Fees Used for Park(s)	Commercial/Office SF
A*	Robinet & Cronin	4.64	BP	BS 03-53	2.8	2.8				31,000 Max. office/warehouse
B	David Lee	7.32	BP	BS 06-08	2.1	2.1				18,560 office/medical buildings/106 stalls
C*	Equity Residential	4.01	MU/HDR		4.01	4.01	89 apts (42 1 bdm, 35 2 bdm, 12 3brm)			95 units including 12 live work units
D	City of Mill Creek (Cook)	6	MU/HDR		2.4	2.4				Public Facility
E	Kelly Family Partnership	4.54	OP		4.54	4.54				49,440 office
F	LB/VCC/WA-MILL CREEK LLC	3.6	OP		3.6	3.6				39,204 office
G	Cedar Park	6.73	CB	preapplication mtg	6.73	6.73				90,000 office/medical
H	Property Group H	11.05	MDR & LDR		11.65 (9.73 MDR + 1.92 LDR)	9.32	6 single family lots + 93 apts	Single Family= NP Development \$17,373.48 and Community Park \$10,547.88 Multifamily = \$195,308.37 (NP) \$118,576.88 (CP)	Silver Crest Park & MCSP	
I	Property Group I	2.53	LDR		2.53	2.02	8 single family lots	NP Development \$23,164.64 and Community Park \$14,063.84	Silver Crest Park & MCSP	
J*	Property Group J		LDR		10.98	5	22 max	NP Land Acquisition and Development \$113,215.74 Community Park \$38,675.56	EGPUV Neighborhood Park & MCSP	
EGPUV*	EGPLV Owners	52.19	EGPUV		52.19	52.19	400 multi-family units			40,000 public facility, 37,600 office, 179,000 retail, 106,700 anchor tenant
K	Property Group K	7.49	LDR		7.49	5.99	23 single family lots	NP Land Acquisition and Development \$118,361.91 Community Park \$40,433.54	EGPUV Neighborhood Park & MCSP	
L*	Property Group L	3.91	LDR		3.91	3.12	12 single family lots	NP Land Acquisition and Development \$61,754.04 Community Park \$21,095.76	EGPUV Neighborhood Park & MCSP	
M	Property Group M	13.57	LDR		13.57	10.85	43 single family lots	NP Development \$124,509.94 and Community Park \$75,593.14	Cougar Park & MCSP	
N	Property Group N	2.25	LDR	PP 06-64	2.52	n/a	5 single family lots	NP Development \$14,477.60 and Community Park \$8,789.90	Cougar Park & MCSP	
O	Property Group O	2.35	LDR		2.35	1.88	6 single family lots	NP Development \$17,373.48 and Community Park \$10,547.88	Pine Meadow Park & MCSP	
P	Property Group P	64.5	LDR		4.1	3.28	12 single family lots	NP Land Acquisition and Development \$61,754.04 Community Park \$21,095.76	EGPUV Neighborhood Park & MCSP	

14-Feb-14

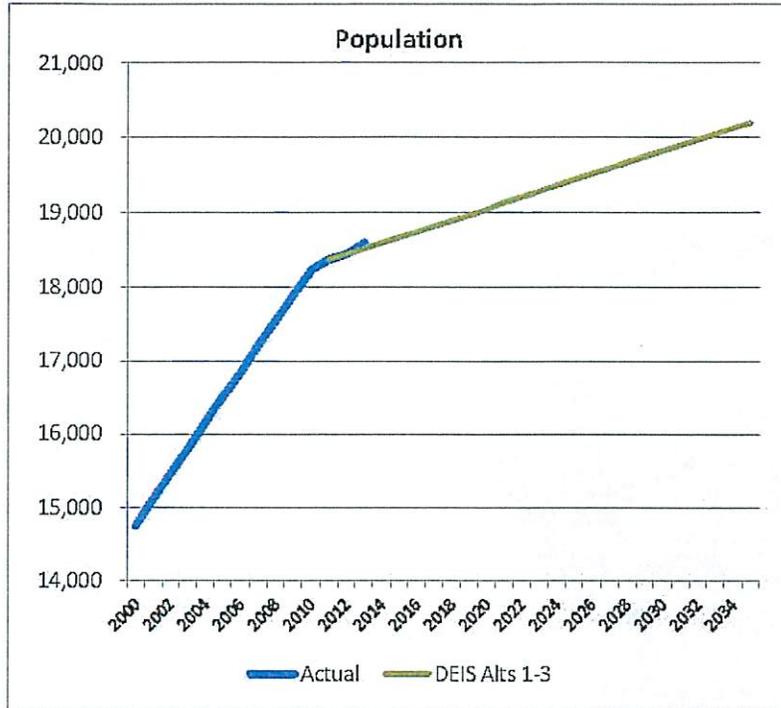
Assumptions:

- 20% of total site is allocated towards roadways in plats
- Used the lot coverage and densities per MCMC Development Code
- Applied adopted EGPUV Illustrative Plan
- Used a floor area ratio of 0.25 for office and commercial
- The EGPUV properties are assumed to encompass the build out of EGPUV Illustrative Plan
- Used 24 units per acre and not the 30 units per acres with ground floor retail per MCMC 17.15.060

* Developments approved or under construction

Initial 2035 Population Targets – City of Mill Creek

City of Mill Creek (Larger City)



2000 Pop Census	2010 Pop Census	2011 Pop Estimate	2012 Pop Estimate	2013 Pop Estimate	2035 Alt 1 Initial Pop Target	2035 Alts 2&3 Initial Pop Target
14,752	18,244	18,370	18,450	18,600	20,196	20,196

2010 HU Census	2011 HU Estimate	2012 HU Census	2013 HU Estimate	2035 Alt 1 Initial HU Target*	2035 Alts 2&3 Initial HU Target*
7,923	7,991	8,005	8,051	8,756	8,756

2000-2013 Annual Average Change (#, %)	2013-2035 Alt 1 Annual Average Change (#, %)	2013-2035 Alts 2&3 Annual Average Change (#, %)
296 1.8%	73 0.4%	73 0.4%

2013-2035 Alt 1 Annual Average Change (#)	2013-2035 Alts 2&3 Annual Average Change (#)
32	32

* - Draft Initial 2035 Housing Targets

Economic Outreach Survey

- Not Statistically valid
- 29 Responses (approximately 450 distributed)
- Most Responses from Town Center and Downtown Area
- 18 Indicated Interest in Participating in Future Discussions

Economic Outreach Survey Takeaways

- Located in Mill Creek because of demographics, work close to home, high quality development/reputation of Town Center.
- Most wish to grow businesses and stay in Mill Creek (Need to follow up with property owners).
- Challenges include: Traffic/access, sign regulations, competition, loss of retail in Town Center, poor economy, taxes, parking (TC), too many restrictions.

Economic Outreach Survey Takeaways

- City can help by: addressing parking and traffic issues, less restrictive regulations, shop local campaign, advertise/promote local businesses, allow landscaping to be trimmed (TC), recruit/attract desirable businesses (retail).
- Support for City reinvestment mixed.

Recent/Current Economic Development Activities

- Sign Code Amendments
- Comprehensive Plan Amendments – Allow Variance to Roadway Buffers
- Investment in EGUV Infrastructure Planning
- EGUV Master Plan/Standards
- CAR Regulations to Allow Redevelopment
- Economic Development Outreach
- Customer Service

Recommendation

- Create ad hoc economic development committee to prepare strategy/plan.
 - Committee to have no more than 11 members plus City Council representatives and staff:
 - ✓ 3 commercial property owners
 - ✓ 2 professional (non-retail) services representatives
 - ✓ 2 small retail representatives
 - ✓ 2 large retail representatives
 - ✓ 2 residents
 - Create a charter directing their mission.

Deliverables

- What is the City's role in economic development?
- Are you willing to change the character of Mill Creek for faster/easier development? If so, how?
- Do you agree with suggested ad hoc Economic Development Committee approach?