



Capitalizing on Kenmore's Potential An Economic Development Strategy



Adopted June 1, 2009



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A Strategy to Capitalize on Kenmore's Potential

This Economic Development Strategy is the result of considerable research, deliberation, and insight by stakeholders in the Kenmore community and beyond who have generously dedicated their time and expertise. The strategy is designed to serve as a roadmap, outlining actions the City could take over the next five years to ensure a sustainable, diversified, and healthy economy for Kenmore and maintain a high quality of life for its residents.

In 2008, Kenmore celebrated its tenth anniversary of incorporation. Since incorporation, the



SR 522 Project Ground-breaking, 2007

Kenmore City Council and City staff have worked to enhance quality of life for residents by strengthening the community's sense of self and through plans for an identifiable mixed-use downtown environment that provides a strong sense of place and is pedestrian-friendly. In addition to the Kenmore Comprehensive Plan and the Downtown Plan, both of which support this goal, the City Council identified economic development as a priority to promote a sustainable and vital local economy.

The City has a strong financial and policy foundation to address economic development and to continue to shape its identity as a new city and attract additional investment. The community has been a collaborative and supportive partner working with the City to advance the long-term vision. The City has assembled land for a catalyst project, Kenmore Village, that will add housing and retail space and will unify the Downtown and is investing in a new City Hall adding vitality and momentum to the changing Downtown.

Current Climate and Context. The City is preparing this Economic Development Strategy during an economic recession, which limits what can be accomplished in the short term. However, there is an opportunity to capitalize on Kenmore's many assets and lay the foundation for the next business

cycle. The City can accomplish this through a focus on Kenmore's image and identity and residential quality of life, and by investing in infrastructure to support downtown development.



Car on Bothell Road; Photo courtesy of Kenmore Heritage Society

This Strategy leverages Kenmore's key assets and core values to strengthen the City's identity and promote future investment consistent with the community's desired vision. Kenmore residents value its high quality of life – its location on the north shore of Lake Washington, its excellent school district, parks and trail systems, housing stock and existing neighborhoods, and engaged citizenry. This Strategy aims to enhance residents' quality of life by strengthening Kenmore's sense of place, realizing the potential

of the waterfront location, improving the pedestrian landscape, encouraging transit oriented development, increasing commercial vitality, and expanding retail and employment options.





Planning Process

Community Advisory Committee. This Strategy was led by the City's Economic Development Community Advisory Committee (CAC). The CAC was appointed by the City to help draft the Strategy, represent a variety of interests, and participate in community outreach. The CAC met six times from September 2008 to May 2009 to review research findings and develop this Strategy's goals and priorities. CAC members also participated in briefings to the City Council and were key participants in the Community Open House described below.

The following individuals were members of the CAC:

- Bob Hensel, Chair, James G. Murphy Inc.
- Todd Banks, Kenmore Air
- George Cody, Bastyr University
- Bob Donovan, Kenmore Camera
- Dennis Hill, Downtown Task Force
- Bill Leak, SD Deacon Corp
- Doug Levy, Government affairs consultant
- Lizanne Lyons, Negotiation consultant
- Keoki McCarthy, McCarthy GMAC Real Estate
- Dan Rosenfeld, Urban Partners
- Michael Vanderlinde, Planning Commission

The work of the CAC was supported by Nancy Ousley, Kenmore's Assistant City Manager. Brian Murphy, Allegra Calder, and other Berk & Associates staff provided research services, facilitation, advice, and planning support.



Members of the Project Team, including Committee members, staff and consultants





As the Committee debated opportunities and alternatives in writing this Strategy, the following analytic inputs were developed and shared with the group to provide context and analytic guidance:

Economic and Demographic Profile. This document summarizes data analysis related to area demographics, employment, and retail sales for Kenmore, neighboring cities, and regional benchmarks.

Market Analysis. Focusing on the City's employment and retail base, this document summarizes data related to Kenmore and the greater Puget Sound region. The geographic concentration of employment and retail centers are illustrated in maps and a summary of input from interviews with members of the development community is also included.

Stakeholder Interviews. To gather a range of perspectives and ideas, interviews were conducted with 24 individual stakeholders, including Kenmore's Mayor, the Deputy Mayor, and four City Council members, and representatives from local businesses, the development community, educational institutions, and neighboring cities, land owners, and residents. Input and guidance was also solicited during a joint meeting of the Downtown Task Force and the Planning Commission on September 10, 2008.

Community Open House. On February 10, 2009, the City of Kenmore held a Community Open House to solicit public input for its Economic Development Strategy. Preliminary drafts of the Strategy's four Goals and accompanying Action Strategies were presented at stations around the room and attendees were invited to comment on specific questions posed at each station. Approximately forty people attended the Open House and many attendees took feedback forms to hand out to friends and family.



City Hall Ground-breaking, 2009



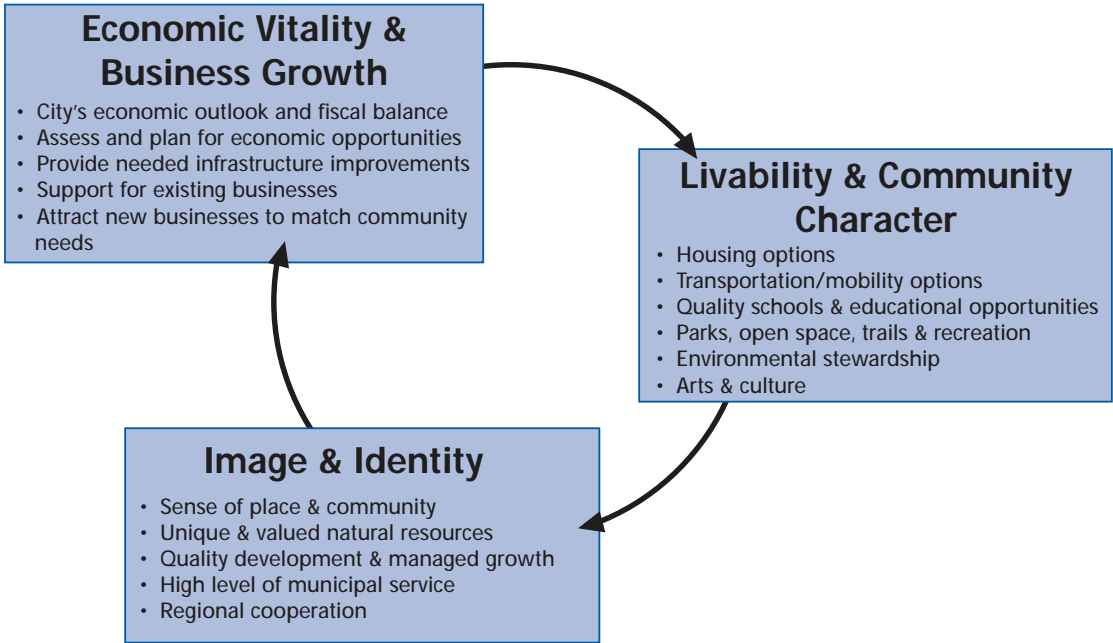


Planning Framework

The **Framework for Sustainable Economic Development**, shown below, identifies three critical elements of economic development: economic vitality and business growth, livability and community character, and image and identity. While a community may be actively advancing all three elements at any given time, there is usually a need to prioritize one over the others. As this priority area is strengthened, the community redirects its resources to address goals in its next area of emphasis.

In Kenmore’s case, the short-term items in this Strategy focus on enhancing the community’s image and identity with the goal of increasing economic vitality and business growth in the long run. Business support and retention, and elements of livability and community character, are a focus throughout.

Framework for Sustainable Economic Development



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Summary of Key Opportunities and Challenges

Many of Kenmore's greatest opportunities are directly related to its greatest challenges, and a theme of this Strategy is to capitalize on the City's potential by converting underperforming assets into realized advances towards the community's vision. Kenmore is fortunate relative to other communities that have already passed pivotal decision points and committed to development patterns that do not fully realize the communities' opportunities. In Kenmore's case, this Strategy and other related efforts create the opportunity to "reinvent" the downtown and the City's image, while staying true to its key strengths in a deliberate and aligned fashion.



Downtown Kenmore

This mix of challenges and opportunities are seen in existing land uses, the condition of the Lake Washington waterfront, SR-522, and Kenmore's image and identity. Existing land uses in the downtown and along the waterfront significantly underutilize the potential of these properties. Redevelopment offers a significant opportunity to enhance land uses and establish Kenmore's image, which is not widely known in the region among the general population or the development community. About 50,000 cars per day pass through Kenmore along the SR 522. While the City has an opportunity to draw some of this pass-through traffic to local retailers, the highway brings challenges related to aesthetics, infrastructure, and safety for those wanting to cross SR 522.

A key opportunity to advance the community's vision as an attractive place to live, raise children, shop, work, recreate, and socialize lies with Kenmore Village, a 9.6 acre mixed use project in downtown Kenmore that will ultimately have approximately 400 housing units and 100,000 square feet of retail space. While construction is currently delayed due to the economic climate, eventual redevelopment of the downtown will present an opportunity for the City to attract additional investment, new retail and commercial uses, and a larger employment base due to the increased residential population and downtown amenities.

The City has a number of existing assets important to residents and to the region. Bastyr University; strong independent businesses; parks, notably





Saint Edward State Park and Log Boom Park; a good school district; and an attractive location on the north shore of Lake Washington are just a few examples. A King County Ferry District demonstration route from Kenmore to Seattle is another important opportunity that is discussed in Goal IV.

In addition to the opportunities, Kenmore faces specific economic development challenges. The City's current economy is small relative to its population base. The majority of Kenmore residents work outside of the City, primarily in Seattle, Bellevue, and Redmond. Kenmore's location near strong regional retail centers such as Northgate, Alderwood, and Kirkland results in significant sales tax leakage because residents do much of their shopping outside City limits. This regional competition may limit Kenmore's opportunities in some retail and employment sectors.

Kenmore's retail, service, and restaurant sectors can be strengthened, addressing business turnover and augmenting existing businesses with new shopping and dining options.

This Strategy addresses these challenges, and seeks to capitalize on Kenmore's assets and opportunities. The end result will be a more robust economy, a stronger tax base to provide City services, more varied shopping and employment opportunities, and a dynamic and engaging Downtown.

The Kenmore Downtown Plan addresses a geographically defined area of the City near the intersection of SR 522 and 68th Avenue NE. References in this Strategy to the redevelopment of "Downtown" and the importance of strengthening its sense of place refer to this area. Other mentions of downtown use an expanded definition that includes the corridor along SR 522.



Saint Edward State Park with historic seminary building in foreground; Bastyr University Campus at top of photo





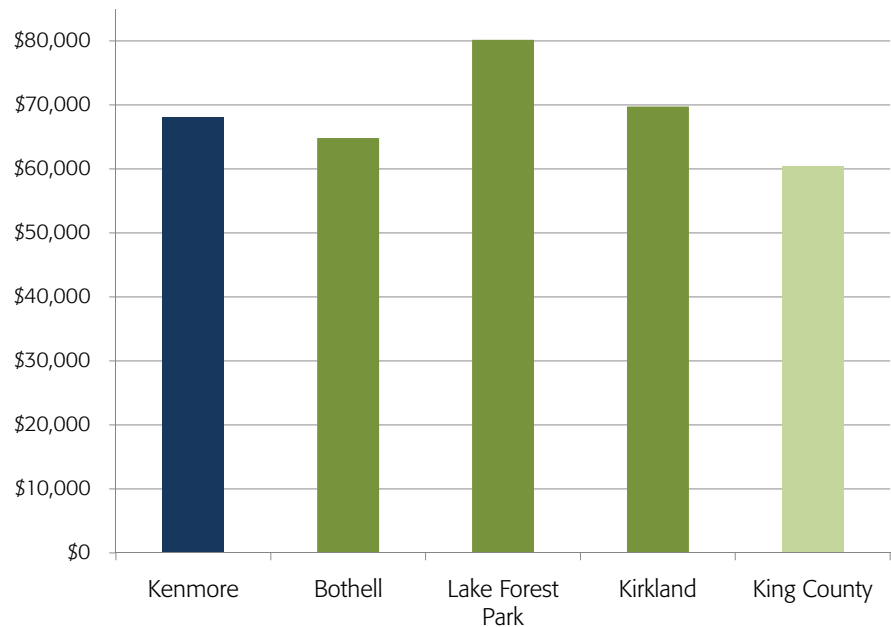
Kenmore's Market Situation

As mentioned above, the Economic and Demographic Profile and the Market Analysis (reproduced in the Technical Appendix) were key inputs to this Strategy. The Profile used quantitative data related to the composition and characteristics of Kenmore's population, employment base, and retail sales while the Market Analysis combined quantitative analysis with qualitative interviews with brokers and developers. The interviews provided context to the data and reflected the current economic situation and market changes that occurred through the development of the Strategy. The research findings are summarized below.

Kenmore has a number of assets that can be leveraged to establish its identity and promote the community to eventually increase investment and employment.

- Kenmore's location roughly halfway between the Eastside and downtown Seattle.
- The City's pleasant residential neighborhoods.
- Excellent school district.
- The presence of Bastyr University within the City limits and the University of Washington Bothell and Cascadia Community College in neighboring Bothell.
- Well educated City residents and a high median household income relative to neighboring cities.

Median Household Income, 2007



Source: Claritas, 2007; Berk & Associates, 2009





Only 3% of Kenmore residents work within the City limits.

- One third of Kenmore residents commute to Seattle for work, followed by Bellevue, Redmond, and Bothell.
- Kenmore is not currently a market that developers or brokers associate with office space.
- There is significant capacity to absorb demand for office space in the region, which will be utilized before new development occurs. Bothell’s current office vacancy rate is almost 20% and Seattle and Bellevue’s vacancy rates have increased due to the economic downturn and recent building boom.
- The source of demand for office and industrial space is most likely to come from local entrepreneurs or local residents moving their business closer to home.

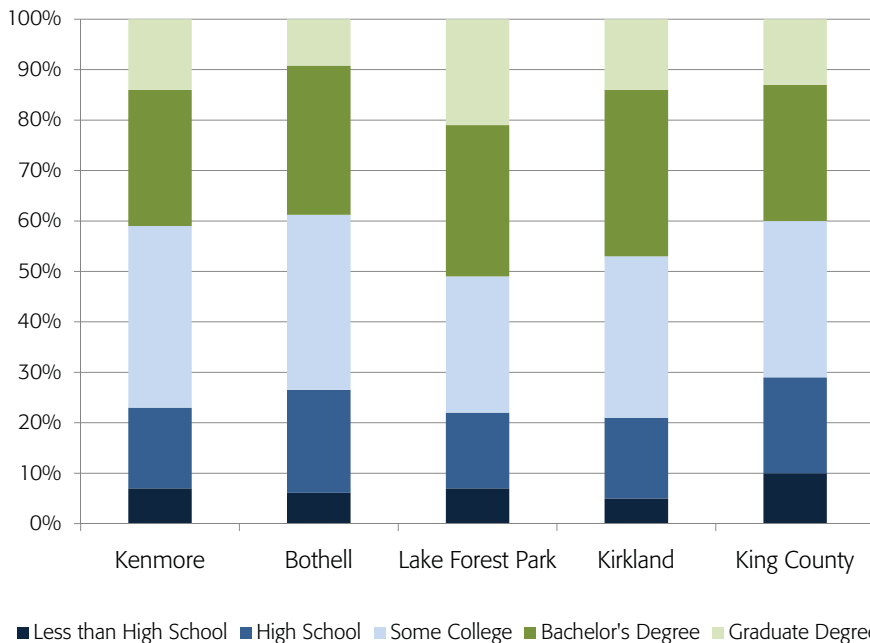
Work Location	Total Jobs	% of Total
Seattle	3,120	32.8%
Bellevue	975	10.2%
Redmond	837	8.8%
Bothell	609	6.4%
Kirkland	545	5.7%
Everett	345	3.6%
Kenmore	284	3.0%
Shoreline	277	2.9%
Lynnwood	205	2.2%
Woodinville	189	2.0%
Other Locations	2,132	22.4%
Total	9,518	100%

Source: U.S. Census Bureau, Local Employment Dynamics, 2006 Berk & Associates, 2009

Increased activity and added amenities in the Downtown would support future retail and employment growth.

- The new City Hall and Library will enhance civic uses, and Kenmore Village will eventually add residential and retail uses.
- Kenmore’s location near strong regional retail centers such as Northgate, Alderwood, and Kirkland, results in significant sales tax “leakage.” However, this regional competition limits Kenmore’s opportunities in some retail sectors.

Educational Attainment, 2007



Source: Claritas, 2007; Berk & Associates, 2009





Economic Development Strategy Overview

The exhibits on the following two pages summarize the Economic Development Strategy. The exhibit on page 11 outlines the Strategy's four Goals and the time frame for the key Strategies. The priorities and timing of different items are designed to enhance Kenmore's economy and overall community vitality. The arc of the Strategy begins with promoting the community's existing assets to establish Kenmore's image and identity to generate more investment in the Downtown and the waterfront, with increased opportunities to live and work in the City.



Rhododendron Park

The exhibit on page 12 provides outlines each of the four Goals and accompanying Action Strategies. Beginning on page 13, each Goal is introduced and explained in detail.



Kenmore City Hall rendering - construction to be completed 2010





Strategic Focus Over Time

Short-Term Strategies	Medium-Term Strategies	Long-Term Desired Outcomes
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Goal I: Establish Kenmore’s Image by Promoting its High Quality of Life and Many Assets

- | | | |
|--|--|---|
| <ul style="list-style-type: none"> Promote Kenmore’s assets Develop marketing strategy | <ul style="list-style-type: none"> Launch community marketing campaign Promote civic investments | <ul style="list-style-type: none"> Positive image and increased awareness of Kenmore Strengthened community events that bring together Kenmore residents and enhance community identity |
|--|--|---|

Goal II: Support Existing Businesses and Pursue Opportunities to Expand Employment

- | | | |
|---|---|---|
| <ul style="list-style-type: none"> Support and encourage expansion of existing businesses Promote a business climate that supports economic vitality and investment | <ul style="list-style-type: none"> Attract desirable specialty manufacturers and employers in target sectors Plan for long-term growth of office sector | <ul style="list-style-type: none"> Increased opportunities to live and work in Kenmore Enhanced customer base for local businesses Sustainable tax base to support a high level of City services for all residents |
|---|---|---|

Goal III: Create a Multi-Use, Vibrant, and Walkable Downtown

- Public investment on 181st Street and in public buildings and spaces

Downtown Redevelopment

- additional shops and restaurants
- employment opportunities
- increased residential population

- Vibrant and walkable Downtown with a strong sense of place
- Mixed uses including civic, residential, commercial, and public spaces
- Local shopping and dining opportunities

Goal IV: Advance the Community’s Connection to the Waterfront

- | | | |
|---|---|---|
| <ul style="list-style-type: none"> Pursue King County Ferry District demonstration route Play an active role in opening up the waterfront | <ul style="list-style-type: none"> Build off of ferry district investment with additional public investment and long-term planning | <ul style="list-style-type: none"> Redevelopment of the waterfront with improved public access High quality open space for passive and active recreation Improved wayfinding and accessibility |
|---|---|---|





Summary of Goals and Action Strategies

Goal I: Establish Kenmore's Image by Promoting its High Quality of Life and Many Assets

- A. Engage Kenmore residents through ongoing community outreach around economic development goals and key initiatives, such as the redevelopment of Downtown
- B. Launch a community marketing campaign to raise Kenmore's profile in the region
- C. Strengthen and promote Kenmore's community activities and events, such as summer concerts at Saint Edward State Park
- D. Support efforts to improve, maintain, and expand parks and open spaces, recognizing them as an important economic vitality asset

Goal II: Support Existing Businesses and Pursue Opportunities to Expand Employment

- A. Maintain a culture supportive of economic development among all members of the City organization
- B. Focus the City's economic development efforts on independent, community-scale retailers and employers, with a particular emphasis on the outdoor recreation, clean-tech, and health care sectors
- C. Promote a business and development climate that supports desired economic growth
- D. Work to retain the City's existing independent businesses by understanding and responding to their issues
- E. Support the growth of a health-related cluster
- F. Maintain the opportunity for longer-term office based employment

Goal III: Create a Multi-Use, Vibrant, and Walkable Downtown

- A. Prepare for and build off of Kenmore Village, City Hall, the library, and other existing or planned Downtown projects and improvements
- B. Develop NE 181st Street as a unifying feature of a pedestrian-oriented Downtown
- C. Encourage additional residential development in the Downtown to increase activity and attract daily goods shops, services, and restaurants
- D. Capture pass-through traffic on SR 522 and the Burke-Gilman Trail by creating strong connections to the Downtown

Goal IV: Advance the Community's Connection to the Waterfront

- A. Continue to pursue designation as the first King County ferry district demonstration route
- B. Provide leadership in opening up the waterfront
- C. Establish improved linkages to the waterfront





GOAL



ESTABLISH KENMORE'S IMAGE BY PROMOTING ITS HIGH QUALITY OF LIFE AND MANY ASSETS

Currently, Kenmore does not have a strong regional image and its many assets are not well known outside its borders. This Goal builds on the community's vision and promotes Kenmore as a desirable place to live, work, and recreate. This Goal builds on the City's Vision Statement, part of Kenmore's Comprehensive Plan. This Goal would initially promote existing assets that contribute to residents' quality of life and are important to the region. Over time, the focus will evolve to include the promotion of new civic buildings along with development and investment opportunities.

A community's image and identity are established in multiple ways and all four Goals of this Plan address this objective. For example, as discussed in Goal III, Kenmore's visibility and identity could be enhanced with improved signage and wayfinding, subtle forms of marketing reinforcing identity. The Kenmore Heritage Society's History Walk, which opened in late 2008, is an example.

Desired Outcomes

- A positive community image and increased regional awareness of Kenmore
- Strengthened community events that bring together Kenmore residents and enhance community identity

Strategies

- A. Engage Kenmore residents through ongoing community outreach around economic development goals and key initiatives, such as the redevelopment of Downtown (S-T)
- B. Launch a community marketing campaign to raise Kenmore's profile in the region (S-T)
 1. Develop interim print materials to promote Kenmore generally and specific development opportunities and update the City's website with economic development material
 2. Engage a community marketing expert to develop Kenmore's brand and a supporting campaign
 3. Once a brand is established, review and revise existing City materials and website to ensure consistency with the brand
 4. Ensure the City and community partners communicate similar messages that build on this core identity
 5. Be engaged in regional conversations and partnerships



Summer Concert Series at Saint Edward State Park



Inglemoor High School

Strategies are designated as short-term (S-T), medium-term (M-T), long-term (L-T), or ongoing (Ongoing). Short-term strategies could be implemented in the first 3 years following adoption, medium-term in years 3-4, and long-term in year 5 and beyond. Medium- and long-term items may require planning or other considerations in the short-term.





Kenmore's Unique & Shared Assets

Lake Washington, shorelines and wildlife

Excellent public K-12 schools – Northshore School District

Bastyr University – a world leader in natural medicine

Kenmore Air – the largest seaplane operator in the US

Burke-Gilman Trail

Local & regional public, private, and non-profit athletic facilities (fields, gyms, pools, golf)

Saint Edward State Park, Sammamish river & wetlands, Log Boom Park, Kenmore Heron Rookery

Proximity to I-5 and I-405, Seattle, and the Eastside

Civic investments – City Hall, Northshore Fire District Headquarters, King County Library branch

Community organizations supporting local history, youth & adult sports, and the environment

- C. Strengthen and promote Kenmore's community activities and events, such as summer concerts at Saint Edward State Park (S-T)
 - 1. Use activities and events to highlight the river, trail, and waterfront
- D. Support efforts to improve, maintain, and expand parks and open spaces, recognizing them as an important economic vitality asset (Ongoing)

Community Marketing. In order to launch a successful community marketing campaign, the City should undertake some initial steps. First, the City should engage an individual or firm with community marketing expertise to help develop a campaign strategy and approach. The City should create a community advisory committee with representation from employers, businesses, and educational institutions. Using this Strategy, the Comprehensive and Downtown Plans, the City can create key messages, focusing on promotion of the community's assets.

It is important to recognize that it will take time to market the community and begin to increase awareness and raise the City's profile throughout the region.



10th Anniversary of Kenmore Incorporation - going green with reusable shopping bags, 2008





GOAL



SUPPORT EXISTING BUSINESSES AND PURSUE OPPORTUNITIES TO EXPAND EMPLOYMENT

Kenmore has several businesses and institutions, including Kenmore Air and Bastyr University, that are known throughout the region and even further afield. The community's smaller independent businesses are seen as key assets, and more commercial establishments of this scale are desired, particularly restaurants. However, there are challenges to small businesses as many residents do their shopping and dining-out in neighboring communities and business turnover is common. The strategies below seek to support, retain, and expand existing businesses, and augment the commercial base with complementary new businesses.



Victory Drive In: Photo courtesy of Kenmore Heritage Society

Currently, the vast majority of Kenmore residents travel to another area in the Seattle metropolitan region for work. Additional employment would create other opportunities for residents to live and work in Kenmore. Additional retailers and restaurants would allow the City to capture of a greater share of resident spending.



Local retail business

Opportunities to expand the City's employment base may be limited in the short-run due to the constricted economic climate. In this context, the City should prioritize business support and retention in the short-term and work to target businesses that would benefit from assets that are specific to Kenmore, such as Bastyr University, the Burke-Gilman trail, and its location along SR 522.

Desired Outcomes

- Increased opportunities to live and work in Kenmore
- Enhanced customer base for local businesses
- Sustainable tax base to support a high level of City services for all residents

Strategies

- A. Maintain a culture supportive of economic development among all members of the City organization (Ongoing)
 1. Establish annual conversations with elected officials about the importance of economic development and the City's short- and long-term plans and aspirations
 2. Engage in annual conversations with all City staff about economic development, highlighting the contributions each can make in his or her position. Emphasize the importance of customer service and communicating that the City welcomes desirable investment and seeks to play a facilitative role
 3. Appoint a single point of contact for businesses wishing to interact with the City





- B. Focus the City's economic development efforts on independent, community scale retailers and employers, with a particular emphasis on the outdoor recreation, clean-tech, and health care sectors (Ongoing)
1. Pursue training or other opportunities for staff to learn more about these sectors' needs and preferences for facilities, adjacencies, and location
 2. Use community marketing efforts and the City's website to project a community image that attracts entrepreneurs and businesses in the City's targeted sectors
 3. Target related professional organizations for membership and participation, including the Washington Clean Tech Alliance, Green Business Forums, and health care groups
 4. Engage school leadership in dialogue and identify ways to leverage the area's educational institutions, including Bastyr, UW Bothell, Cascadia Community College, and the Northshore School District
 5. Explore opportunities to attract businesses that would benefit from the presence of Kenmore Air's maintenance facility and passenger base
 6. Consider recruiting a micro-brewery or wine maker that would benefit from proximity to similar operations in Woodinville, the Burke-Gilman trail, and the annual Brewers Festival in Saint Edward State Park
- C. Promote a business and development climate that supports desired economic growth (S-T)
1. Audit regulations, zoning, fees, and processes to ensure that they are consistent with the Comprehensive Plan and Downtown Plan, supportive of investment in the City's target sectors according to current business practices, and competitive relative to neighboring communities
 2. Explore opportunities to promote development in areas targeted for investment by using tools and incentives, such as a planned action environmental review or transfer of development rights
 3. Consider additional incentives to encourage private investment in streetscape and open space amenities and a built environment in line with the community vision

Initially, incentives should be used to promote development opportunities and encourage investment in Kenmore's commercial areas. Subsequent efforts can be used to enhance the character of the downtown through private investment.



King County Public Library, Kenmore branch rendering





4. When considering policies or processes that could affect the business/development community or climate, solicit input from the private sector and communicate changes once made
5. Provide early and frequent opportunities for developers and business and property owners to discuss potential development projects with City staff
 - a. Communicate the community’s support for development that is aligned with the Comprehensive Plan and current development regulations
 - b. Provide predictable and consistent information about the City’s development regulations
 - c. Answer questions and facilitate development in a collaborative fashion
6. Establish a survey to solicit feedback on the City’s permitting process, using the results to make improvements and capture positive comments for use in promotional materials
7. Enhance the City’s website with additional economic development content
- D. Work to retain the City’s existing independent businesses by understanding and responding to their issues (S-T/M-T)
 1. Better understand and track the makeup of the City’s commercial sectors by establishing a business registration requirement with a modest fee
 2. Meet regularly with the City’s larger employers through direct outreach or collective and interactive forums such as a regular business breakfast
 3. Explore the needs of Kenmore’s home-based businesses and determine what the City can do to support them
 4. Explore opportunities to support local small businesses in partnership with the UW Bothell Business Development Center
 5. Following the completion of Kenmore Village, assess business owner interest in a Downtown business association that the City could support with meeting space and technical assistance
- E. Support the growth of a health-related cluster (M-T)
 1. Strengthen the connection between the City and Bastyr University through event cosponsorship and other opportunities for partnership
 2. Recruit health-related businesses that would benefit from the presence of Bastyr, nursing programs at UW Bothell and Cascadia Community College, local medical/dental practitioners, and proximity to one another
 3. Target health and fitness businesses such as outdoor gear rental shops that would benefit from the waterfront, the Burke-Gilman Trail, and vehicular traffic along SR 522
- H. Maintain the opportunity for longer-term office based employment (Ongoing)
 1. Track capacity for office development and be prepared to market opportunities as they arise

Downtown redevelopment is one of the most important strategies to increase employment opportunities within Kenmore. With additional downtown amenities, a greater sense of place, and the possibility of a ferry route to Seattle, Kenmore will be more attractive to employers.





GOAL



CREATE A MULTI-USE, VIBRANT, AND WALKABLE DOWNTOWN



SR 522 Improvements

Residential and mixed-use development aids economic development by supporting a larger population base, which is attractive to retailers. Retail establishments and restaurants create the amenities, vibrancy, and sense of place that is attractive to employers and residents. An increase in residents, jobs, and retailers enhances City tax revenues, allowing for the ongoing provision of high quality City services.

In addition to the direct and indirect economic development benefits of a project like Kenmore Village, an improved streetscape would make the Downtown more appealing to existing residents, increase public safety, and enhance the overall sense of community. Civic investments such as the new City Hall and library will serve as public gathering places and help to activate the Downtown.



Bikes on the Burke-Gilman Trail

Desired Outcomes

- A vibrant and walkable downtown with a strong sense of place
- A mix of uses, including civic, residential, commercial, and public spaces
- Local shopping and dining opportunities
- Multi-modal centers and transit oriented development within the City

Strategies

- A. Prepare for and build off of Kenmore Village, City Hall, the library, and other existing or planned Downtown projects and improvements (S-T)
 1. Create folios describing the projects with photos or renderings that can be passed out at regional events to promote and generate interest in the City
 2. Utilize press releases, direct outreach to the press, and opening ceremonies to promote recognition of significant accomplishments in Downtown revitalization
- B. Develop NE 181st Street as a unifying feature of a pedestrian-oriented Downtown (M-T)
 1. Consider renaming 181st to help establish an identity for the Downtown
 2. Invest in streetscape and sidewalk improvements and amenities
 3. Create a multi-use “gathering place” at the new City Hall

The incentives and tools noted in Goal II will be important in encouraging and shaping Downtown redevelopment.

Indoor space will be available for community meetings and events and the outdoor space could be used for a farmer’s market or an outdoor concert series once the Downtown is redeveloped.

4. Create strong walking connections to adjacent neighborhood and the waterfront





- C. Encourage additional residential development in the Downtown to increase activity and attract daily goods shops, services, and restaurants (M-T/L-T)
 - 1. Promote residential development opportunities in Kenmore
 - 2. Use design standards to ensure high quality and attractive development in line with the community vision for Downtown
- D. Capture pass-through traffic on SR 522 and the Burke-Gilman Trail by creating strong connections to the Downtown (M-T/L-T)
 - 1. Create a landmark gateway to Kenmore at the intersection of SR 522 and 68th Avenue
 - 2. Improve signage and wayfinding to capture pass-through vehicular and bicycle traffic



Conceptual rendering of Kenmore Village by the Lake, GGLO





GOAL

IV

ADVANCE THE COMMUNITY'S CONNECTION TO THE WATERFRONT



Fishing at Log Boom Park

Kenmore's Lake Washington waterfront is the community's most commonly noted asset. However, most people agree that public access is limited and the existing uses are not the most desirable. Opening the waterfront to greater public use is challenging because much of the land is privately held and subject to environmental restrictions. The Strategies below recognize the importance of LakePointe and other properties on the waterfront and along the connecting path between Downtown and the lake, as well as the City's limited ability to affect direct change.

Possible City Actions to Help Open Up the Waterfront

The City of Kenmore has limited tools and options at its disposal to work directly in opening up privately held waterfront properties for redevelopment and public use. The City's primary function is as a facilitator, holding conversations with property owners about the future of key parcels. The City should also pursue grants for possible land acquisition, and consider investing in supportive infrastructure that creates strong connections to the waterfront facilitating greater access and potential for redevelopment.

Desired Outcomes

- Redevelopment of the waterfront with improved public access
- High quality open space for passive and active recreation
- Improved way finding and increased awareness of Kenmore from the Burke-Gilman Trail

Strategies

- A. Continue to pursue designation as the first King County ferry district demonstration route (S-T)
- B. Provide leadership in opening up the waterfront (Ongoing) See sidebar for possible actions
 1. Explore opportunities to open up the waterfront and connect the Downtown to the lake by pursuing grants or financing to fund infrastructure improvement or the purchase of key properties
 2. Continue to promote the available development site at LakePointe and work with the owner to encourage attractive redevelopment of the site
 - a. Identify key infrastructure improvements that the City could undertake to make the site more attractive for development
- C. Establish improved linkages to the waterfront (Ongoing)
 1. Develop pedestrian connections between Downtown and the waterfront
 2. Explore options to purchase parcels that are close to but not on the waterfront that could serve to improve linkages





Recommended Short-Term Priorities

The Community Advisory Committee supports all the Goals and Action Items outlined in this Strategy. However, the Committee identified four major themes that could potentially yield the greatest impact and should guide planning and implementation efforts as the City shifts from strategy development to action:

Image

Pursue opportunities to update and energize Kenmore's image among residents and non-residents

- Community marketing
- Landmark gateway and additional signage

Business Climate

Focus on how the City of Kenmore engages with businesses

- City culture and practices supportive of the economic development goals articulated in this document, including a strong customer service orientation
- New tools and incentives to encourage investment

Leverage Existing Assets

Build upon existing businesses, institutions, and strengths and focus on connections to the waterfront

- Independent Kenmore businesses
- Educational institutions, such as Bastyr University, UW Bothell, and Cascadia Community College
- King County Ferry District demonstration route
- Burke-Gilman Trail

Built Environment

Continue to play an active role in guiding the redevelopment of Downtown

- New development should be appropriately scaled and well designed
- Pedestrian orientation and new residents will bolster Downtown commercial vitality
- Build off of City Hall, the Library, and the Northshore Fire District
- Incentives and public investment may continue to be necessary to realize the desired character



Disposition and Development Agreement with Urban Partners for Kenmore Village project is signed, 2007



Recommended Key Performance Indicators

The key performance indicators below would allow the City to track and report on the Implementation Phase of the Strategy. In addition to the quantitative measures, the Tracking Questions to Consider can be used to gauge the success of the effort.

Goal	Counts	Tracking Questions to Consider
Goal I Establish Kenmore's Image by Promoting its High quality of Life and Many Assets	Positive media stories about Kenmore (#)	Is the City's regional visibility increasing?
	Hits to the City's economic development webpages and telephone inquiries to City's established point of contact (#)	Is the general image of the City more positive?
	Trends in residential and commercial property values (\$)	Are other cities reaching out to learn from or partner with Kenmore?
Goal II Support Existing Businesses and Pursue Opportunities to Expand Employment	Employment per capita	Has business turnover slowed?
	Reduction in sales tax leakage in target sectors (\$)	Is the City receiving more interest from business and property owners?
	Customer satisfaction related to permitting process (survey results)	
	Home-based business metric (dependent on program goals)	
Goal III Create a Multi-Use, Vibrant, and Walkable Downtown	Number of housing units in Downtown (#)	Does the Downtown area feel more active and vibrant?
	City or private sector investment in streetscape and amenities (\$)	Does Downtown have an identifiable sense of place?
	New or replaced sidewalk (linear feet)	
Goal IV Advance the Community's Connection to the Waterfront		Does Kenmore feel more connected to the waterfront?
		Is the waterfront more accessible to pedestrians?
		Is there increased public activity along the waterfront?





Technical Appendix





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CITY OF KENMORE ECONOMIC DEVELOPMENT PROFILE

INTRODUCTION

The Kenmore Economic Development Profile presents a summary of analyses describing the character of the City. The Profile includes information on area demographics and retail sales. The demographic section will provide the City with a clearer picture of its citizenry, housing, and income. The retail spending sales section identifies and examines trends in local spending patterns.

The Profile compares Kenmore to seven other communities to provide a context for the measures. These seven cities were selected based on geographic proximity to Kenmore as well as similarities in population size and economic base. The profile also includes four regional benchmarks and Greater Kenmore Area.

The comparable areas fall into three categories:

- **Neighbors**
 - Bothell
 - Kirkland
 - Lake Forest Park
 - Woodinville
- **Population and Market Peers**
 - Mill Creek
 - Issaquah
 - Edmonds
- **Regional Benchmarks**
 - Snohomish County
 - Pierce County
 - King County
 - Central Puget Sound

Central Puget Sound. This designation comprises everything under the jurisdiction of the Puget Sound Regional Council (PSRC): Pierce, King, Kitsap, and Snohomish Counties.

Greater Kenmore Area. This describes the area within a 10-15 minute drive of downtown with normal congestion (shown in yellow in the map to the left). This larger area does not necessarily represent a retail market area, but provides additional information about the demographic qualities of the larger population base surrounding the City.

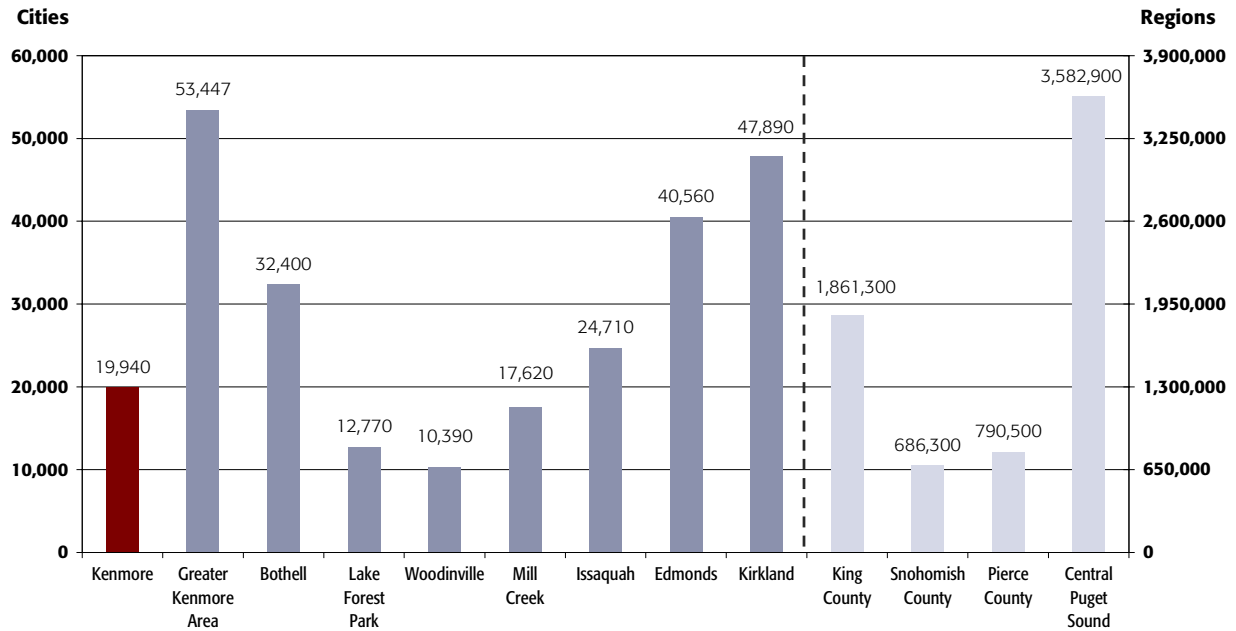




DEMOGRAPHIC ANALYSIS

Population Growth

**Exhibit 1
Population, 2007**



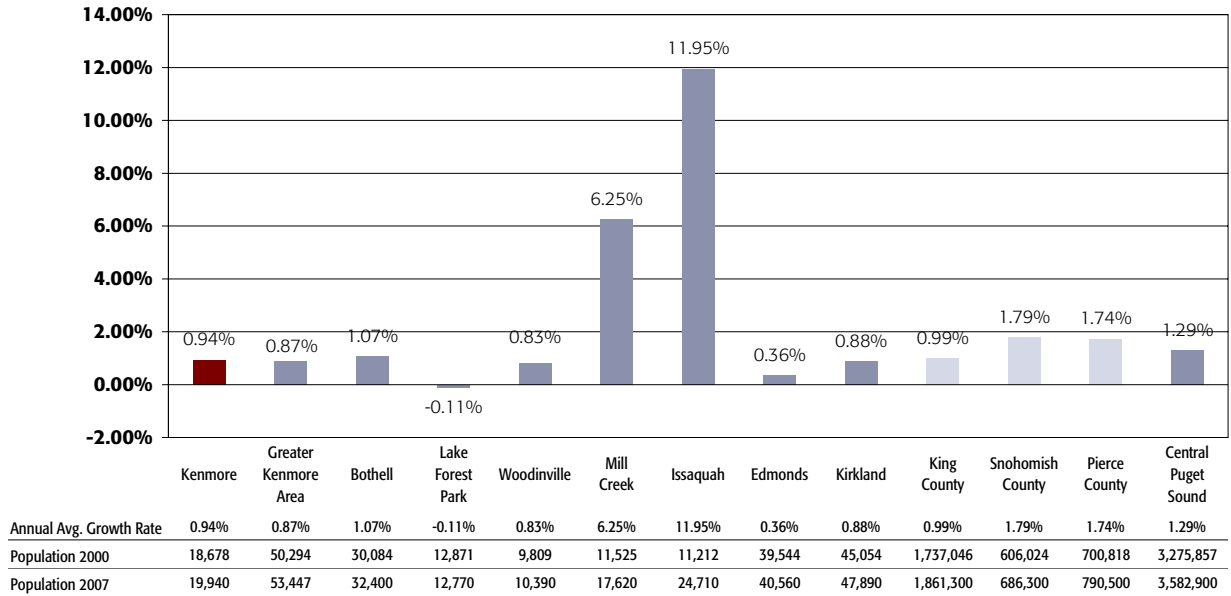
Source: Office of Financial Management, 2007

- Kenmore (19,940) has a population similar to Mill Creek (17,620) and Issaquah (24,710).
- Kenmore has a larger population than Lake Forest Park (12,770) and Woodinville (10,390).
- Kenmore has a smaller population than Bothell (32,400), Edmonds (40,560), and Kirkland (47,890).





Exhibit 2 Population Average Annual Growth Rate, 2000 to 2007



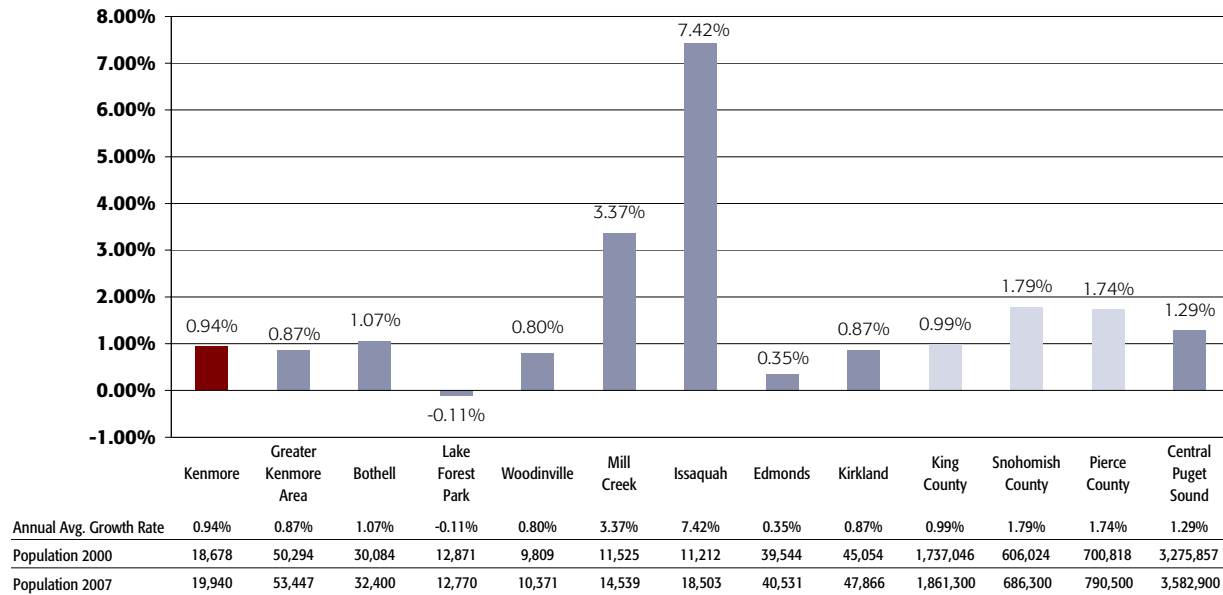
Source: Office of Financial Management, 2007.

- Kenmore had a population growth rate (0.94%) comparable to the Greater Kenmore Area (0.87%), King County (0.99%), Woodinville (0.83%), Kirkland (0.88%), and Bothell (1.07%).
- Kenmore’s population grew at a slower rate than Issaquah (11.95%), Mill Creek (6.25%), Snohomish County (1.79%), Pierce County (1.74%), and the Central Puget Sound region (1.29%). Kenmore grew faster than Edmonds (0.36%) and Lake Forest Park (-0.11%).





Exhibit 3 Population Average Annual Growth Rate, 2000 to 2007 (with annexed population between 2000 and 2007 removed)



Source: Office of Financial Management, 2007.

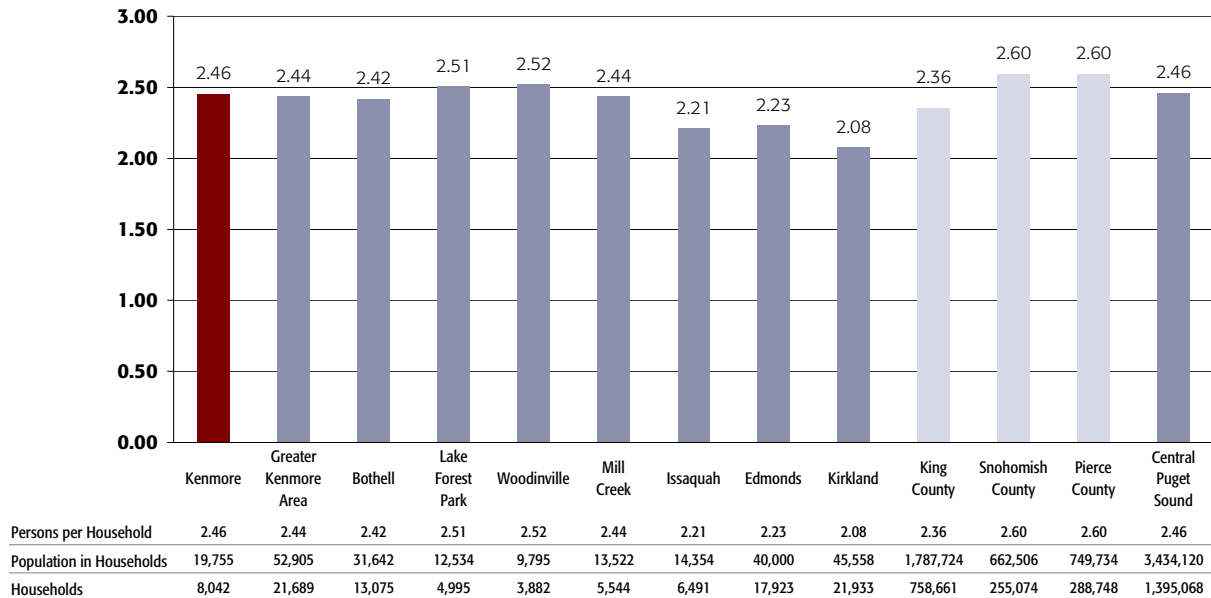
- Kenmore did not annex populations between 2000 and 2007, leaving population growth rates unchanged.
- Population growth rates that decreased after removing annexed populations include the two cities with the fastest growing populations: Issaquah (decrease of 4.53%) and Mill Creek (decrease of 2.88%). In addition, Edmonds (decrease of 0.01%), Kirkland (decrease of 0.01%), and Woodinville (decrease of 0.03%) saw a small decrease in their population annual average growth rate after removing annexed populations.





Population Characteristics

Exhibit 4 Average Persons per Household, 2007



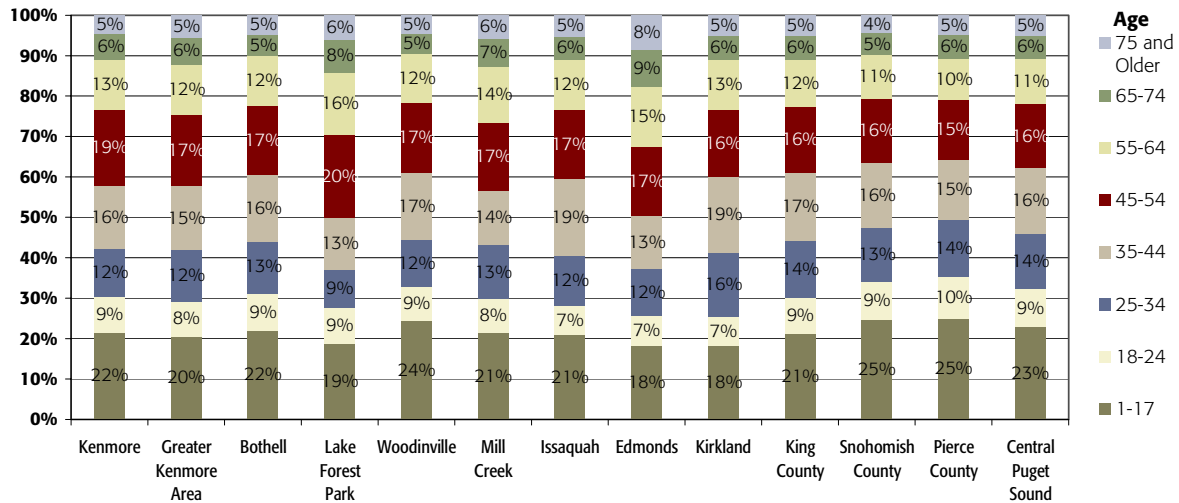
Source: Claritas, 2007

- Kenmore has the same average persons per household as the Central Puget Sound region.
- Kenmore’s average persons per household is similar to the Greater Kenmore Area (2.44), Mill Creek (2.44), Bothell (2.42), and Lake Forest Park (2.51).
- Kenmore’s average persons per household has decreased slightly since 2000 from 2.54 to 2.46. All comparable cities, King and Snohomish Counties, and the Central Puget Sound region also experienced a decrease in their average persons per household.





Exhibit 5 Age Distribution, 2007



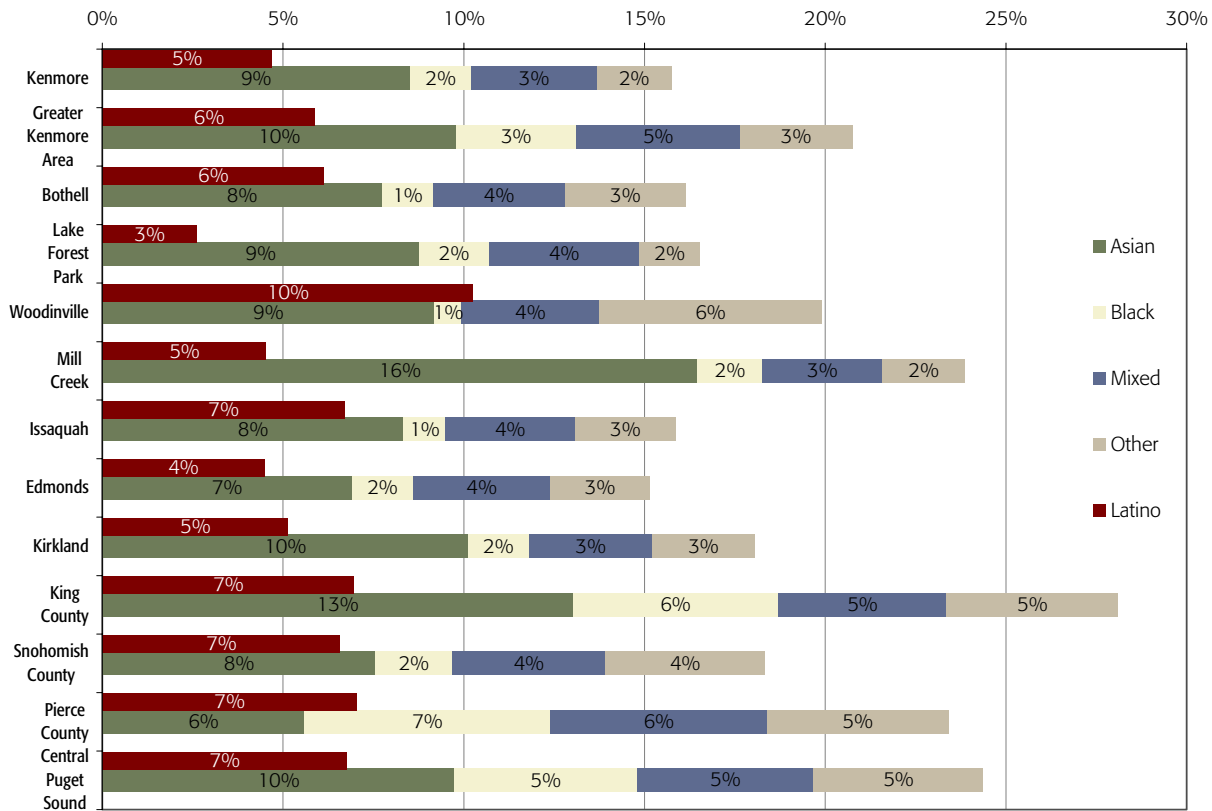
Source: Claritas, 2007.

- Kenmore has an age distribution similar to King County and the Central Puget Sound Region. Kenmore has more individuals aged 45-64 (31%) than King County (28%) or the Region (27%).
- Kenmore and the Greater Kenmore Area have very similar age distributions. Kenmore has more young individuals aged 1-17 years (22%) than the Greater Kenmore Area (20%).
- Kenmore's largest age group is 1-17 years (22%), which is the same as Bothell, and similar to the Central Puget Sound Region (23%), King County (21%), and Mill Creek (21%).
- Since 2000, Kenmore has seen minor fluctuations in its age distribution. The largest change occurred in the 55-64 year age cohort, which increased from 8% in 2000 to 13% in 2007.





Exhibit 6 Minority Race Distribution, 2007



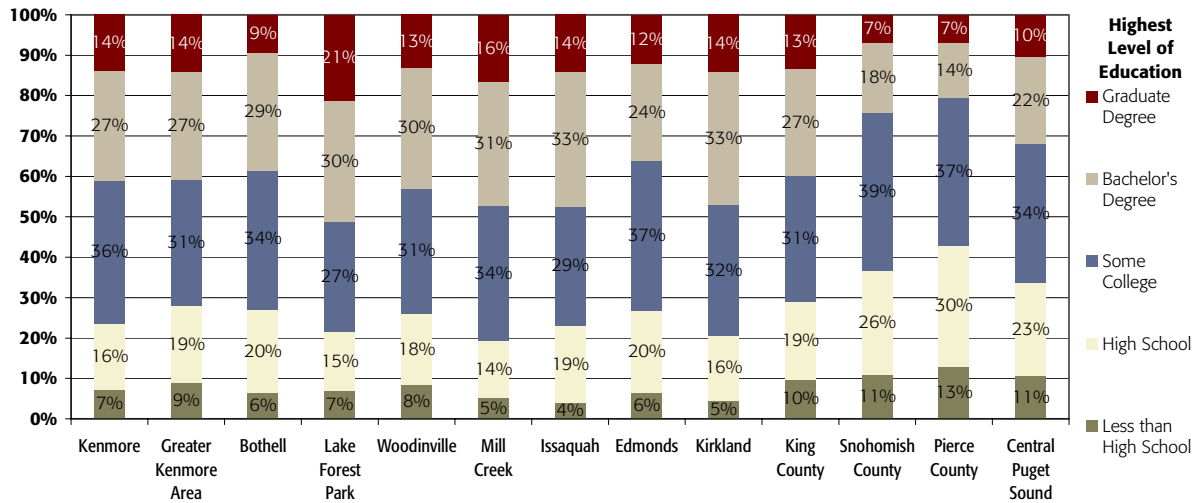
Source: Claritas, 2007.

- Kenmore has fewer minorities (16%) than most comparable cities, King County (29%), and the Central Puget Sound region (25%)
- Kenmore has a smaller minority population percentage than the Greater Kenmore Area. Kenmore has a smaller Latino minority (5%) than the Greater Kenmore Area (6%).
- Kenmore has a non-Latino minority (16%) that is equal to Bothell, Edmonds, and Issaquah. All other comparable cities, counties, and the region have a higher percentage of non-Latino minorities.
- Kenmore has a Latino minority (5%) that is similar to Mill Creek (5%), Kirkland (5%), Bothell (6%), and Edmonds (4%).
- Since 2000, Kenmore has seen small increases in the percentage of Asians (2% increase), Blacks (1% increase), and Latinos (1% increase).





Exhibit 7 Educational Attainment Distribution, 2007



Source: Claritas, 2007.

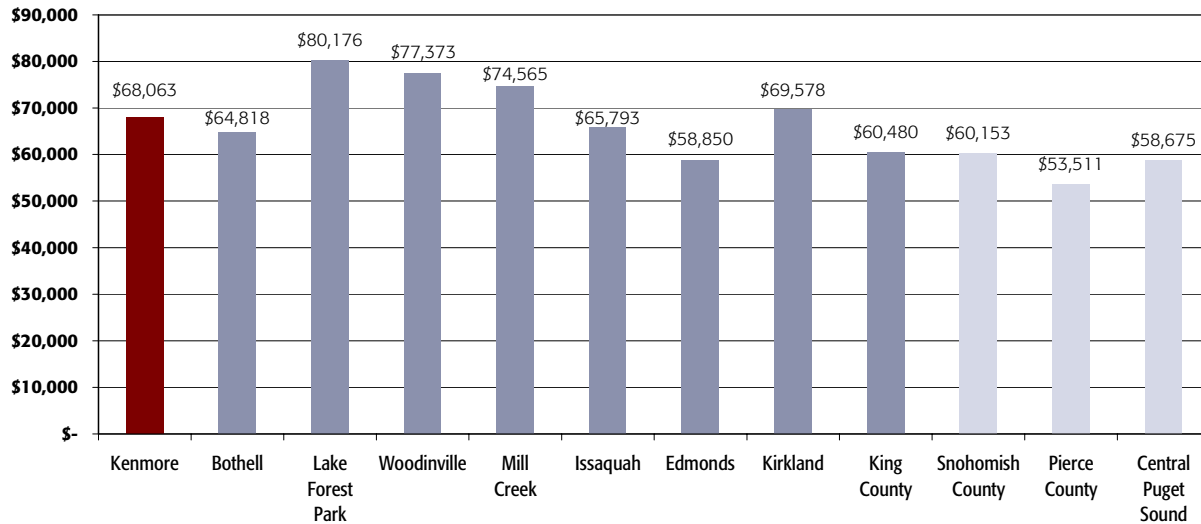
- There is a considerable range in the educational attainment among comparable cities, counties, and the region.
- Kenmore and the Greater Kenmore Area have the same percentage of adults who hold at least a bachelor's degree (41%). Kenmore has a higher percentage (93%) of adults with a high school diploma than the Greater Kenmore Area (91%).
- Kenmore's share of high school graduates at 93% is most similar to Lake Forest Park (93%), Bothell (94%), Woodinville (92%), and Edmonds (94%).
- Kenmore and the Greater Kenmore Area have a higher percentage of graduate degree holders (14%) than three comparable cities, King County (13%), Snohomish County (7%), and the Central Puget Sound region (10%).
- There were no significant changes in educational attainment distribution for Kenmore between 2000 and 2007.





Income Characteristics

Exhibit 8
Median Household Income, 2007



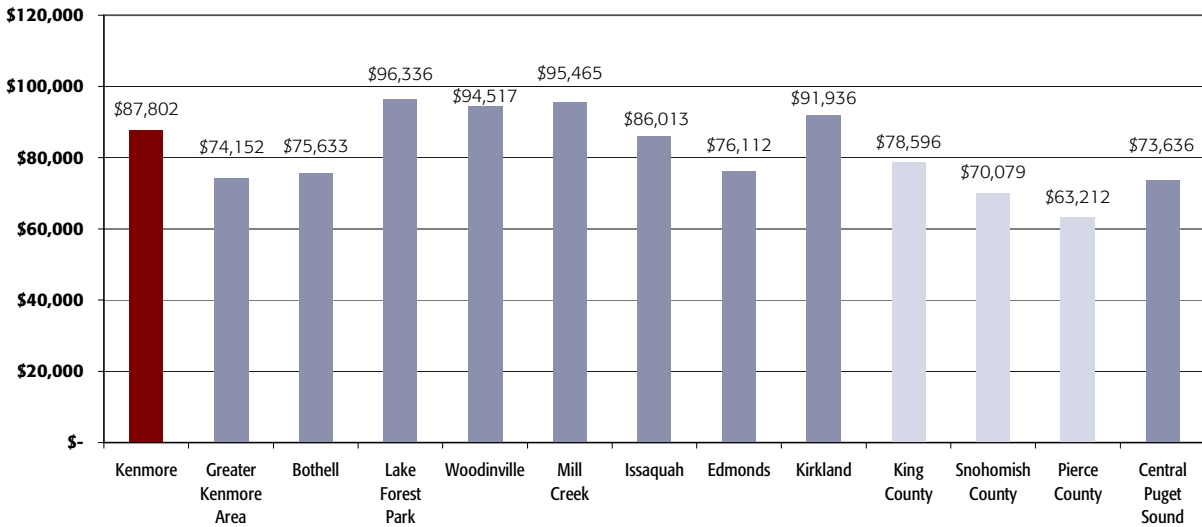
Source: Claritas, 2007. Note: The Greater Kenmore Area is not included in this chart because 2007 Median Household Income data is not available for that geography.

- Median household income in Kenmore (\$68,063) is higher than three comparable cities, King County (\$60,480), Snohomish County (\$60,153), and the Central Puget Sound region (\$58,675).
- Lake Forest Park (\$80,176), Mill Creek (\$74,565), Woodinville (\$77,373), and Kirkland (\$69,578) have higher median household incomes than Kenmore.





Exhibit 9 Average Household Income 2007



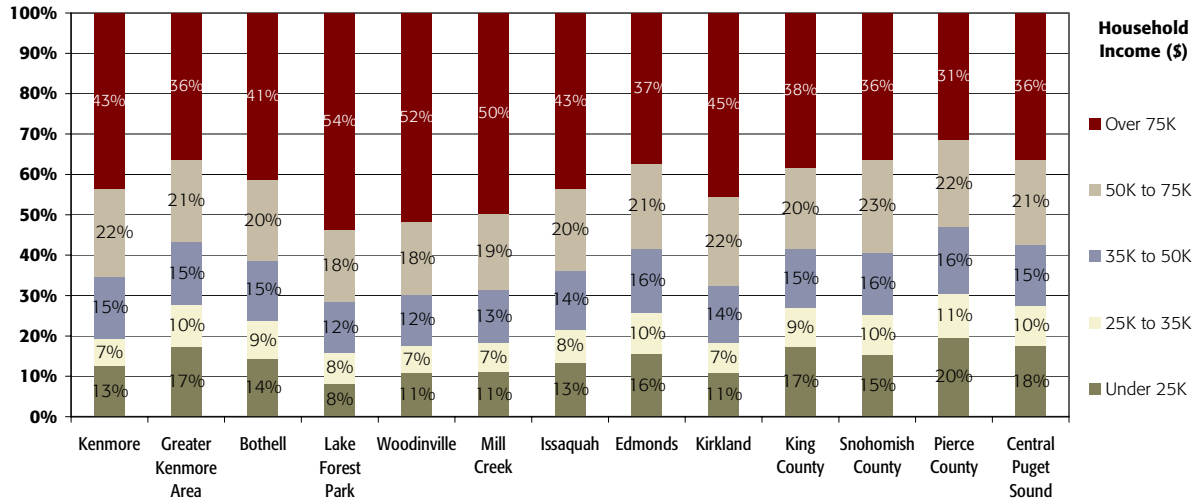
Source: Claritas, 2007

- Kenmore has a higher average household income (\$87,802) than the Greater Kenmore Area (\$74,152), three comparable cities, King County (\$78,596), Snohomish County (\$70,079), and the Central Puget Sound region (\$73,636).
- Lake Forest Park (\$96,336), Mill Creek (\$95,465), Woodinville (\$94,517), and Kirkland (\$91,936) have higher average household incomes.
- The Greater Kenmore Area has a higher average household income than Snohomish County (\$70,079), Pierce County (\$63,212), and the Central Puget Sound Region (\$73,636)





Exhibit 10 Household Income Distribution, 2007



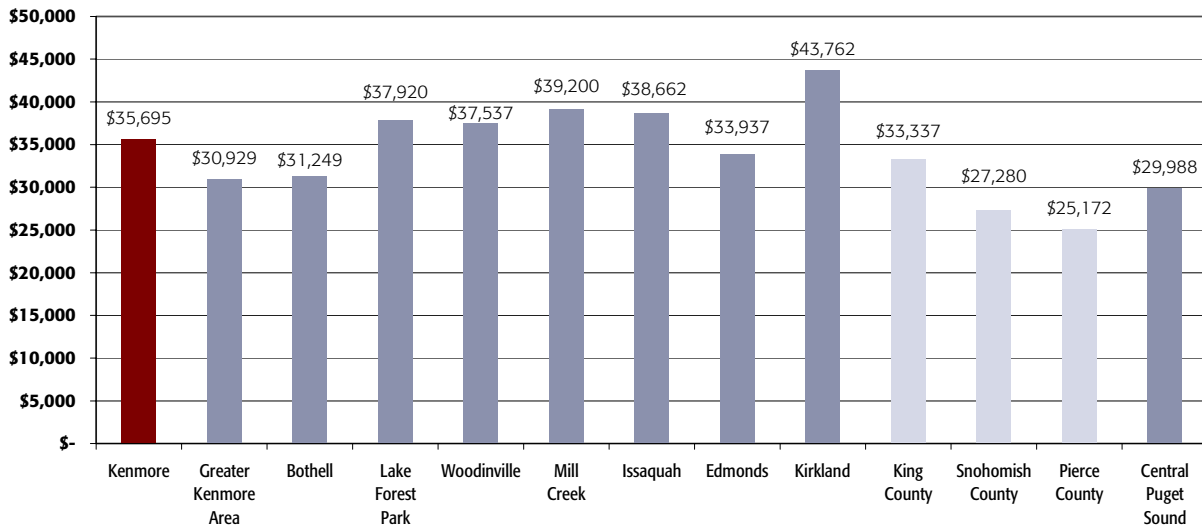
Source: Claritas, 2007.

- Kenmore has a higher percentage of households earning over \$50,000 a year (65%) than the Greater Kenmore Area (57%), King County (58%), and the Central Puget Sound region (57%).
- Issaquah (64%) and Bothell (61%) have similar shares of households earning more than \$50,000 a year to Kenmore (65%). Lake Forest Park (72%), Mill Creek (69%), Woodinville (70%), and Kirkland (67%) have higher percentages of households earning more than \$50,000.
- In Kenmore, 43% of households earn more than \$75,000, which is equal to Issaquah and less than Lake Forest Park (54%), Mill Creek (50%), Woodinville (52%), and Kirkland (45%).
- In the Greater Kenmore Area, 36% of households earn more than \$75,000, which is similar to Edmonds (37%), King County (38%), Snohomish County (36%), and the Central Puget Sound region (36%).
- Households earning less than \$35,000 account for 20% of Kenmore’s households. This is lower than most comparable cities, King County (26%), Snohomish County (25%), and the Central Puget Sound region (28%). Lake Forest Park (16%), Mill Creek (18%), Woodinville (18%), and Kirkland (18%) have slightly lower percentages of households earning less than \$25,000.





Exhibit 11 Per Capita Income 2007



Source: Claritas, 2007.

- Kenmore has a higher per capita income (\$35,695) than the Greater Kenmore Area (\$30,929), King County (\$33,337), and the Central Puget Sound region (\$29,988).
- Kenmore has the sixth highest per capita income of the comparison areas examined, after Mill Creek (\$39,200), Lake Forest Park (\$37,920), Woodinville (\$37,537), Kirkland (\$43,762), and Issaquah (\$38,662).





Housing Trends

Exhibit 12
Total Housing Unit Growth, 2000-2007

	Total Housing Units		Housing Units Change (2000-2007)				Percent Change (2000-2007)
	2000	2007	Total	Single-Family	Multifamily	Other	
Kenmore	7,562	8,256	694	496	186	12	9%
Greater Kenmore Area	21,163	23,033	1,870	*	*	*	9%
Bothell	12,265	13,620	1,355	374	974	7	11%
Lake Forest Park	5,168	5,224	56	56	1	-1	1%
Woodinville	3,900	4,180	280	289	0	-9	7%
Mill Creek	4,769	7,442	2,673	1,499	1,191	-17	56%
Issaquah	5,195	11,481	6,286	3,225	3,106	-45	121%
Edmonds	17,519	18,225	706	228	480	-2	4%
Kirkland	21,831	23,720	1,889	528	1,361	0	9%
King County	742,239	812,658	70,419	33,289	37,146	-16	9%
Snohomish County	236,205	273,351	37,146	26,133	9,734	1,279	16%
Pierce County	277,060	319,389	42,329	29,053	9,896	3,380	15%
Central Puget Sound	1,348,148	1,507,897	159,749	95,591	58,098	6,060	12%

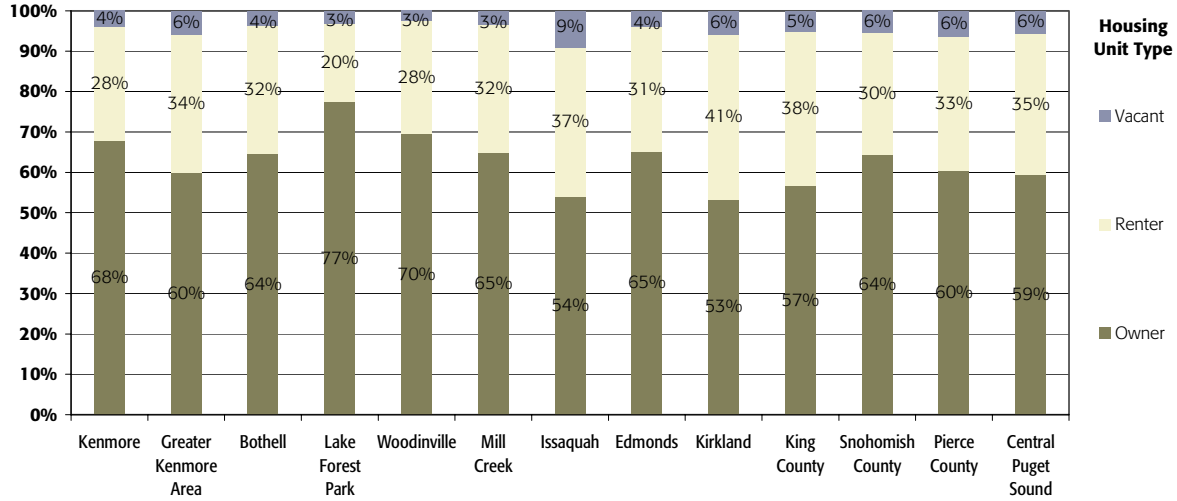
Source: Office of Financial Management, 2007

- Kenmore and the Greater Kenmore Area had the same percent change in total housing units from 2000 to 2007 (9%).
- Kenmore has seen a modest growth in total housing units equal to the percent growth of King County (9%), but less than Snohomish County (16%) and the Central Puget Sound region (12%).
- Kenmore's percent growth in total housing units is greater than Lake Forest Park (1%), Woodinville (7%), and Edmonds (4%). Issaquah (121%), Mill Creek (56%), and Bothell (11%) experienced a larger percentage increase in total housing units than Kenmore.





Exhibit 13 Distribution of Housing Units by Tenure 2007



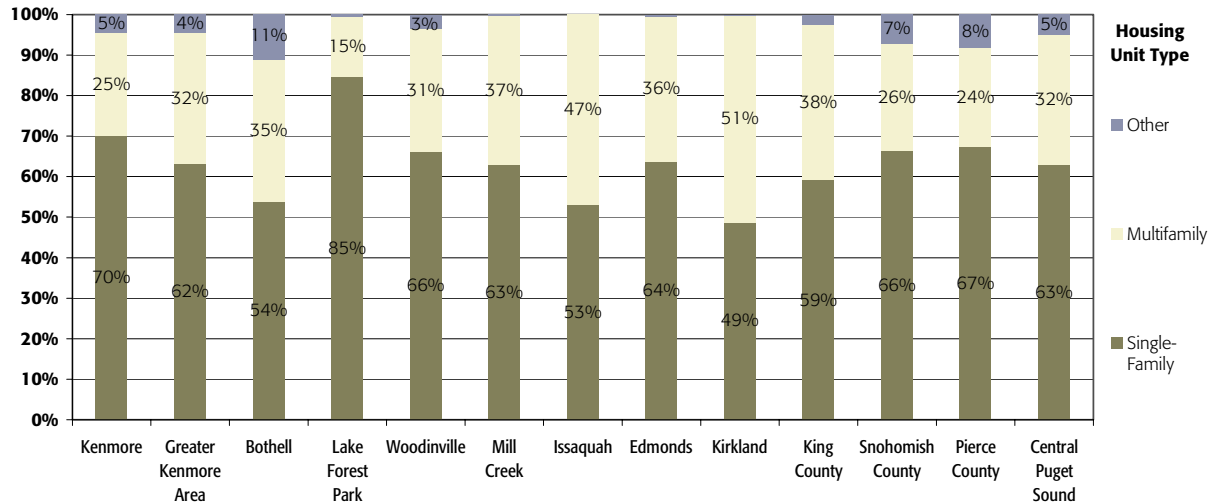
Source: U.S. Census Bureau, 2000; Claritas, 2007.

- Kenmore has a higher percentage of owner occupied housing (68%) than the Greater Kenmore Area (60%). The Greater Kenmore Area has a higher percentage of vacant housing (6%) than Kenmore (4%).
- Kenmore has a higher percentage of owner occupied housing (68%) than most comparable cities, King County (57%), Snohomish County (64%), and the Central Puget Sound region (59%).
- Kenmore has the second lowest level of renter occupied housing relative to comparable areas; only Lake Forest Park has less renter occupied housing (20%).





Exhibit 14 Distribution of Housing Units by Type, 2007



Source: Office of Financial Management, 2007.

- Single family housing units account for 70% of Kenmore’s housing stock. This is slightly higher than most comparable cities, the Greater Kenmore Area (62%), King County (59%), and the Central Puget Sound region (63%).
- Alternative housing, such as mobile homes, RVs, and boats, account for 5% of Kenmore’s housing stock, which is equal to the percentage in the Central Puget Sound region.
- Kenmore has a relatively low percentage of multifamily housing units (25%); only Lake Forest Park (15%) and Pierce County (24%) have lower percentages.

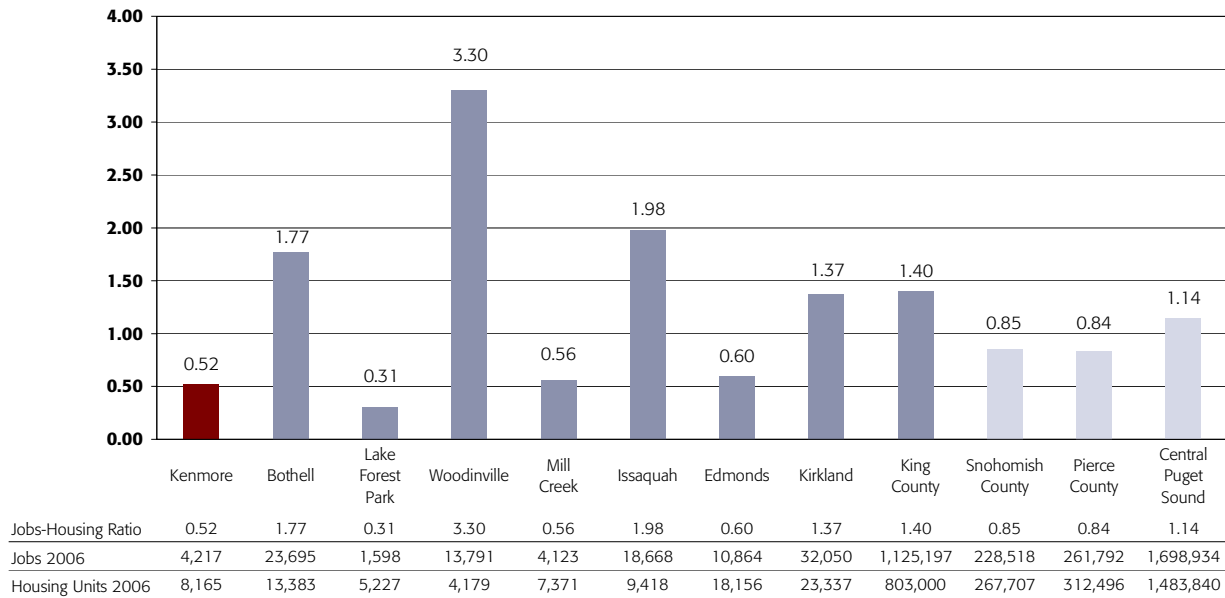




Jobs to Housing Ratio

The jobs to housing ratio is a useful general indicator of the balance between jobs and housing in a community. If the ratio is greater than one, the community is likely an employment center that draws employees in from outside its boundaries. If the ratio is less than one, the community has a large portion of its residents that work outside its boundaries.

Exhibit 15
Jobs to Housing Ratio, 2006



Source: Puget Sound Regional Council, 2006; Office of Financial Management, 2007

- Kenmore has a relatively low jobs to housing ratio (0.52), most similar to Mill Creek (0.56). This suggests Kenmore is more of a residential community than an employment center.
- Large employment centers among comparable cities include Issaquah (1.98), Woodinville (3.30), and Bothell (1.77).





Employment

All employment data in this section refers to “covered” employment. These are jobs covered by the state unemployment insurance program, which is administered by the Washington State Employment Security Department (ESD). Workers excluded from covered employment totals include members of the armed forces, self-employed workers, sole proprietors, and other non-insured workers. Total job numbers are likely to be about 10 to 15 percent higher than the number of covered jobs. City level data is available for Puget Sound Regional Council cities.

Exhibit 16 Total Employment, 2006

	Construction and Resources	Finance, Insurance, Real Estate	Manufacturing	Retail	Services	Wholesale Trade, Transport, Utilities	Education	Government	Total Jobs
Kenmore	512	136	66	360	2,086	376	466	214	4,217
Bothell	1,251	2,350	3,383	1,260	11,808	1,166	1,852	623	23,695
Lake Forest Park	218	73	26	243	775	38	118	108	1,598
Woodinville	2,987	414	2,491	1,632	4,044	1,753	320	150	13,791
Mill Creek	532	179	39	906	1,827	56	296	288	4,123
Issaquah	973	663	2,118	3,224	9,088	1,255	746	600	18,668
Edmonds	797	642	98	1,419	5,040	397	769	1,701	10,864
Kirkland	3,245	2,143	1,303	4,087	14,617	2,123	1,336	3,195	32,050
King	65,785	75,510	109,492	108,533	507,538	106,446	69,494	82,399	1,125,197
Snohomish	20,151	12,639	46,792	28,377	73,801	9,880	17,001	19,877	228,518
Pierce	22,248	14,202	19,472	30,392	100,383	20,522	22,083	32,490	261,792
Central Puget Sound	113,105	105,804	177,827	178,833	712,751	139,079	115,749	155,786	1,698,934

Source: Puget Sound Regional Council, 2006

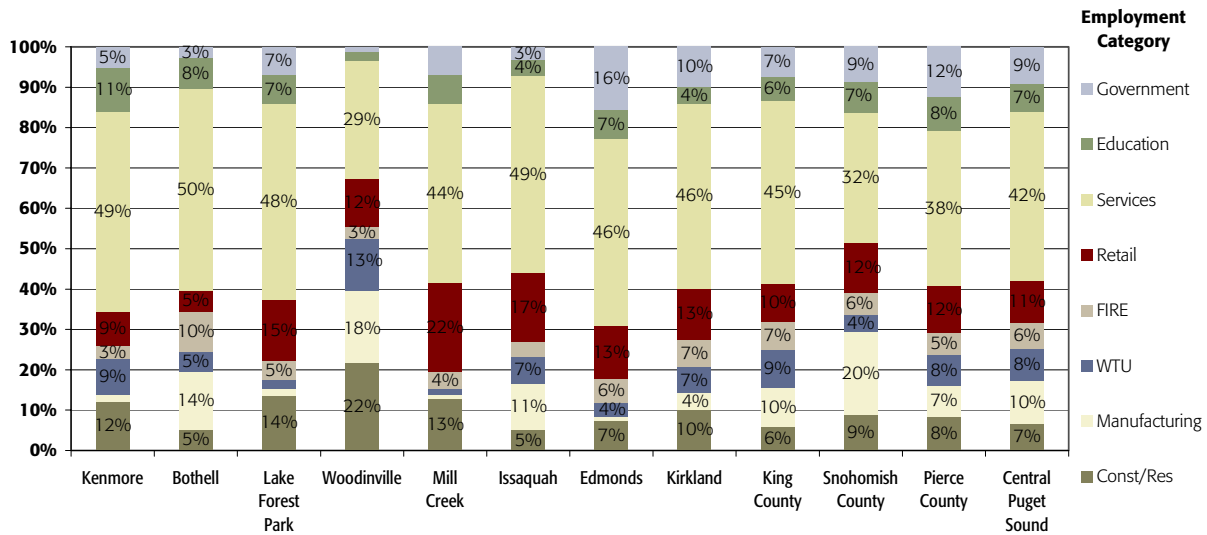
Definitions of employment categories

- Construction and Resources: (North American Industry Classification System (NAICS) codes 11, 21, and 23). Includes agriculture, forestry, fishing, mining, and construction.
- Finance, Insurance, Real Estate (FIRE): (NAICS codes 52 and 53).
- Manufacturing: (NAICS codes 31, 32, and 33).
- Retail: (NAICS codes 44 and 45).
- Services: (NAICS codes 54-81, without Education, NAICS code 61). See descriptions of sub-categories in the Services Employment section.
- Wholesale Trade, Transport, Warehousing, and Utilities (WTU): (NAICS codes 22, 42, 48, and 49).
- Government: (NAICS code 92)
- Education (NAICS code 61)





Exhibit 17 Employment Distribution, 2006



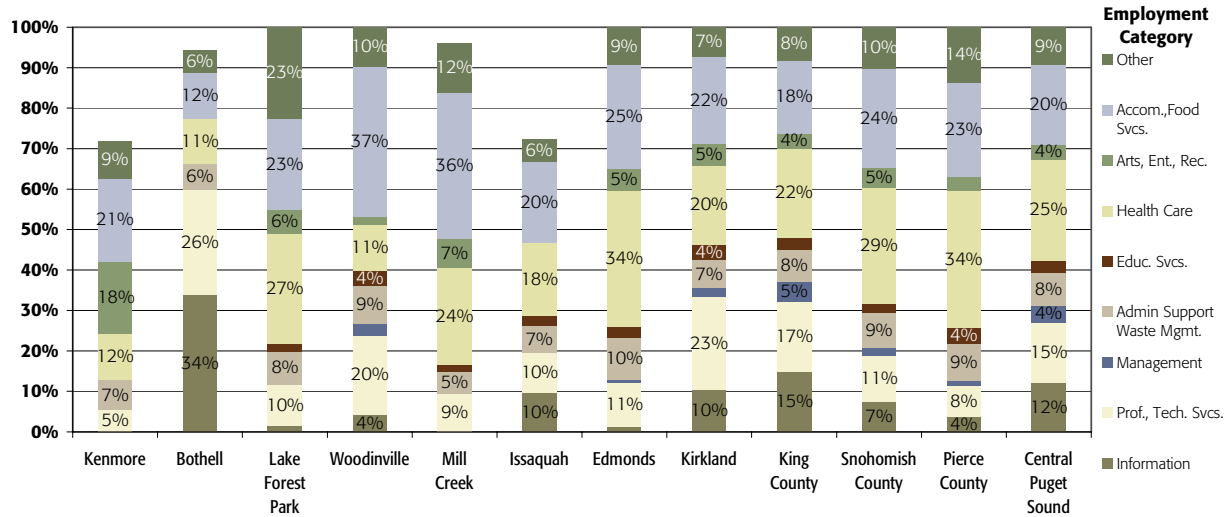
Source: Puget Sound Regional Council, 2006

- Kenmore had 4,217 covered jobs in 2006. Mill Creek had a similar job count at 4,123.
- The Services sector (49%) is the largest employment sector in Kenmore, followed by Construction and Resources (12%), and Education (11%).
- The sectors of Construction and Resources, Manufacturing, and Wholesale, Trade, Transport, and Utilities make up approximately 23% (954 jobs) of jobs in Kenmore. This combined percentage is similar to Bothell (24%), Issaquah (23%), King County (25%), and the Central Puget Sound region (25%).





Exhibit 18 Services Employment Distribution, 2006



Source: Puget Sound Regional Council, 2006. Note: Service category employment may not total 100% in smaller cities where there are categories with data suppression.

- Data on Kenmore’s Information employment is suppressed, although this is a relatively large sector in most comparable cities, King County (15%), and the Central Puget Sound region (12%). Other suppressed services clusters for Kenmore include Education Services, and Management of Companies and Enterprises.
- Kenmore’s largest services employment sector is Accommodation and Food Services (21%), which is similar to King County (18%) and the Central Puget Sound region (20%).
- Kenmore’s second largest services employment sector is Arts, Entertainment, and Recreation (18%), which is larger than all comparable cities, King County (4%), and the Central Puget Sound region (4%).





Exhibit 19 Top Work Locations for Kenmore Residents in Kenmore, 2004

Work Location	Total Primary Jobs	Percent of Total
Cities		
Seattle	2,443	31.9%
Bellevue	792	10.4%
Redmond	621	8.1%
Bothell	547	7.1%
Kirkland	460	6.0%
Everett	303	4.0%
Kenmore	268	3.5%
Shoreline	220	2.9%
Woodinville	172	2.2%
Lynnwood	155	2.0%
All Other Locations	1,670	21.8%
Total	7,651	100.0%
Counties		
King	6,126	80.1%
Snohomish	1,016	13.3%
Pierce	136	1.8%
Spokane	72	0.9%
Thurston	50	0.7%
Clark	45	0.6%
Whatcom	40	0.5%
Kitsap	31	0.4%
Yakima	24	0.3%
Skagit	20	0.3%
All Other Locations	91	1.2%
Total	7,651	100.0%

Source: U.S. Census Bureau LEHD Program, 2007

- Almost one third (31.9%) of Kenmore residents commute to Seattle for work.
- The majority of Kenmore residents travel within King County (80.1% of Kenmore's workforce).
- Only 3.5% of the City's workforce works in Kenmore.





**Exhibit 20
Top Origins Where Kenmore
Workers Commute From, 2004**

Commute Origin	Primary Jobs	Total
Cities		
Seattle	465	17.1%
Kenmore	268	9.8%
Bothell	162	5.9%
Shoreline	104	3.8%
Everett	98	3.6%
Inglewood-Finn Hill	95	3.5%
Alderwood Manor	81	3.0%
Lake Forest Park	74	2.7%
North Creek	74	2.7%
Kirkland	66	2.4%
All Other Locations	1,236	45.4%
Total	2,723	100.0%
Counties		
King	1,491	54.8%
Snohomish	841	30.9%
Pierce	89	3.3%
Kitsap	38	1.4%
Thurston	16	0.6%
Island	16	0.6%
Skagit	15	0.6%
Whatcom	14	0.5%
Clallam	12	0.4%
Lewis	11	0.4%
All Other Locations	180	6.6%
Total	2,723	100.0%

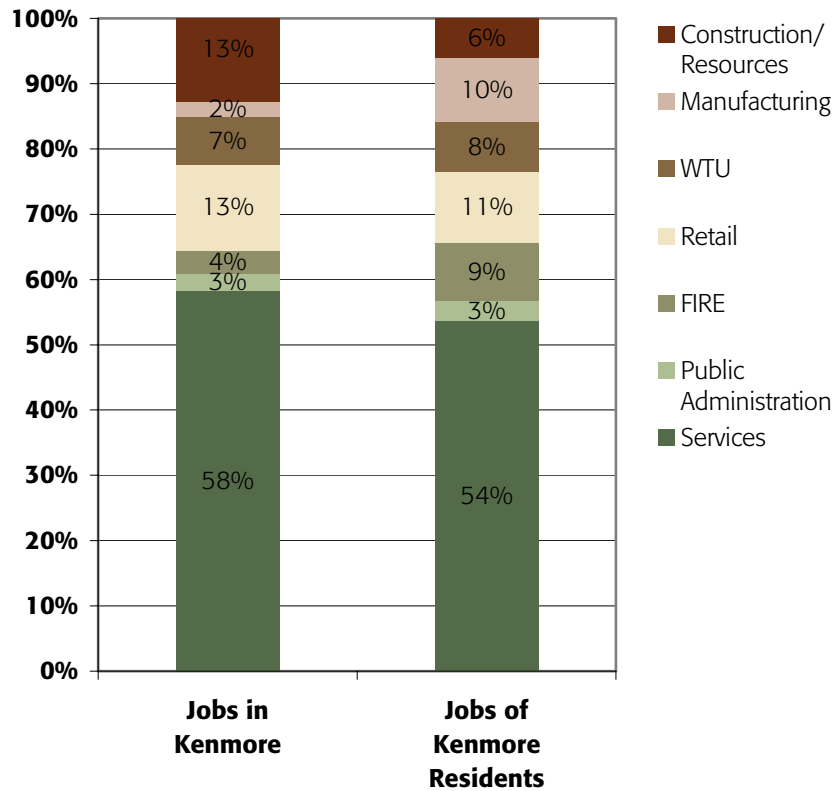
Source: U.S. Census Bureau LEHD Program, 2007

- Seattle residents fill the largest portion of Kenmore's 2,723 jobs (17.1%), followed by Kenmore residents (9.8%).
- The majority of Kenmore's workers commute from King County (54.8%), followed by Snohomish County (30.9%).





Exhibit 21 Comparison between Labor and Commute Employment for Kenmore, 2004



Source: U.S. Census Bureau LEHD Program, 2007

- The Services sector makes up the largest portion of jobs in Kenmore (58%) and jobs of Kenmore residents (54%).
- The Construction and Resources sector equals 13% of jobs in Kenmore, but only 6% of jobs of Kenmore residents.



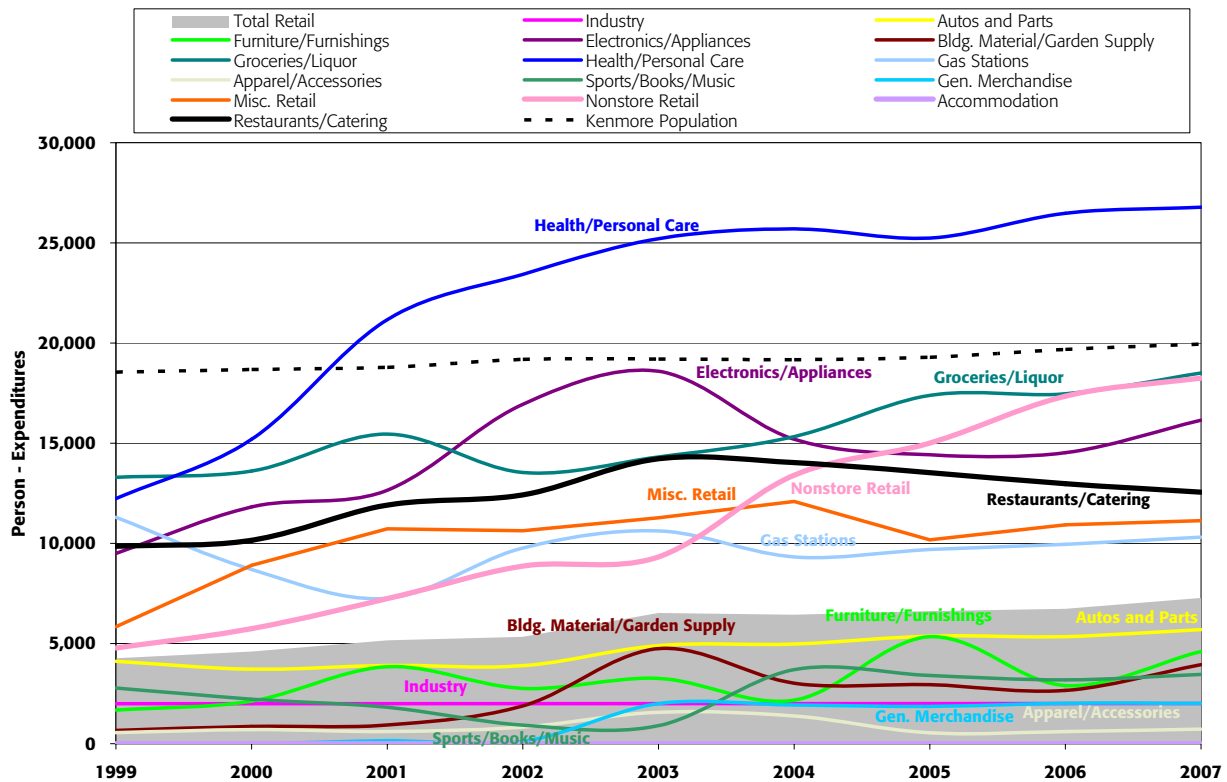


RETAIL ASSESSMENT

Person-Expenditures

The following exhibits show person-expenditures¹ in retail categories in Kenmore businesses, including spending by Kenmore residents and others who make purchases in City businesses..

Exhibit 22 Kenmore Person-Expenditures 1999-2007



Source: Washington Department of Revenue and Office of Financial Management, 2007

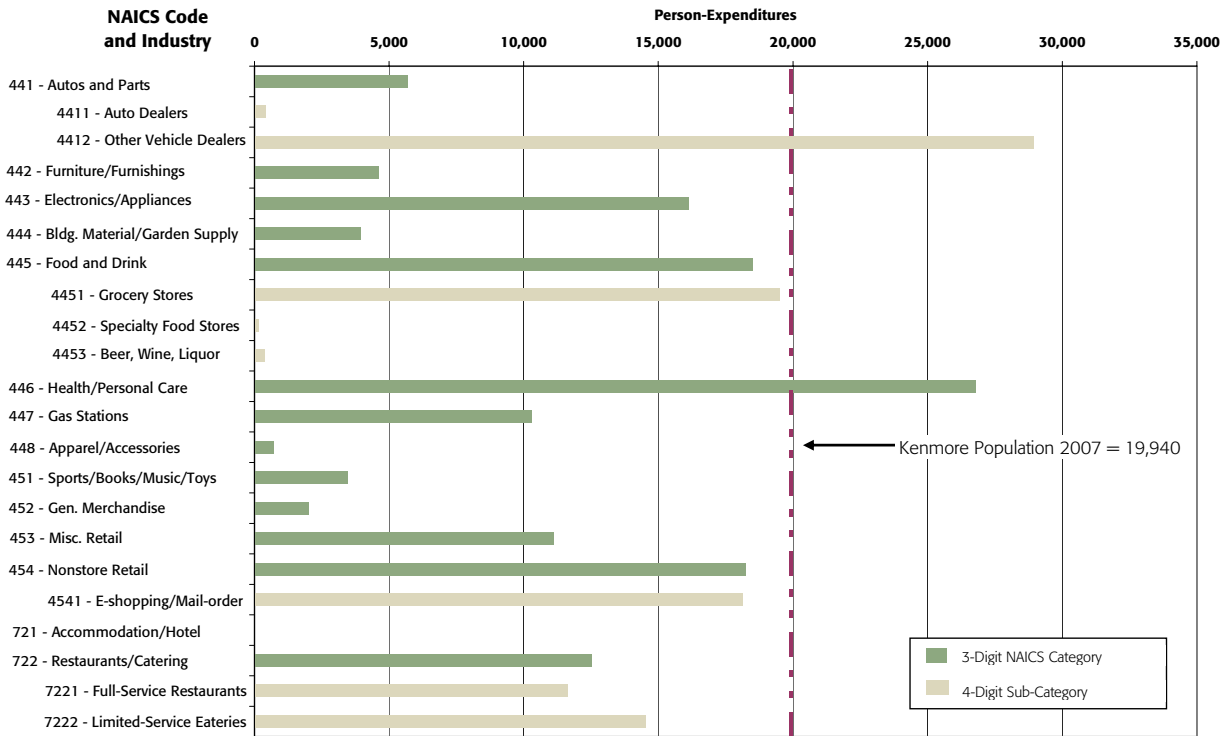
- Health/Personal Care retail spending has been the strongest sector in Kenmore since 2000.
- Personal expenditures on Nonstore Retail have been steadily increasing since 1999. This category includes the delivery of internet/mail order items to residents in the City.
- Electronics/Appliances and Groceries/Liquor are the second- and third-strongest personal expenditure sectors.

¹ A "person expenditure" is the statewide average amount of spending per capita each year by retail category. Person expenditure totals are calculated by taking the total retail spending in a particular retail category and dividing it by the statewide per capita spending in that category.





Exhibit 23 Person-Expenditures in Kenmore by Industry, 2007



Source: Washington Department of Revenue, 2007

- The retail categories of Other Vehicle Dealers and Health/Personal Care are successfully capturing much of the spending of Kenmore’s residents. These categories are likely drawing a large amount of spending from non-Kenmore residents.
- Kenmore’s Other Vehicle Dealers spending is primarily at Motorcycle and Boat Dealers.
- Kenmore has its highest person-expenditure capture in the following categories:
 - Other Vehicle Dealers (motorcycle and boat dealers)
 - Grocery Stores
 - Electronics/Appliances
 - Health/Personal Care
 - E-Shopping/Mail-order
- Kenmore is less successful in capturing spending in the following categories, indicating these sectors are “leaking” out to surrounding cities:
 - Auto Dealers
 - Apparel/Accessories
 - Specialty Food Stores
 - Accommodation/Hotel
 - Beer, Wine, and Liquor





CITY OF KENMORE MARKET ANALYSIS: Focusing on the City's Employment and Retail Base

1.0 BACKGROUND AND PURPOSE

This document will inform and focus discussion of opportunities to expand the City's employment and retail base, focusing first on understanding Kenmore's competitive position in the region and then providing direction to inform strategy development in the Draft Economic Development Strategic Action Plan. The focus of the Plan will be to address weaknesses and constraints in order to maximize the City's opportunities. The following assumptions guide this process:

- As part of its Economic Development Plan, the City of Kenmore wants to diversify its employment and retail base and create additional jobs within the City.
- Decision makers understand that in the long run the City of Kenmore needs a well diversified economy, within which its residents can find ample employment opportunities and avoid driving long distances to jobs elsewhere in the region.
- The City wishes to accelerate and guide economic growth, improving the community's long-term quality of life.





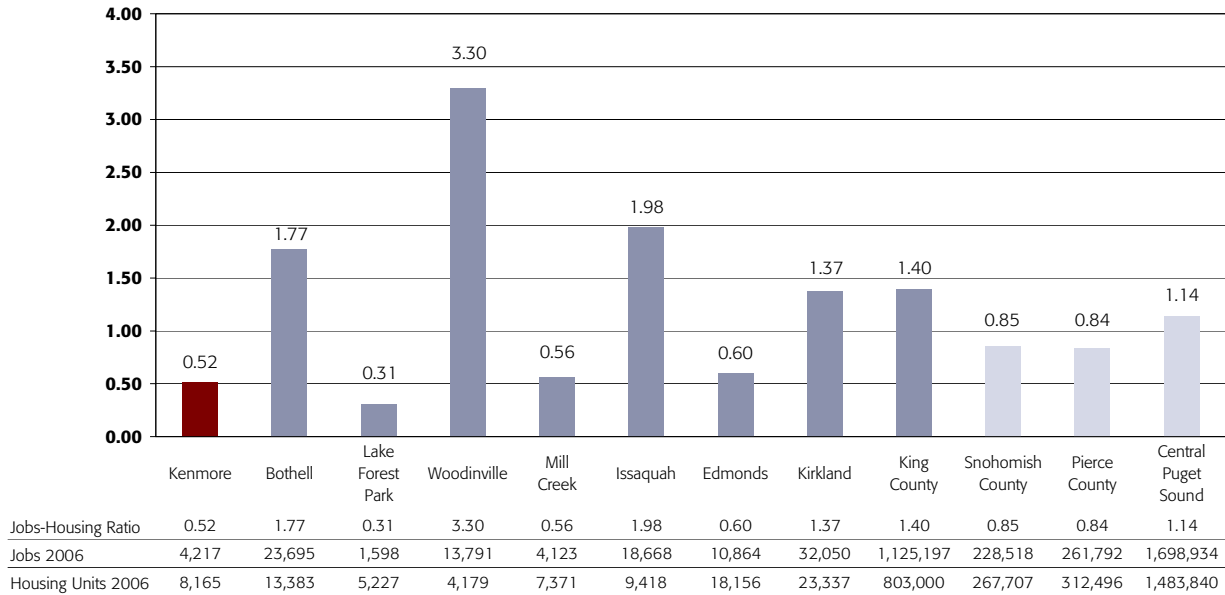
2.0 EXAMINATION OF EMPLOYMENT SECTORS

2.1 Summary of Employment Information from the Kenmore Economic and Demographic Profile

This section summarizes key exhibits from the Economic and Demographic Profile, showing that Kenmore currently has a small employment base relative to its population and that nearly half of the covered jobs¹ in the City are in the Services sector.

Employment patterns. The jobs to housing ratio is a useful general indicator of the balance between jobs and housing in a community. As presented in Exhibit 1, the ratio is less than one (0.52) in Kenmore indicating that a large share of its residents works outside the community.

**Exhibit 1
Jobs to Housing Ratio, 2006**



Source: Puget Sound Regional Council, 2006; Office of Financial Management, 2007, Berk & Associates, 2008

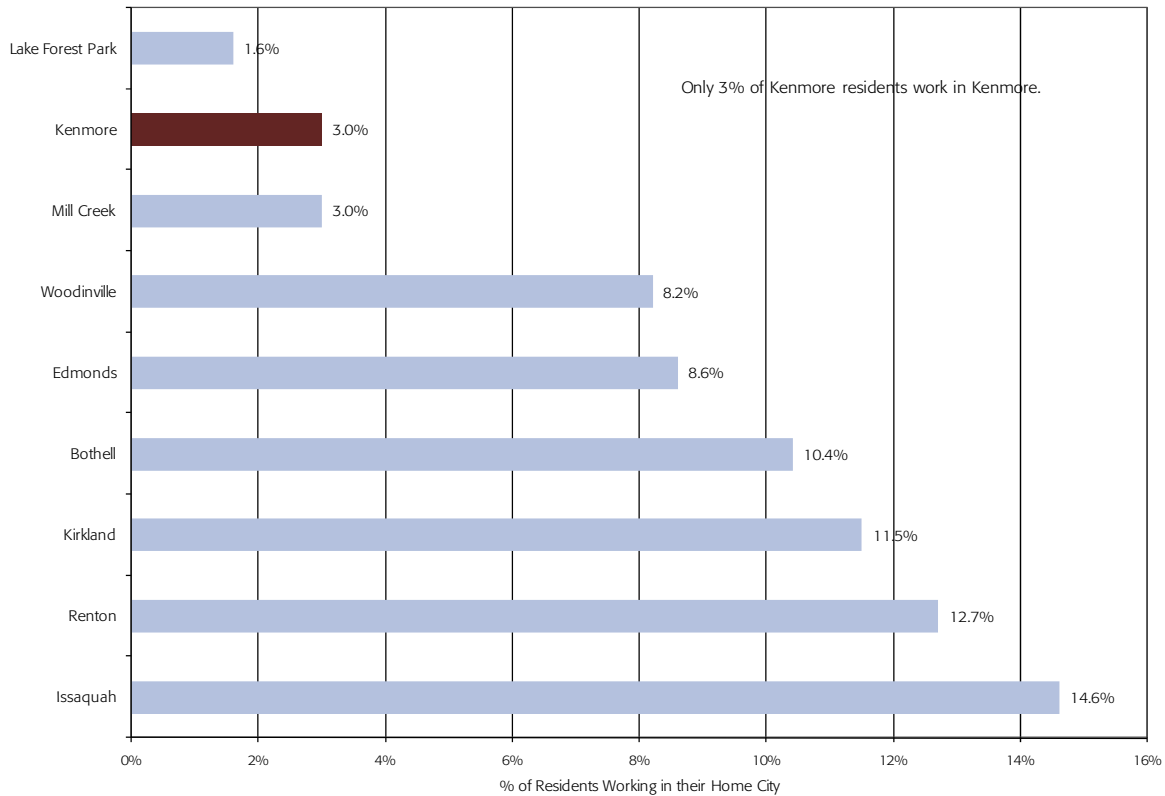
Indeed, as shown in Exhibit 2, only 3% of Kenmore residents work in the City of Kenmore. One third of Kenmore residents work in Seattle and another 10% work in Bellevue as depicted in Exhibit 3.

¹ "Covered" employment as summarized by the Puget Sound Regional Council includes jobs covered by the state unemployment insurance program, which is administered by the Washington State Employment Security Department. Workers excluded from covered employment totals include members of the armed forces, self-employed workers, sole proprietors, and other non-insured workers. Total job numbers are likely to be about 10 to 15 percent higher than the number of covered jobs.





Exhibit 2 Comparison of Residents Working in Home City



Source: U.S. Census Bureau, Local Employment Dynamics, 2006; Berk & Associates, 2008

Exhibit 3 Top Work Locations for Kenmore Residents, 2006

Work Location	Total Primary Jobs	Percent of Total
Seattle	3,120	32.8%
Bellevue	975	10.2%
Redmond	837	8.8%
Bothell	609	6.4%
Kirkland	545	5.7%
Everett	345	3.6%
Kenmore	284	3.0%
Shoreline	277	2.9%
Lynnwood	205	2.2%
Woodinville	189	2.0%
All Other Locations	2,132	22.4%
Total	9,518	100.0%

Source: U.S. Census Bureau, Local Employment Dynamics, 2006; Berk & Associates, 2008





Exhibit 4 shows that 17.3% of the 2,843 primary jobs² located in Kenmore are filled by Seattle residents, followed by Kenmore residents at 10%.

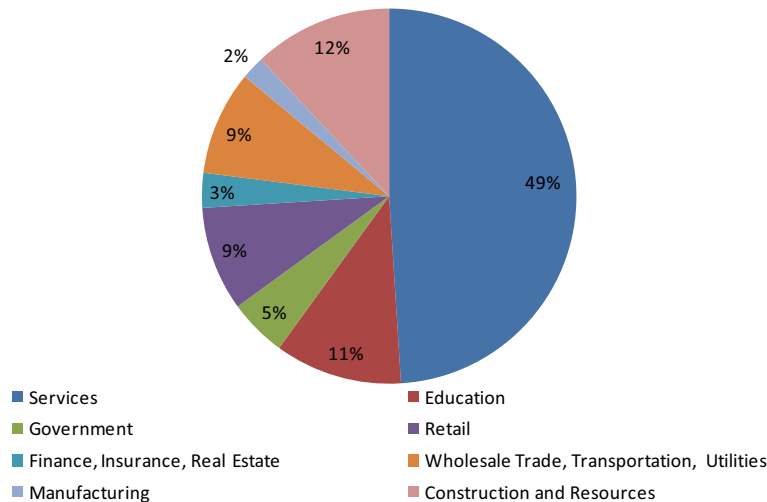
Exhibit 4 Top Origins Where Kenmore Workers Commute From

Commute Origin	Total Primary Jobs	Percent of Total
Seattle	491	17.3%
Kenmore	284	10.0%
Bothell	144	5.1%
Shoreline	108	3.8%
North Creek	97	3.4%
Everett	97	3.4%
Inglewood-Finn Hill	92	3.2%
Kirkland	83	2.9%
Lynnwood	67	2.4%
Edmonds	65	2.3%
All Other Locations	1,315	46.3%
Total	2,843	100.0%

Source: U.S. Census Bureau, Local Employment Dynamics, 2006; Berk & Associates, 2008

Employment base composition. As shown in Exhibit 5 the Services sector accounted for the largest share of covered jobs (49%) in the City in 2006, followed by Construction and Resources (12%), and Education (11%). Bastyr University is the City's largest employer and a major contributor to the City's higher share of education related jobs. Other major employers include Plywood Supply, Kenmore Air, and Safeway.

Exhibit 5 Kenmore Employment Distribution by Sector, 2006



Source: Puget Sound Regional Council, 2006; Berk & Associates, 2008

² A "primary" job is the highest paying job for an individual worker. If an individual has multiple jobs, only the highest paying job is counted. Primary job counts are derived from payroll tax (Unemployment Insurance) payment records maintained by each state. The states assign employer locations, while workers' home locations are assigned by the Census Bureau using data from multiple Federal agencies.





2.2 Regional Distribution of Office and Industrial Development

Office Development. Exhibit 6 shows the office square footage as of 2007, with an emphasis on the period of development. Time series data is only available for King County, and so time distinctions are not shown for Snohomish County.

Key Findings

- There has been no new office space added to Kenmore since 1997. The existing space is located along Bothell Way and is small-scale.
- The majority of large-scale, regional office space has been built on the east side of Lake Washington, in Bothell, Kirkland, Redmond, and Bellevue.
- Bothell has the largest concentration of office space near Kenmore, which is predominately located along the I-405 corridor.
- New office space north of downtown Seattle has been located around the University of Washington, Lake Union, and Northgate.
- Assessed land value is highest in Seattle, Kirkland, and Bellevue.

Industrial Development. Exhibit 7 shows the industrial square footage as of 2007, with an emphasis on the period of development. Time series data is only available for King County, and so time distinctions are not shown for Snohomish County.

Key Findings

- There has been only one industrial space added to Kenmore since 1997. Similar to office space, the City's industrial development is small-scale and located along Bothell Way.
- The majority of large-scale, regional industrial space has been built on the east side of Lake Washington, in Bothell, Woodinville, Kirkland, Redmond, and Bellevue.
- Bothell, Woodinville, and Kirkland have the largest concentrations of industrial space near Kenmore, which is predominately located along the I-405 corridor.





Exhibit 6 Office Development

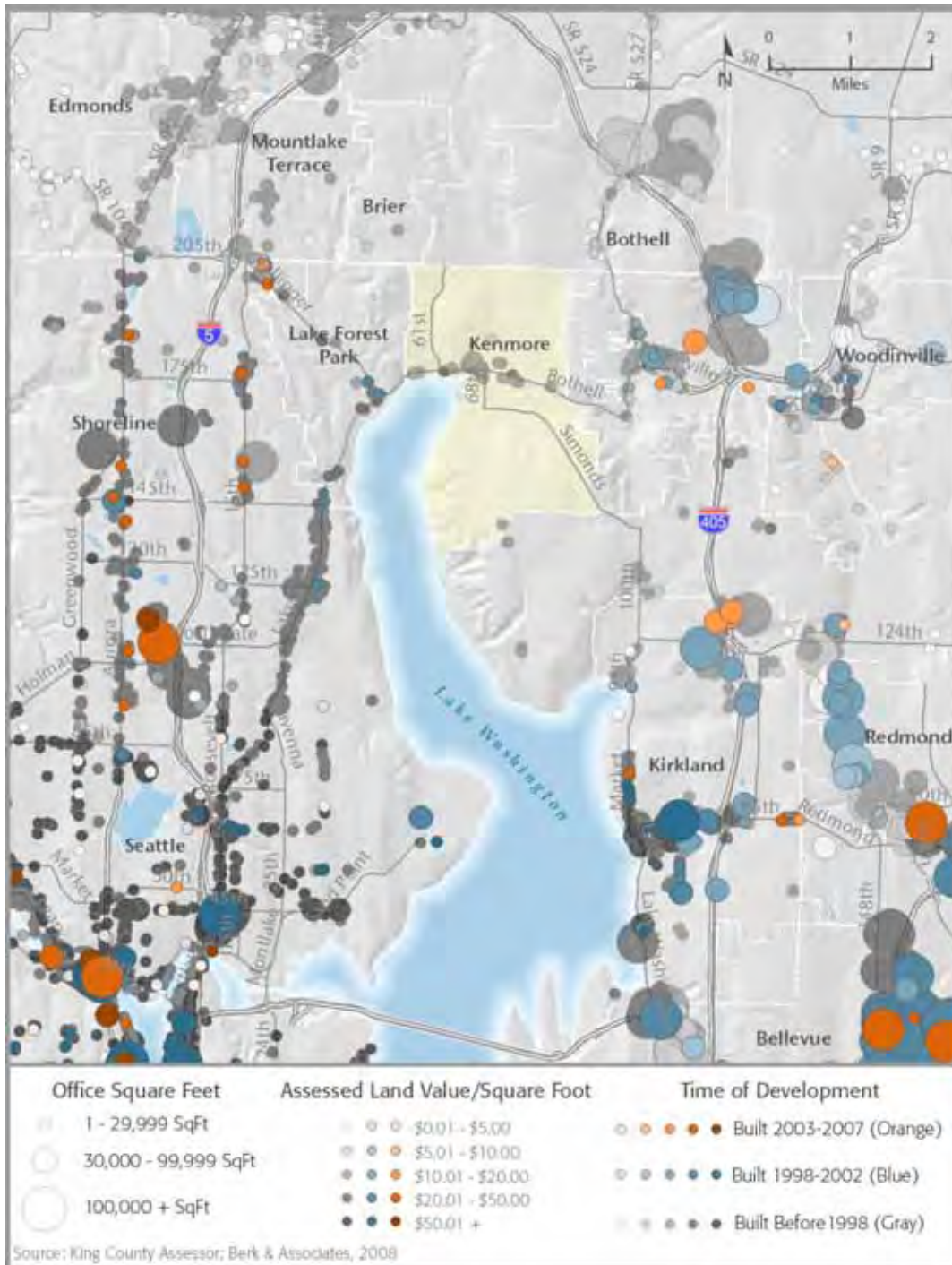
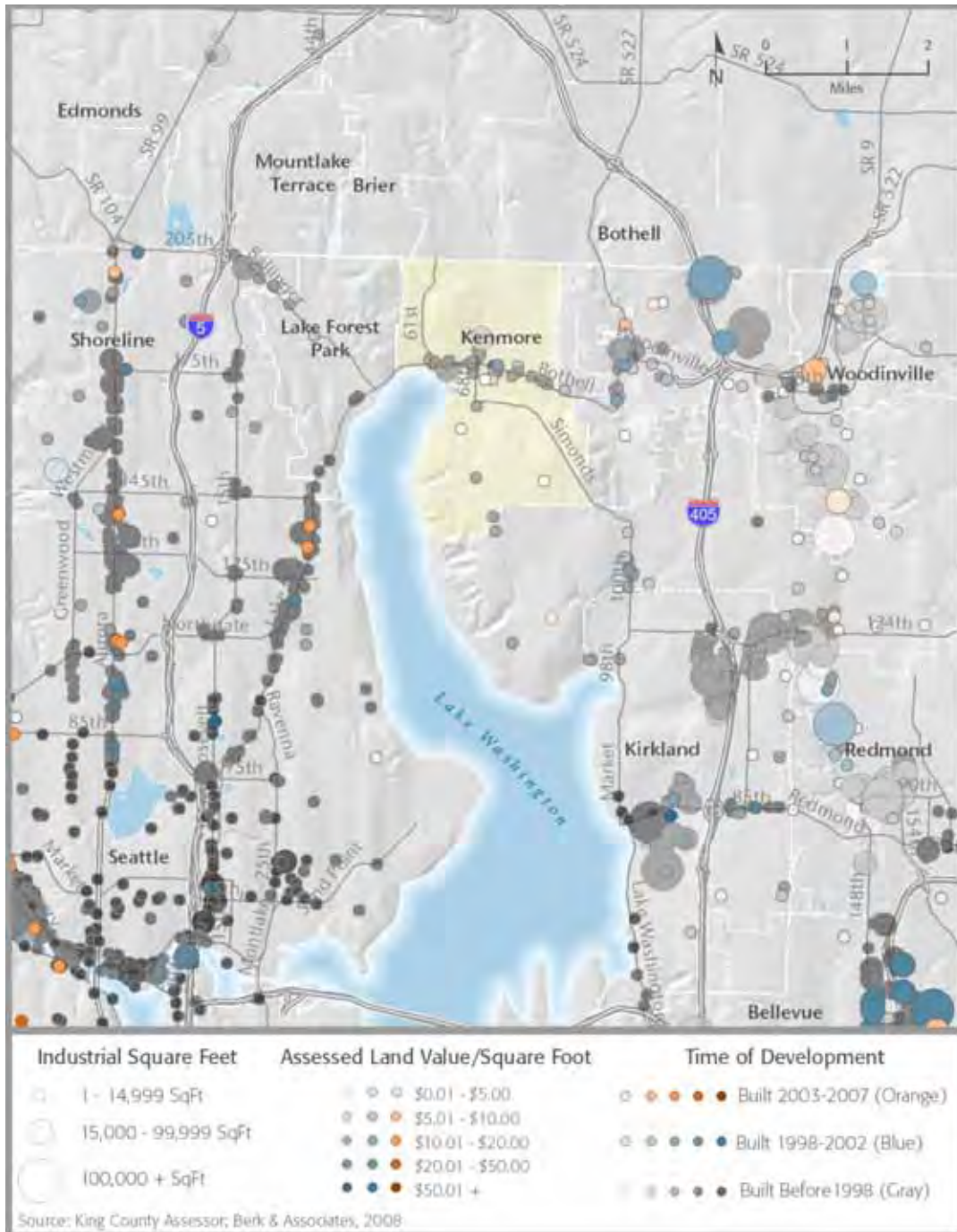




Exhibit 7 Industrial Development





2.3 Development Community Perspectives

This summary encompasses the results of interviews with members of the development community conducted in October and November 2008. What follows is a collection of comments made by interviewees, organized by theme. Each bullet represents a single person's comments.

All points made and issues identified in this summary are those conveyed by the interviewees (though comments are not necessarily verbatim). To obtain useful information, interviewees were assured that responses would not be attributed to specific individuals or organizations.

Interviews Conducted

- Japhet Koteen, Metrovation (Planning and Development Coordinator)
- Jeff Marcell, enterpriseSeattle (Executive Vice President and COO)
- Oscar Oliveira, Colliers International (Senior Vice President)
- Ernie Velton, JSH Properties, Inc. (Associate Broker)

Interview Responses

Interviewees were asked about the location decisions of employers, other office users, and retailers generally, and about Kenmore's competitive position specifically. Feedback on Kenmore's retail market is provided in **Section 3.3**, below.

Location Decisions Generally

- Major developments are typically on the major transit corridors. Businesses want to be next to where people live, near transit hubs, and near retail and other amenities.
- How many people pass by? At what speed? How much money do they have? And most important: can you get them to stop and shop? If the answers to these questions are not satisfactory, it doesn't matter what the larger area's demographics are.
- Light rail and streetcars are good for development because they provide certainty to the land markets. A bus stop sign does not do that, but a transit hub can help.

Current Trends in Office Space

- Vacancy rates are going up. Some rents are dropping, but many owners are offering more in the way of tenant improvements, free rent, discretionary money, or other concessions. Thus on the face of it, the rents appear the same; however, accounting for concessions, they are lower.
- Lynnwood and Renton are successful second tier office space markets. This tier is known as "last in, first out", meaning that when the first tier markets, such as Seattle and Bellevue, have low vacancies and rents are increasing, companies move to the second tier where space is cheaper, but the access to the freeways is good. However, when the first tier market softens and vacancies increase and rents flatten, companies that moved to the tier two markets begin to return. This does not happen immediately - real estate markets are glacial - but as the markets change, office location decisions change.
- The closer you are to Seattle or Bellevue the easier it is to sustain Class A office space.
- There is a lot of office space coming online in Seattle (both new and vacated) and Renton has a lot of space that is ready to go.
- There are lots of new players in this market and some national companies are trying to make their money here in Seattle (since it is still stronger than most markets) and are reluctant to drop prices. Office is not as sticky as residential, but it takes some time for the market to adjust to the new realities.





Potential for Office Development in Kenmore

- At some point in the future, Kenmore will make sense for office development, but they are one to two business cycles away (average business cycles are three to four years). In the long run however, since the Seattle area is landlocked, it may eventually make sense to have office space in Kenmore.
- Office will be a challenge for Kenmore because it is not located on a major transportation corridor. I don't think you could lure a major employer to Kenmore due to the transportation challenge. Certainly, no one would build a speculative office building. The City could attempt to court someone to locate in Kenmore, but they need to figure out what their competitive advantage is.
- To convince a developer to build office space in Kenmore, you would have to convince them to take space in an unproven market – the only way to do that would be to compete on price. But the cost of development is so high that this would be tough.
- Kenmore is a C location in terms of office space. They can't change the macro value factors – namely that they do not have easy access to the freeways.
- Increasing congestion will likely contribute to changes. Kenmore should zone for and attract developments related to flexible office environment, such as call centers or light manufacturing. Renton, Issaquah, and Redmond have added this type of space. Flex space might be a way to capture smaller scale aerospace, clean tech, and medical device firms. Alternative energy uses often need large industrial spaces and zoning requirements that are a turn off for communities.
- Professional service firms are a possibility; but with very small firms you begin competing with people who are telecommuting.
- Professional services are possible, but you typically don't get that much of it in any one community.
- I am a big believer in the cluster approach. Cities need to be thinking 20 years out. What about a partnership with University of Washington Bothell or Cascadia Community College to develop the underlying infrastructure for a cluster?

Comments on Bothell

- There is a lot going on in Bothell and the development community has begun to take notice.
- Bothell is serious competition – they are on a roll.
- Bothell's development over the last 20 years has been concentrated along the 405. But even there, they have a higher vacancy rate than the surrounding communities. Bothell's current vacancy rate is 19.4%, which is roughly twice the regional average.
- Bothell has 2.8 million square feet of office space, which is about half the size of downtown Bellevue. Much of the newer space is Class A and was developed by Schnitzer West. For example, North Creek has 1.5 million square feet of office space on 140 acres adjacent to the 405. With the biomedical device and biotech industries, there is now an agglomeration effect.





3.0 EXAMINATION OF THE RETAIL SECTOR

3.1 Summary of Retail Information from the Kenmore Economic and Demographic Profile

One way to assess the relative strength of a city's retail sector is to examine "person-expenditures." For example, if a typical person in Washington spends \$1,000 annually on grocery store purchases, and if grocery stores in Kenmore take in \$1 million in grocery sales per year, then Kenmore's stores are taking in the equivalent of 1,000 people's expenditures (\$1 million of expenditures divided by \$1,000 per person = 1,000 person-expenditures).

Person-expenditures are essentially a measure that estimates the market size being served by a particular retail sector. High-performing retail sectors will typically draw in more person-expenditures than the surrounding population because they capture retail sales from persons outside the immediate community. Inversely, less successful retail sectors will have fewer person-expenditures than the surrounding population because trade area residents are "leaking" elsewhere to do their shopping.

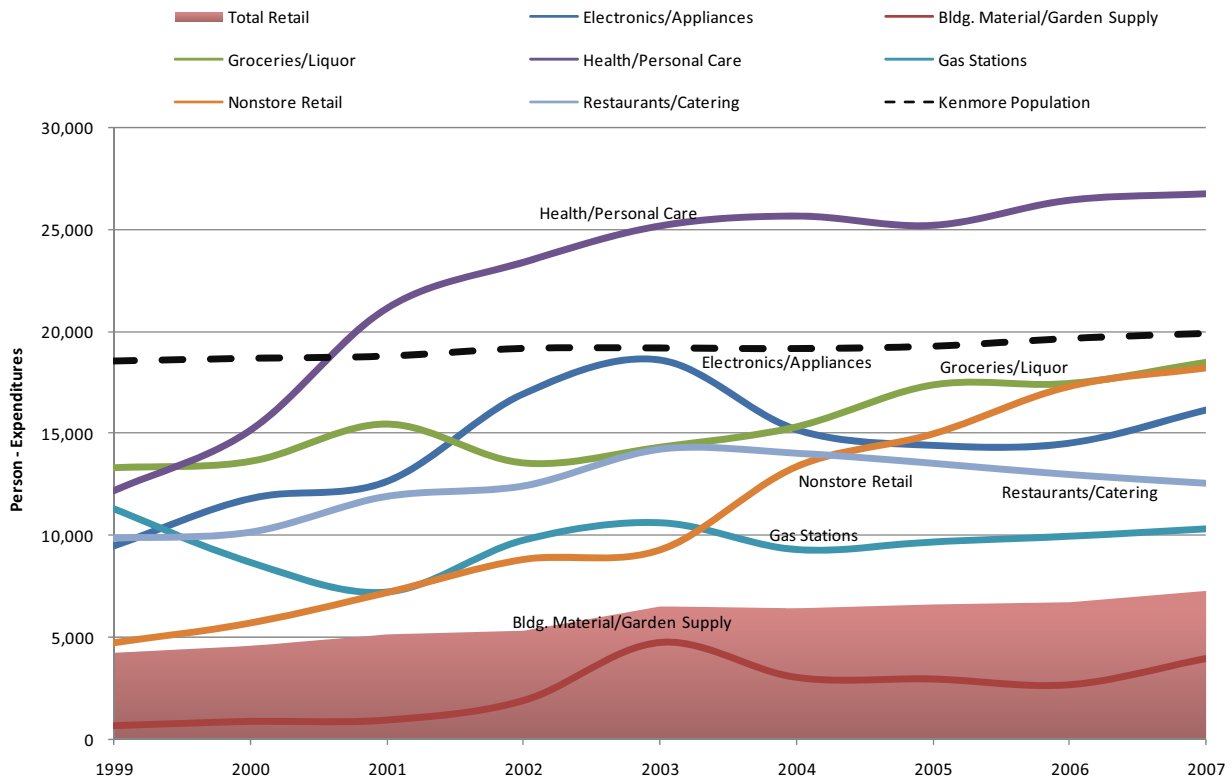
Exhibit 8 shows person-expenditures by Kenmore residents and others who make purchases at City businesses by retail category.

- The Health/Personal Care category has been the strongest retail sector in Kenmore since 2000, with person-expenditure well above the City's population. It appears that Kenmore is a health care shopping destination for many people outside the City.
- Health/Personal Care was followed by the Groceries/Liquor and Nonstore Retail categories, both of which have person-expenditure below the population. Nonstore Retail, which includes the delivery of internet and mail order items to residents in the City, has been steadily increasing since 1999.
- In most communities the Restaurants/Catering category has person-expenditures close to the population level, so there is clearly an opportunity to increase restaurants options in Kenmore. This is consistent with input gathered during the interview process and from comments made by City Council and Economic Development Advisory Committee members.





Exhibit 8 Kenmore Person Expenditures, 1998-2007



Source: Washington Department of Revenue and Office of Financial Management, 2007; Berk & Associates, 2008

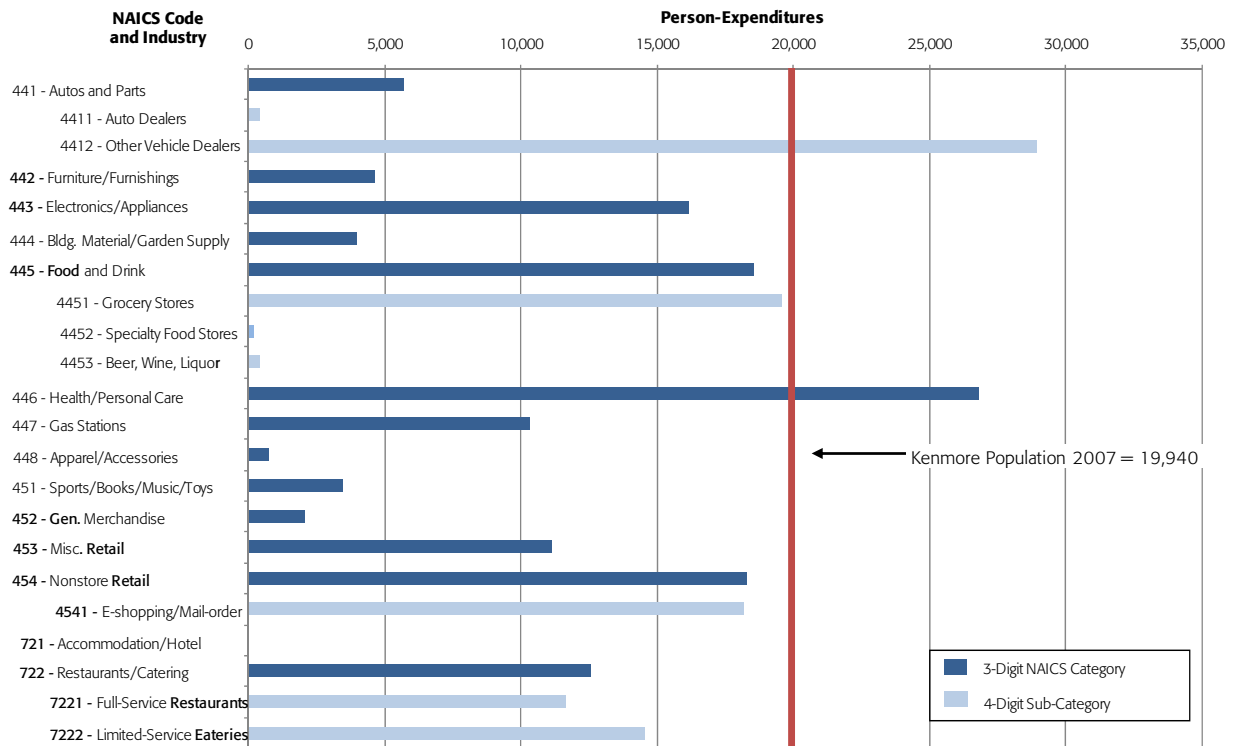




Exhibit 9 shows the person-expenditures by retail sector, including sub-categories, for 2007.

- In 2007, Kenmore’s retail strengths were in the Health/Personal Care category and Other Vehicles Dealers under Autos and Parts. Other Vehicles spending is primarily on motorcycles and boats.
- All other retail sectors in Kenmore did less business than the statewide average for a city of its population. This represents potential opportunities for City’s retailers to increase their capture of local spending. The opportunity is mitigated by the strong retail offerings in neighboring communities (shown in Exhibit 10) and established shopping patterns.

Exhibit 9 Person-Expenditure in Kenmore by Retail Sector, 2007



Source: Washington Department of Revenue, 2007; Berk & Associates, 2008





3.2 Kenmore Retail Trade Capture Area

Exhibit 10 illustrates the retail square footage and population density per acre as of 2007, with an emphasis on the time period that the space was developed. Time series data is only available for King County, and so time distinctions are not shown for Snohomish County. It also shows residential building permits issued between 2001 and 2006.

Key Findings

- Edmonds and Lynnwood have a significant concentration of retail along State Route 99 and around Alderwood.
- Retail nodes are generally close to areas with high population concentrations and freeway access.
- The majority of regional retail space is clustered along I-5, State Route 99, and Lake City Way on the west side of Lake Washington and I-405, SR-522, and SR-527 on the east side.

3.3 Development Community Perspectives

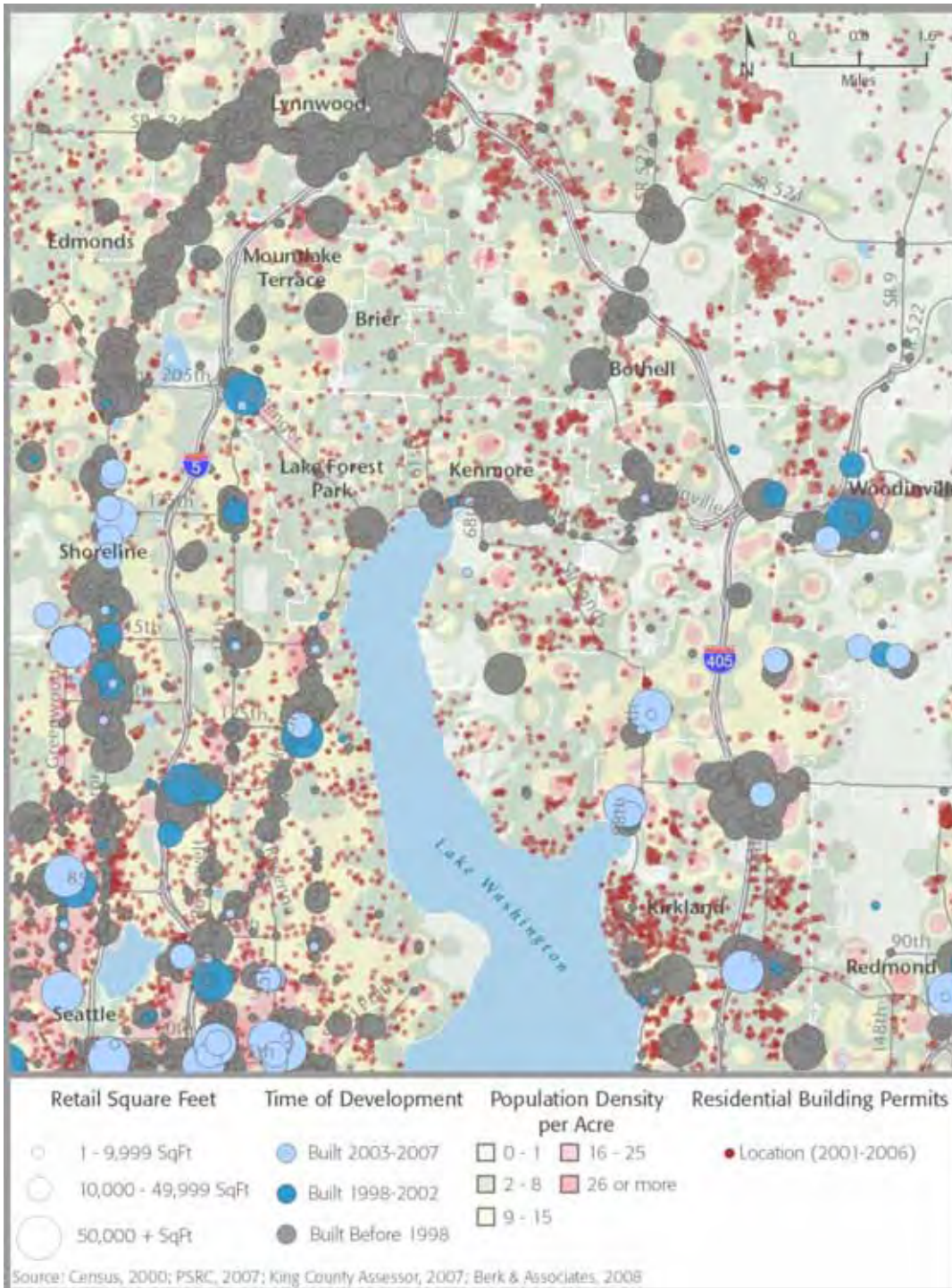
The following comments summarize perspectives on Kenmore's retail sector garnered in interviews with members of the development community (see **Section 2.3** for a list of interviewees).

- All cities want mixed use development (residential with ground floor retail), but these projects are very expensive and require high retail rents that often do not work for tenants in the long run.
- A lot of the stores that residents want in their neighborhood (book stores, bakeries, and such) can't actually pay very much rent. Some communities acknowledge this and subsidize the businesses or uses they want to attract. The free market doesn't actually operate in the way we want it to.
- Retail adds to the cost of the development, it does not reduce it. It doesn't mean you shouldn't do it, but it won't necessarily pay for itself.
- For residents on the periphery of Kenmore, it may be easier to go out to the neighboring cities to shop than to come in to Kenmore. That may never change.
- There is a lot of regional competition for retail. Yes, the 522 has a lot of traffic, but the same cars drive through Bothell and Lake Forest Park where there is established retail.





Exhibit 10 Retail Development





4.0 CONCLUSIONS AND RECOMMENDATIONS

4.1 Summary of Office, Light Industrial, and Retail Development Market Factors

This section summarizes Kenmore's strengths and challenges with respect to the office, light industrial, and retail markets based on data analysis, research, and interviews. Challenges range from the national economy, to regional competition, to image and identity and suggest the need for the City to incorporate employment and retail strategies into its Economic Development Strategic Action Plan.

Strengths and Assets

- Kenmore's location on the north shore of Lake Washington, roughly equidistant between the Eastside and downtown Seattle.
- The City has pleasant residential neighborhoods and a good school district.
- Bastyr University is located within the City limits and the University of Washington Bothell and Cascadia Community College are located nearby in Bothell.
- The City's residents are well educated and median household income is high relative to neighboring cities.

Challenges

- The current economic climate could dampen development and economic opportunities for years to come.
- The City's economy is small relative to its population base, with the large majority of residents working outside Kenmore, in both King and Snohomish Counties.
- In the short term, vacancy rates in Seattle may lead firms who left downtown to return, freeing up more regional, suburban office space.
- Kenmore is not located on a major freeway and SR-522 is viewed largely as a traffic bottleneck. Attracting pass-through traffic is very difficult.
- The City has considerable redevelopment constraints. While several redevelopment opportunities exist, small parcel sizes, opposition to building heights, and private land ownership make redevelopment more challenging.
- Stiff competition surrounds Kenmore. Bothell and Kirkland are major employment centers and continue to attract investment. Strong regional retail nodes attract much spending by Kenmore residents.
- Kenmore has very little employment currently and is not a market brokers and developers think of for office space.





4.2 Summary of General Location Considerations for Employers and Assessment of Kenmore’s Current Position

Location Consideration	Summary Assessment of Kenmore’s Current Position	Potential Strategies to Enhance Kenmore’s Draw
Freeway access and/or public transportation hub	<p>Not on a major north-south freeway</p> <p>Good bus transportation to downtown Seattle; bus to Eastside is less convenient</p>	Advocate for bus, passenger ferry, and light rail investments
Proximity to Industry Cluster or related businesses	<p>No existing cluster in Kenmore</p> <p>Near Bothell’s Biomedical Device Cluster</p>	Explore partnerships with Bothell
Proximity to higher education institution	<p>Bastyr University and UW Bothell are close by</p> <p>UW Seattle is within 10 miles</p>	<p>Promote the City’s proximity to major educational institutions</p> <p>Build on health sciences strength</p>
Access to skilled workers	<p>High educational attainment</p> <p>Different sectors will require different skill sets</p>	Explore ways to identify the industries Kenmore residents work in
Access to amenities	<p>Limited restaurants, cafes, fitness facilities, public spaces, and other amenities</p>	<p>Continue to work on development of downtown and placemaking, with an emphasis on 181st</p> <p>Promote and leverage the Kenmore Village project</p>
Opportunities for expansion	<p>Attractiveness to firms with expansion plans is limited</p>	
Business climate	<p>No B & O tax</p> <p>City is receptive to business</p>	Continue to improve and promote the business climate





4.3 Conclusions and Recommendations

Given current market conditions nationally and regionally, significant new development is unlikely to occur in Kenmore within the next year or potentially next few years. However, this is a good time to lay the foundation for the next business cycle. The City can accomplish this through a focus on Kenmore’s image and identity, residential quality of life, and infrastructure investment to support downtown development.

Office and Industrial Sectors

Findings

- Kenmore is not currently a market that developers or brokers associate with office space.
- There is significant capacity to absorb office demand in the region, which will be utilized before new development occurs. Bothell’s current office vacancy rate is almost 20% and Seattle and Bellevue’s vacancy rates may increase due to the economic downturn and recent building boom.
- The City’s comparative advantages do not appear to favor relocating an existing or expanding office or industrial business; neighboring employment centers, such as Bothell, offer better access to the region’s key transportation networks and have sufficient additional office space to accommodate expansion – a key determinant for intraregional location decisions.
- The source of demand for office and industrial space is most likely to come from local entrepreneurs or local residents moving their business closer to home.

Recommendations

- Focus efforts on making the City an excellent place to live and accommodating household growth to encourage office and industrial growth in the long run.
- With a clearly articulated vision, the City could increase its external marketing efforts, discuss partnership opportunities with neighboring cities and institutions, participate in regional economic development organizations, and target the development community, including brokers.
- Explore partnership opportunities with the City of Bothell and the UW Bothell.
- Consider flexible space for professional services and other small businesses

Additional Economic Development Suggestions from Interviews

- Kenmore has a waterfront and they could compete with waterfront residential development. Look at Bremerton and what they have done with their waterfront.
- Invest to the extent possible in the waterfront – that is their competitive advantage – talk to Bremerton.
- What about a restaurant row near the boat launch? There are going to be even more students at UW Bothell, so maybe some sort of entertainment/dining sector would work.
- Boat launch services on Lake Washington are minimal and frequently backed up. A boat launch redevelopment with a promenade could be good.
- Make sure that economic development objectives are in line with what residents want.
- Be realistic about what is there and what the community wants and build off of that.
- The City should join forces with Lake Forest Park and Bothell.





- Identify Kenmore's competitive advantages in the office and industrial sectors and emphasize them in promotional efforts.
- Continue to explore a cluster-based strategy (see cluster descriptions below) and identify partnerships and alliances to leverage regional strengths. Additional exploration of these options is needed before such a strategy can be included in the final Plan.

Retail Sector

Findings

- Kenmore's location near strong regional retail centers such as Northgate, Alderwood, and Kirkland, results in significant sales tax "leakage." This regional competition limits Kenmore's opportunities in some retail sectors.
- The higher rents associated with mixed-use development may limit potential retail tenants.

Recommendations

- Pursue retail sectors that cater to residents, including:
 - Daily services such as postal/shipping services, dry cleaners, and health and personal care
 - Full-service restaurants
- Continue to pursue long-term opportunities for waterfront development, including public access, restaurants, and other special uses.





APPENDIX SUMMARY OF EMPLOYMENT CLUSTERS

In addition to the four clusters discussed below, the Prosperity Partnership has developed strategies for three additional target clusters in the Puget Sound Region: Logistics and International Trade, the Military, and Tourism/Visitors.

Life Sciences companies are engaged in work to diagnose and treat diseases, and manufacture products and tools for researchers and health care providers. Life Sciences encompass a number of public and private industry sectors engaged in research, development, and marketing activities. Biotechnology and the biomedical device industry are included under the Life Sciences umbrella.

- Between 2000 and 2008, the biomedical device industry added about 2,500 jobs in Puget Sound to bring the total to 5,800.³ Bothell is home to approximately half (2,800 jobs) of these jobs, primarily related to medical device manufacturing and ultrasound.
- The Bothell Technology Corridor was designated as an Innovation Partnership Zone in 2007 by the Governor. The City of Bothell and the University of Washington Bothell worked with over 17 public and private sector partners to obtain the designation.

Location Considerations for Life Sciences Firms

- Access to a skilled workforce
- Proximity to other biomedical device or high-tech companies
- Proximity to founders' homes
- Desirable location to live

Clean Technology as defined by the Prosperity Partnership crosses many industry sectors including manufacturing, consulting, utility services, and architectural services. Clean tech firms typically operate in the energy, transportation, and/or resource efficiency sectors.

- The Pacific Northwest has a significant concentration of businesses specializing in energy and environmental technologies and services.
- According to DowJones VentureSource data, Washington was ranked third in venture capital investments in Clean Tech (behind California and Massachusetts) with \$175 million in 2007.
- The State Energy Policy Office documented 3,800 clean energy jobs in 1998 and 8,400 jobs in 2004. In 2007, the Governor set a goal of 25,000 green jobs (more broadly defined than "clean tech" jobs) by 2020.

Location Considerations for Clean Tech Firms

- Access to a skilled workforce
- Access to capital
- Infrastructure to support the distribution of clean technologies
- Site availability and cost

³ Community Attributes, *Biomedical Device Study*, September 2008. Available at:
<http://www.enterpriseseattle.org/images/washington%20biomedical%20device%20study.pdf>





Aerospace includes companies involved in the design and manufacture of civil, commercial, and military aircraft, guided missile and space vehicle manufacturing, and related parts, systems and auxiliary equipment. The industry's primary customers include commercial airlines, the U.S. Department of Defense, NASA, and original equipment manufacturers.

- Washington State has the largest concentration of aerospace workers in the world with over 100,000 workers and 600 companies.
- Within Snohomish County, as many as 45,000 people are employed in the aerospace and related electronics industries.

Location Considerations for Aerospace Firms

- Proximity to Boeing and/or SeaTac Airport
- Proximity to other aerospace businesses

Information Technology is composed of industries that design, develop, and install information systems, equipment and applications using computers and related technologies. The Puget Sound Region has five major IT sectors: software publishing, computer and online services, telecommunications, computer and electronic hardware manufacturing, and digital and interactive media.

- The software industry is the most concentrated in the region, mainly due to the presence of Microsoft and its 28,000 employees.

Location Considerations for IT Firms

- Nearby amenities
- Desirable location to live
- Proximity to skilled workforce
- Proximity to other IT businesses





CITY OF KENMORE ECONOMIC DEVELOPMENT PLANNING

Stakeholder Interview Summary

INTRODUCTION

This document summarizes the results of in-person and phone interviews with 15 individual stakeholders and a joint meeting of the Downtown Task Force and the Planning Commission on September 10, 2008. All interviews were conducted between August and November, 2008.

The document is organized by question and within some questions by theme. Each bulleted point represents a quote or close paraphrase from a single stakeholder. Each interview was conducted as a conversation, focusing on areas relevant to the particular stakeholder, with the questions serving as a guide.

It is important to note that this outreach process is not a scientific or comprehensive survey of stakeholders, and should be taken as one piece of input to be considered with others. Stakeholders were identified by Nancy Ousley, the City of Kenmore’s Assistant City Manager. Additional stakeholder interviews focused specifically on the potential for office and retail development in Kenmore are summarized in a separate document, *City of Kenmore Market Analysis*.

INTERVIEWS CONDUCTED

City of Kenmore

- Mayor David Baker
- Deputy Mayor Milton Curtis
- Councilmember Randy Eastwood
- Councilmember John Hendrickson
- Councilmember Laurie Sperry
- Councilmember Allan Van Ness
- Joint Meeting of the Downtown Task Force and the Planning Commission

Business Community

- John Erdman, Greater Woodinville Chamber of Commerce
- Don Swanson, Plywood Supply

Development Community

- Mike Hassenger, Seneca Group
- Dan Rosenfeld and Patrick Farley, Urban Partners, LLC

Educational Institutions

- Daniel Church, Bastyr University
- Walt Freytag, UW Bothell

LakePointe Property Owner

- Gary Sergeant

Neighboring Cities

- Terrie Battuelo, City of Bothell
- David Kline, City of Lake Forest Park





INTERVIEW RESPONSES

What is your vision for Kenmore: what do you hope it is like 20 years from now?

- That Kenmore isn't the place between Lake Forest Park and Bothell. It's the higher ranking place.
- A city with businesses related to services and retail rather than wholesale and contracting, which should be left for the business parks. Let's create something the people of Kenmore can be proud of.
- A place where people want to come to spend money and hang out. Kenmore will be a prosperous lakeside community.
- There will be a pedestrian bridge to connect people to the water.
- The vision is dense housing development where people can walk to shops. We need more pedestrian connections. As parcels get developed, we get more sidewalks. The elderly especially like opportunities to walk and run errands.
- A regional attraction with great transportation and destination shopping.
- I am able to walk downtown, get on a loop bus and go anywhere in the four quadrants or walk along the lake.
- It would be my city again with access to the water and great parks, reasons to come downtown, and places to sit with running water. There would be people downtown at all times of the day.
- Build quality, not like Lake City; quality buildings will attract quality businesses
- Grow up with the community we have here. I don't want to see what we have in Lake City: high development growth and increasing gang problems.
- Maintain the base and possibly grow into a mini-Bellevue with quality office and employment.

Thinking about economic development broadly, considering commercial vitality, livability/quality of life, and community image, what are Kenmore's greatest strengths and assets?

Location

Stakeholders agreed that Kenmore's location on Lake Washington is one of its greatest potential strengths.

- The lake and the waterfront.
- The fact that we have been a crossroads, a migratory path, from the animals, to the natives, to the bootleggers. All roads go around the top of the lake and a lot of people pass through.
- One is the lake, which is nice for communities and another is its location relatively close to downtown. There are more jobs in Seattle than places to live so Kenmore's short commute is attractive with lots of options like good bus transportation, potentially the walk on ferry, biking etc.
- The number one strength is Kenmore's location on the business corridor and on the Eastside generally. The proximity is a huge strength.





- It's a remarkable little community. Location is the largest strength, perfectly positioned if it weren't for the traffic. Proximity to the water and neighboring communities are the greatest strengths.
- The City is at a crossroads at the north end of lake making it one of the most strategic locations given growth to the north, south, east and west.
- Lakeside location – waterfront is precious.
- Kenmore is both on the lake and close to downtown Seattle.
- General location – in the center of things, with highways coming in.
- The large wetland and river on either side of 522 are strengths and assets that offer an amenity and a view.

Livability

Many stakeholders listed Kenmore's residential neighborhoods and residents as strengths.

- There is a lot of talk about live, work, and play in the same place and benefits to the environment. The biggest strength here is the quality of the neighborhoods. There is not as much growth here as in Bothell and Kirkland. The character of the neighborhoods and the school district are also strengths.
- Seattle Business Magazine ranked us the #2 place to live and work.
- There is a cohesiveness to the community, not only the people but the arts and heritage community. Council meeting participants are active and supportive and there are no divisive blocks based on income or neighborhood.
- People like living here and they enjoy their neighborhoods and neighbors.
- Small town feel and walkability.
- There is an abundance of open space.

Pass-through Traffic

Pass-through traffic along Bothell Way (522) was cited as both a strength and a weakness.

- 50,000 cars pass through Kenmore each day. We need to capture that and get them to stay.
- 522 is a main thoroughfare, which is good and bad. There is the economic potential to draw from the 50,000 cars that drive by each day.
- There is high visibility on Bothell Way.

Demographics

Several stakeholders mentioned Kenmore's high median income and educational attainment.

- Kenmore has a very high median income of around \$80,000.
- The average income is higher than the median for Puget Sound.
- A key thing to focus on is the demographic on the South side. We need to include amenities and find ways to attract them.
- Strong demographics: education and income are above average.
- We have the opportunity to still define who we want to be. Our demographic is capable of supporting a dream. Generally, we are not a depressed area and can support a dream. People will get behind it if the dream is big enough.





Kenmore Institutions

Many stakeholders mentioned Bastyr University, the school district, and/or Kenmore Air as assets to the community and a part of the City's external image.

- Bastyr University is an asset. It's very supportive of the community.
- Bastyr University is a huge opportunity to capitalize on. It boggled my mind when I heard about all the opposition to the Bastyr expansion and the McMenamins Brewery proposal. I think the opposition stems from a misunderstanding of the nature of traffic and a college campus.
- We have a unique opportunity with Bastyr University.
- Kenmore could be seen as an educational center especially with Bastyr University and UW Bothell nearby.
- We have the largest air harbor in the region – it's an international airport with customs and Kenmore Air is an international airline.
- The new library will be an asset. It will be centrally located and draw people into the downtown.
- The new fire station will be the largest in the state.
- The Northshore school district may not have the reputation it once had. I'm not sure, but we should still try to work with that.
- The school district is very good and there is high educational attainment in the population.

Development Potential

Stakeholders discussed the potential for development and conversion of existing industrial uses, though many noted that most of the land is privately held.

- There is lots of buildable space – the Plywood Supply site is about 35 acres and there is another 50 at the cement plant. If we zone it right, the private owners will earn a good return, there will be a great opportunity to change the land use, and developers could profit too.
- Kenmore is in line for a demonstration ferry route, which could have a great impact on development.
- There is such a low level of current commercial development that it provides lots of room upwards.
- Our waterfront is unique in the Seattle area in that it is completely undeveloped. It's not only developable, but it could also be a park.
- There are several large acreage properties with development potential.
- 522 is easy to identify as a place to start commercial development, but where to go next is the harder question.
- Kenmore is not located on a freeway, which could be an asset or a liability. This also presents the opportunity to prevent some types of commercial development, such as big box retailers.





What are the City's greatest challenges?

522 and Traffic Congestion

Many stakeholders noted that 522 divides the City in half and is difficult to cross, hindering access to the waterfront. Traffic congestion in the region and the bottleneck around 522 and Juanita Drive were also raised by several stakeholders.

- The 522 divides us down the middle.
- Bothell Way divides Kenmore in half and it's very hard to get across. There is no money to build a bridge, but it would be critical to tie us to the Burke Gilman trail and Bastyr University.
- The highway and the river divide the city in two. Infrastructure is one of our biggest challenges. We inherited a rural city; we supported growth management and increased density. Our arterials are poor, someone was killed recently on 65th, and there is a lot of criticism about low sidewalks and ditches. These are quality of life challenges.
- Traffic – there is no way we can build our way out of this current traffic because so much is pass through. Until there is a regional solution to it, we can only make improvements at the margin. Need to take the pressure off of 522 and Juanita.
- Traffic. The Downtown Task Force has suggested putting sidewalks along 181st.
- The challenge from the small business perspective is the 522 improvement project. Businesses are really worried about the impact with respect to their viability, and relocation and marketing is a challenge. The City has been trying to communicate with businesses the UW Bothell Business Development Center has visited business owners at their businesses to offer assistance. This sort of one-on-one outreach is really important to small businesses.
- Unfortunately a lot of the argument over increasing density is tied to traffic. However, the bulk of the traffic on 522 is passing through: to the extent that you can crowd out pass-through traffic with local traffic through greater density, the transient people will go somewhere else.
- All hell is going to break loose when tolls are added to the 520 bridge. There will be screaming from the locals. Right now if 405 backs up you already get this. There needs to be a clear understanding of the traffic situation, but that may be impossible. Education is needed on this issue.

Regional Competition

Several stakeholders commented that they go to neighboring cities for dining, shopping, and entertainment due to a lack of options within Kenmore.

- The Eastside and Juanita are where people from Kenmore go to shop.
- Kenmore residents want something for residents – we all go elsewhere for shopping, dinner, or entertainment.
- Momentum has gone in the wrong direction and businesses are leaving.
- Business retention is a problem. Kenmore needs the right balance between enough people and businesses to make it work. This was the lesson from Renton.
- The boat launch on the slough is just awful. Giving water users a reason to come to Kenmore seems like a good idea to me. A lot of people won't go into Kenmore, yet there is substantial boat traffic through Carillon Point.





Image, Identity and Vision

Stakeholders commented on negative perceptions of Kenmore or its lack of identity, but noted that this was an obvious area for improvement suggesting that the City should create an identity and market itself.

- We need a sign in Bothell that says "Bothell, Gateway to Kenmore!"
- There is not much sense of place – where is downtown Kenmore?
- We lack an integrated vision for what we really want the City to look like. What type of economic development do we want? What about jobs? Do we want every square foot filled with tax revenue generating business? Are we attracting high value uses that are compatible with the overall vision? We can't seem to tackle anything that is very large; we may become a patchwork community and then our image will really suffer.
- Recognition as a city is a challenge. People think of Kenmore as unincorporated King County and there is a perception that it is not a legitimate municipality.
- When people hear Kenmore they roll their eyes. We need to let the good things be known. For example, Log Boom Park is stunning, but there is no signage to let you know it's there.
- Kenmore's curb appeal is not great.
- Kenmore by land, air, and water - we don't capitalize on that.

Existing Land Uses

Many stakeholders feel that many of the existing land uses are not highest and best use.

- Due to the current mix of uses there is a sense that anything could happen and it could be undesirable and uncoordinated.
- Downtown here needs to be successful. It's the catalyst. The City has done everything they can. Kenmore Village could remove the risk for others.
- Plywood Supply and Murphy's Auction and other uses along Bothell Way are not the highest and best uses. How do we spur a change in ownership and/or use?
- Kenmore suffers from the ugly major intersection with tacky retail, cement, and plywood. Everything looks like it should be torn down.
- One problem with the LakePointe site is that the infrastructure costs are excessive and it would take a lot of development to recover the costs. The other problem is that the site is landfill so you need to develop it using pilings.
- Downtown is not living up to its potential. There is no physical or psychological center.
- The heavy industrial uses at the lake. The lake could be a huge opportunity for the City, but it is dominated by heavy industry.
- The waterfront is a significantly underperforming asset. There is priceless land along the water and little happening.
- Murphy's is a once a month use.





Market Demand

Some stakeholders questioned whether market demand in Kenmore is sufficient to support desired growth.

- The market will also have to shape development; the City government can only do so much.
- To accomplish the growth desired, we need to house people downtown, yet people love their neighborhoods and they don't live here for the downtown. We want to preserve our neighborhoods and focus changes in the downtown area.
- Kenmore is a victim of timing and the current economy.
- How much disposable income do we have in Kenmore to attract businesses to pay \$35 per square foot?
- We have a fairly affluent population that wants closer retail uses, especially with increasing gas prices.
- One of the biggest challenges from an economic development standpoint is demographics. I did some work with the Downtown Task Force's developer's forum where they asked about how to attract more businesses. It was clear that they had the cart before the horse. Draw a circle around downtown, look at how much is low-income, senior etc. Kenmore need to build as many high end residential units as they can to get a market base there. Downtown Kirkland has completely different demographics.
- How do we attract people to Kenmore? We need to draw people from other areas. It's a difficult place to find and navigate. We don't have a grid system and need to think about loop roads.

What are the City's greatest opportunities?

LakePointe

Stakeholders were divided over the potential uses for the LakePointe site and the likelihood of its development.

- LakePointe will be the jewel in the crown.
- LakePointe is a potential strength that right now is a weakness. We are having a tough time getting people to develop it. How can we, enable, and stimulate private interests to invest in this area?
- The LakePointe project was planned 10 years ago or more. What about parkland and open space instead of development? The land is all fill and unstable so why not abandon driving pilings into the ground in order to develop upwards and develop the area as park space, with playgrounds and an amphitheater? The City should downplay the commercial aspect and enhance parkland in the area.
- LakePointe is the largest opportunity parcel on the shore of Lake Washington other than maybe Boeing Field. A parcel that unique should be primarily, if not completely, a public park because of the soil issues. Kenmore should pursue state bond money to acquire the land as a State Park: the Seward Park of the north. The City could partner with the Nature Conservancy or Trust for Public Land.
- You can't do a University Village like project south of 522 due to the access and infrastructure issues.
- This was the single most wonderful thing that could have happened, but it just got bogged down because of the way we are as a community. People don't understand that to run a business you have to make money. Someone can complain about one issue and kill the whole project. A lot of people are well intended, but the results are crazy.





- LakePointe won't happen. It would cost too much money to develop and the community won't tolerate it. It's a minefield and any builder/developer who takes it on would get the blame or be accused of making too much money. A parking structure on site would have exposed water mains and the liability on such a thing would be too much.
- At the moment, LakePointe is close to impossible to develop. It would cost about \$1 billion and no one is lending money.
- The LakePointe site is difficult. The water table presents all kinds of challenges and risks. The site has enormous potential, but the owner has only modest motivations, which the City can't do anything about.
- A long time ago, someone stood up at a public meeting and said that LakePointe should be a park. At the time, I thought they were crazy, but now I think they are right. The City should buy it and make it into a Magnusson Park type place. A park could be the foothold and then if they got the Mosquito Fleet passenger ferry, that would be great.
- In the past, some have wanted to turn the site into a park and that would be nice, but very expensive. If the site is developed as envisioned, it could make the City.

Potential for Conference Center/Hotel Project

Three stakeholders stated that there might be potential for a hotel or conference center in Kenmore.

- There is potential for a conference center.
- Kenmore could serve as a destination for people flying with Kenmore Air.
- Someone should create a resort like Willows Lodge in Woodinville.

Parks and Waterfront Access

A few stakeholders noted that the City's parks hold potential.

- Swamp Creek Park is unimproved swamp land that was just acquired from King County and could be improved.
- We are trying really hard to get waterfront access. There is a small piece of land with a dock, but it is very tough to do anything due to current environmental regulations.
- Saint Edward Park is a terrific resource that is really underutilized. It's a wonderful place that gets a decent amount of recreational use, but there is both retail and civic potential.
- We need to do whatever we can to connect people to the water.

Marine Facilities

One stakeholder and boat owner noted that the boat launch services are an area that could use some improvement and might be a catalyst for other development.

- Boat launch services throughout Lake Washington are minimal and boats are frequently backed up. The City could redevelop the area around the slough as a boat launch and promenade. The current launch is terrible yet it's highly trafficked because there are so few options. A City-led marine development might spur other residential development.





Infrastructure/Transportation

Stakeholders pointed out infrastructure and transportation needs, such as better access to the eastside and crossing 522.

- There is enough dirt along the waterfront for housing, park space, and retail and/or commercial uses. This is potentially the most valuable asset, but, the infrastructure is going to be a huge inhibitor. Folks that live south of the slough go to Juanita. Infrastructure investments are needed to provide access if you want Kenmore on both sides of the slough. What are the effective boundaries for economic development in Kenmore?
- If we build parks, roads, and other infrastructure that could enhance the access, but is it cost effective? Is the right philosophy “build it and they will come” or should we “build it once they have come?”
- 522 is an opportunity – how can we change it so that people can get into town? Roundabouts could help this goal. If we had six lanes instead of five, we could provide two left-hand turn lanes. It’s not 405, but there is a lot of money that passes through that we should try to tap into.
- 522 will never be the main street of the city, it should be 181st – this is where the shops, restaurants and businesses are, and the library and City Hall. Bothell has a downtown street that is parallel to 522.
- Landscape 522 into a parkway – create a median and a future light rail right of way.
- I think the work that Steve Anderson did with the highway improvements is good. It is pleasing to drive down 73rd and think about all the work that was done and the fact that our input was incorporated.
- We could develop a roundabout at an intersection with an identifying landmark to say you are in Kenmore.
- If there was a light rail line around the lake that would change the nature of the city. This should be in the light rail master plan.
- More density could improve the city’s transportation infrastructure. At the moment, transportation to the eastside is terrible.

What key economic, political, and social changes do you think will affect the Kenmore economy in the next three to five years?

The current national economic conditions will have an effect on development in Kenmore.

- The same factors affecting the rest of the State and the country: the economy, the value of the dollar, and skyrocketing energy costs. However, this might present some opportunities for Kenmore because more than ever before people want to work closer to home. This trend will only continue. The model of Bellevue, where people drive from Lynnwood and Auburn and other far-flung places, is not the model of the future. Kenmore could be poised to take advantage of this trend.
- What these cities all need to do is to tune into what is going on in the market. They don’t understand market cycles. They should work counter-cyclically and get everything positioned, because markets come on unpredictably and you need to be ready to respond. In the next three to five years, the market could be anything, but it will cycle. You need to work like crazy through the downtimes. On the political side, foster stability.
- The frozen money markets are a real problem right now. The big institutions and funds will be back in the market eventually, but who knows when.





Are there particular retailers/retail categories or employers or employment sectors you believe would be appropriate to target for Kenmore?

General Comments

Stakeholders offered different advice on appropriate retailers and the potential for expanding retail in Kenmore.

- I'd like to see a retail, residential, recreational, and office economy with no more industrial uses. Canoe rental along the river.
- We are a city in transition and very underserved in retail and restaurants. Currently we have groceries, gas, and some thrift stores.
- I would hate to waste our opportunity to develop at higher densities. The bowling lane could be upzoned. Development doesn't have to happen now.
- Most cities zone too much retail and then it gets spread out and doesn't create a critical mass without a downtown.
- There are four mid-range grocers within 10 minutes of Kenmore. Lake Forest Park and Bothell are moving quickly. Kenmore should get moving so they don't lose the opportunity.
- I heard that Woodinville sells more clothes than anything, I guess because of Target. Kenmore has no anchors – no Kohl's Target etc. But then maybe people would still rather go to the Alderwood Mall. I know there is a high median income in Kenmore and they would like residents to spend their money in Kenmore, but I don't know how you do that. Maybe a waterfront shopping destination.
- Plywood Supply could be a high-end mall (not a big box mall) that is a regional draw.
- The question gets at the cart before the horse problem – it's easy to talk about retailers you would like to have. In my mind this is a backburner issue. You need to work on the demand side, increasing the number of people who live in Kenmore.

Restaurants

Most stakeholders would like to see more restaurant options in Kenmore.

- We need restaurants. We don't have any places here.
- Kenmore used to have a lot of roadhouses and taverns, but people don't stop. They just pass through because there is nothing to draw them here.
- Restaurants are the big category to attract, but we need to be careful not to duplicate Lake Forest Park businesses. Individual restaurants can't make it alone – a cluster of restaurants could take off together. Restaurants of the caliber of Applebee's and up would be good – it doesn't need to be Canlis.
- We should be supportive and help the businesses who are here to grow. Build on the positives – the neighborhoods and the people. I'd like to see more nice restaurants. The Burke Gilman trail is right here and could be helpful. Overlooking the lake, there is a real opportunity for nicer restaurants.
- I'd like to see movie theaters, bakeries, and moderately priced restaurants. Expensive restaurants are hard to make work because you only go there rarely and they need an established reputation to draw customers from the region.
- I don't know about restaurants – they come and go all the time plus you've got the pass through problem in that a lot of people drive by who don't stop. I don't know much about Kenmore restaurants, but I imagine that Edmonds, Kirkland, Seattle etc. are more appealing.





Daily Goods

Many stakeholders pointed out that due to the larger retail centers in neighboring cities, Kenmore should focus on daily goods businesses and not attempt to become a regional shopping destination.

- Daily goods should be within walking distance.
- Things you only buy monthly – movie tickets, shoes – should be in regional retail centers; Kenmore Village probably won't have many such goods.
- Eye glasses, pet food stores, a nicer neighborhood center; not a furniture/appliances store. It would be nice to have a movie theater; would be great somewhere on 181st.

Employment

Stakeholders differed on the outlook for adding jobs in Kenmore and the types of employers that the City should target.

- This is a great location for information technology. We are on the bus lines, have reasonable housing prices and good, affordable rental units.
- There is currently not much office space here, but we are accessible to Microsoft, Google, and Amazon. We want to create an environment where people can do business. There are opportunities for office space with views. We could build higher than Kirkland and offer something different.
- A downtown health care center affiliated with Bastyr would be a fantastic addition.
- Commercial development will bring jobs. I would rather see employment in the retail and service sector that Kenmore residents can use and others can come to Kenmore to use.
- Office spaces for attorneys, accountants, and other professionals could be added.
- Employers such as accountants and insurers who want second floor businesses.
- Given its proximity to Bothell, Kirkland, and Redmond, high tech and biotech might be good ideas. It makes sense to leverage off of the neighboring industries.
- To my knowledge, there is no demand for office currently in Kenmore.
- We should encourage more telecommuting because our fiber optic and internet infrastructure make us ideal for that
- Kenmore may be relegated to being a bedroom community because public transportation is not adequate and getting to and from there is a challenge.





Does the City have any key infrastructure needs that are negatively impacting business opportunities? Are there strategic infrastructure investments that would create economic opportunities?

Streetscape and Schools

Several stakeholders noted the importance of improving the streetscape to improve the pedestrian experience, spur development, and increase access and safety.

- It may be good to invest in things to make the City attractive for residents and attract outside investment.
- Neighborhood infrastructure is needed to increase access and safety.
- Streetscape investments are a very effective way to attract people. Burien spent \$6 million on “street jewelry” like diagonal parking and lamps. Within five years they had a total turnover of businesses and it’s now a busy shopping and dining district. It was a gutsy thing to do – they paid for it themselves and it looked really weird at first, with 20 foot empty sidewalks, but they spent money where people touch the city: the street.
- Lower the speed limit to 35 mph to improve safety.
- Public schools are the most important piece of economic development infrastructure; it all starts with schools.

Roads and Transportation

Most stakeholders addressed traffic, roads, and transportation as critical areas for improvement to help spur economic development.

- We need a bypass road for the LakePointe project; developers want that and it has been a hindrance to developing the site.
- A road to connect the LakePointe site to the 522 would be a good investment.
- A road and parking garage for the ferry would help get the LakePointe project off the ground.
- Identify 181st as the village Main street and give it a name and identity like Market Street in Ballard.
- Kenmore has a main highway, but it doesn’t have a main street. 181st could become the Main Street.
- It takes an hour to get to Microsoft; with more population we could have an express bus to Microsoft.
- Pass through traffic is good, but it needs to be safely accommodated.
- Traffic handling of 522 is ambiguous – it’s not a highway or a street and it gets bottled up.
- Light rail would be very high on my list, as would a waterfront park.
- 68th Avenue has to be fixed but no one has an answer. My fear is that with the 520 bridge improvements and new tolls, we will have even more traffic and this will magnify the existing problem. The City should negotiate with the State for assistance. This should be done in advance so that they can tell the community that they are working on this.
- 68th Avenue across the bridge needs to be included with 522. Simply moving the traffic from 68th to 65th doesn’t cut it.
- The other key thing that Kenmore needs is a back door to 522. When it’s busy we’ll go to Tully’s but not Starbuck’s or Kid Valley because you have to get onto Bothell Way. I’m concerned about Ostroms Drug moving because right now we can get there without using 522. The City should think in terms of access to businesses that keeps you off of 522.





Parks, Trails, and Access to Waterfront

Stakeholders who reside in Kenmore focused on improving parks and access to the waterfront.

- The Tolt pipeline is already used as a trail and it would be good to formalize that. There are opportunities for more walkways through wetlands areas.
- I would like more bike trails specifically for Kenmore residents. The Burke Gilman trail is geared toward regional transportation.
- Connect the Tolt Pipeline and 80th, with connections to parks and the elementary school.
- Create bike loops oriented to families.
- Parks are tied into access to waterfront process. Generally citywide access to the lake is terrible. As an urban planning exercise, we have really blown access to the water. It's not just Kenmore either; Lake Forest Park's only real access is private. If the City could foster access that would be great.

Other Comments

- The area is in transition. Ten years ago we were unincorporated King County with rural infrastructure. We still have no sidewalks and need a huge investment in our stormwater system. We also need to grow our business sector to support infrastructure investment.
- The infrastructure is basically in place; we have been working through a 20 year plan and if we implement it all, it should satisfy the needs.
- Citywide internet access.

Are there opportunities to improve the City's business environment in the City, considering such factors as permitting, regulations, fees, and other City policies and practices?

Development Process

Many stakeholders commented on the City's need to improve the development process based on reputation or their own experience. Others noted that the City is known for being developer friendly.

- We're known for having a good development process and a good reputation among development community.
- The City Council is accessible and patient, and the City staff is good.
- I've worked with the City on permits and they seem pretty standard. Chuck Driver, the inspector, is good and they seem pretty efficient. I was the first person to get a permit closed after the City incorporated. I haven't had that much interaction, though, pretty basic stuff. No shoreline management issues.
- I have not heard positive or negative comments from clients about their interactions with the City, which I take to be a good sign. The harder problem has been demand.
- Permitting processes can sometimes be a hindrance.
- There are rumors that builders stay away from Kenmore – it's not a huge, huge problem, but there are opportunities for improvement.
- Inconsistent review of environmental issues, such as wetlands and steep slopes, by the City has been a problem.





- A Design Review committee may be needed.
- Relative to other similar cities, Kenmore's fees are a little high.
- The reputation that I'm aware of is that they are trying to be smart about encouraging development, but they are a pain to work with. Just trying to hire the Kenmore Village developer was a LONG process – you'd think they were trying to develop 1,000 acres in downtown Los Angeles. Policies and practices have been all over the place.

What support exists within the City to strengthen entrepreneurship and foster the success of new and existing businesses? Should the City focus on home-based businesses?

Business Support and Retention

Stakeholders noted that they would like to see the City better identify and support its existing businesses to improve retention. Options noted include a business tracking mechanism and a Chamber of Commerce or other business support organization.

- City's permitting, etc. isn't the problem; the challenge is the business climate and the ability of individual businesses to succeed in Kenmore.
- In terms of attracting additional business the City Council is not accessible or friendly to development.
- The Council does not want to add burden to businesses: there is no B&O tax and there is a strong commitment to maintain this. However, this is not communicated – people continue to complain about raising taxes even when we lower them!
- There are not that many businesses in Kenmore at the moment. Certainly, when cities are in growth phase, a Chamber of Commerce or similar organization can be a big help.
- If Kenmore were to go in the direction of business licenses and taxes they may get a better handle on existing businesses. Kirkland has a business retention specialist that conducts a lot of outreach to businesses. It also has a downtown business association that has been very successful. Perhaps Kenmore could consider an affiliation with an existing Chamber or association.
- Currently there is no business registration in Kenmore. Woodinville sells a directory that begins with a promotional piece on the city.
- Bothell has a business license based on the number of employees. Monroe has a no fee registration that is tied to the police. There would be real benefits to registration in emergency situations.
- I would like to see some sort of business registration. The benefits would be emergency response, data to track and give a baseline, know who business owners are and build an organization, and promotion through some sort of publication.
- The Business Development Center is a resource and Kenmore was a founding partner along with Woodinville, Bothell and Snohomish and King Counties. The BDC provides services in several ways: counseling and technical assistance and support for business owners. They also connect business owners with student project teams to help out with strategy, finance, or marketing needs. Students, with faculty supervision, work directly with the business on a problem at no cost to the business.





Home-based Businesses

Only two stakeholders directly addressed home-based businesses and they had different views on their value to the community.

- We need to change the code to support home-based businesses. There is no B&O tax, which is very good.
- I am personally not a fan of home-based businesses because I prefer a more formal business community. With home-based businesses everyone is holed up in their house, not going anywhere.

How can the City better promote investment opportunities in Kenmore to the development community?

Stakeholders had varied opinions on how to better promote investment opportunities: some suggested marketing efforts, while others suggested that getting projects off the ground would spur additional investment.

- More external marketing is needed. Renton heavily promoted and they look really different now.
- Council Members are spokespeople for the City and the Kenmore Village project is promoting Kenmore.
- Leavenworth has a theme and that has really helped them.
- We have some momentum because of projects that are underway. Some of the highway improvements will be done by end of year and there is new lighting with brackets for banners so that when people pass through they will know they are in Kenmore.
- If Kenmore Village goes well, that will promote energy and interest.
- It would be ideal to proactively promote development; we want to see quality development but all land is privately held and I'm afraid of what might happen (and when) if we just let it go.
- Increasing density is needed to boost you're the city's market base.

What are the top two or three actions you would like to see the City take to support economic development?

Business Support

Several stakeholders expressed a desire for a business organization to serve and support the City's existing businesses.

- People love Ostros; we need to provide help for existing businesses.
- Introduce a business support organization or Chamber of Commerce.
- We need a business voice that promotes the City: not just KBIN. We need a Chamber or another type of functioning business group - maybe an organization financially backed by the City that could bring in people to give classes on marketing and the like.
- An Economic Development department to organize and host classes on marketing the like and serve as a resource. Most businesses are mom and pops who can't leave the store, so it needs to be accessible.
- A home-based business forum.





- Online yellow pages to build support for existing businesses. The City of Sumner did this.

Development, Planning, and Zoning

Stakeholders had a variety of ideas for actions the City could take or strategies it should pursue related to development, planning, and zoning.

- Transit Oriented Development. We need to change zoning to allow greater heights. We want to be different from Lake Forest Park and Bothell and even Kirkland.
- We need development on the waterfront.
- Target investment along 181st.
- Raise the impact fee from \$2,000 to \$8,500 per peak hour trip.
- Work on 181st going west of 65th to the area just rezoned Community Business – these lots are small, and unusable. The City could encourage cooperation among property owners and this would create more opportunities. The City could help out with design charrettes and planning.
- Prioritize infrastructure investment, especially for LakePointe.
- From a planning perspective: zoning with higher and better uses along the waterfront, such as passive recreation or a waterfront park.
- Neighborhood preservation. Preserve the character of single family neighborhoods up the hill; there are not a lot of fences and gates – it is reminiscent of a happier time
- 68th Ave. Let the community know that you are working with the State on a solution to 520 toll avoidance traffic. This problem will only get worse; the City should get out ahead of it.
- Focus on a specific area. Focus on your strategy and start working on it.
- Figure out how to connect across the slough.
- I think Kenmore could take incremental steps to create something, but forcing developers to take giant steps is tough at the best of times and money is no longer cheap, which only makes it harder. At some point, you need change of a scale that can raise the profile and let people know things are happening.

Retail Uses

Two stakeholders had specific suggestions about retail uses they would like to see in Kenmore.

- I would love a Fred Meyer – if done well, with good design. Fred Meyer in Portland is located in a downtown area and blends in well. People shop at Fred Meyer; they won't go to a small clothing store, but they will go to Fred Meyer.
- I would love to see a bowling alley.

Other Comments

- Kenmore is a suburban city and our neighboring cities are really important to us and we need to coordinate with them. The July 4th celebration is a joint venture that is really successful. We need to cooperate within the sub-region.
- North Lake Washington communities should collaborate as well as compete. All would benefit from a waterfront park, a school, or a community college.
- We need marketing tools to sell ourselves. The City should have a lobbyist in Washington D.C. and Olympia. Kenmore is not tapping into federal and state money that other cities are finding.





What are your hopes for this economic development planning project? What outcomes would constitute success?

- The money is well spent and that we come up with a plan that we follow through and implement. Bothell has had three or four downtown plans.
- Let's implement a long-term plan that can be modified. We want to put some good ideas into action.
- I'm looking for a plan that is financially possible with enough detail. What can we do that won't cost us any money? What potential is there for grants? Action steps would be ideal. How do we make it happen?
- Concrete ways to promote the city. We are really changing, and need to promote this and communicate it to attract other investors to build off of Kenmore Village.
- I hope that it becomes contagious and spreads out past the Downtown Task Force and into the public. We need more public participation than a vote every couple of years.
- We need to maintain the character of the single-family neighborhoods.
- Help promote development and the existing businesses.
- A plan that is based in our economic realities and existing tax base; the City has very limited budget and huge infrastructure needs.
- Actions we can help influence. We need to make good, strategic investments and not get carried away.
- Phase density increases to get different phases of development.
- Start putting dollars into 5 and 10-year horizons.
- I want a plan that has specifics and a timeline. I want a plan that is ambitious and more than we can do at once: a 10-20 year plan.







CITY OF KENMORE ECONOMIC DEVELOPMENT STRATEGY

Summary of Community Open House Public Input

Introduction

On February 10, 2009, the City of Kenmore held a Community Open House to solicit public input for its Economic Development Strategy. Four strategic goals and accompanying strategies were presented at stations around the Open House and attendees were invited to comment on specific questions posed at each station. Participants were also asked to place a dot next to the strategies that they supported most. Approximately forty interested members of the public attended the Open House and many attendees took extra feedback forms to hand out to friends and family.

This document summarizes the comments received through post it notes at each station and feedback forms.

Goal 1: Establish Kenmore's Image by Promoting its High Quality of Life and Many Assets

What Kenmore assets are most important to you?

- Location, Burke-Gilman Trail, the waterfront; Bastyr University; Parks
- Lake Washington; School District; location; town – friendly, young in its growth; Bastyr
- Waterfront; St Edward; retail; Bastyr
- Being by the Lake. We're going wrong way with light columns at 73rd and Ostrom sign – very disappointing. This feels more like Aurora and not "Kenmore by the Lake"
- Bastyr; excellent location
- Local businesses; quality of life
- Bastyr University; the parks; the schools

What Kenmore assets do you think are most important to the region?

- Waterfront; Burke-Gilman Trail; Parks
- Lake Washington; location; Bastyr
- Waterfront; St Edward; retail; Bastyr
- Green spaces; forest; salmon; trees; more walking trails to downtown; increase right of way width for sidewalks and buffer
- Strong schools – Northshore; Bastyr; the access to Lake Washington
- Location/crossroads





What key words, themes, or messages should be used to communicate what is special about Kenmore?

- Courtesy is contagious
- Families/residential; close to the city but close to nature
- Kenmore, Gateway to Lake Washington
- Eagles, herons, float planes, golf course, Bastyr, home base of Seattle Synchronos, Ostrom's until they put up that horrible sign, new library, Snapdoodle, St Edward Park and pool, Burke-Gilman Trail, wonderful schools
- The lake (very special)
- Take Kenmore from gray (concrete plant and 522) to green (environmentally good)
- Rename the City! Lakepoint, WA
- Honestly, Kenmore looks shabby. The truly beautiful part of Kenmore is its waterfront potential

What existing community events could be expanded or better promoted? Any ideas for new events?

- Farmers' Market
- City Anniversary
- Existing – July 4th; new bike events – trail use with adding parking at Lakepointe property
- Weekly farmer's market (2x)
- Better promote music at Saint Edward in the summer, –and movies at St Edward (like Fremont outdoor cinema)
- Kenmore needs to put into practice the vision it has articulated in the comprehensive plan and downtown plan as well as to revisit and improve aspects that will better achieve vision and maintain quality of life

Other comments or questions related to this topic

Encourage health and recreation activities in Kenmore. Make Kenmore a center for biking, kayaking, swimming, and field sports and other healthy activities





Goal 2: Support Existing Businesses and Explore Opportunities to Expand Employment

What actions could the City take to support and retain businesses?

- Create an online business association. This could be City or privately funded – a 21st century solution
- Help develop new business/commercial buildings/development through environmentally sound process
- Make businesses more visible and accessible. Attractive to drive-by traffic on SR-522
- 1) Piggyback and build on the asset/draw of Bastyr, like South Lake Union is the Biotech center in Seattle. 2) Trade land with Bothell so that the business center across from St Ed Park becomes Kenmore
- Traffic; affordable “sizeable” rental space; support business – stationery, computer, phone stores, Kinko’s; clean and good looking restaurants for meeting meals
- A business “incubator” similar to the one created by Greensburg to help create local businesses
- Listen to business needs, concerns and encourage them to stay
- Create a positive relationship with businesses rather than adversarial particularly in regards to permitting
- More help/welcoming to new, small businesses
- Support Bastyr University so that it can flourish in support of our community
- Control traffic
- Many have mentioned a dearth of restaurants and how difficult it is for restaurants to stay. Personally, I often don’t know about a restaurant until late in the game. Is there a way to suggest/encourage more advertising, coupons etc. so a restaurant can reach/educate the residents?
- Can we support businesses (such as restaurants) becoming established? Restaurants come and go without any advertising to the community beyond the sign on the side of the road
- Find a way, and the dollars to do it, to “beautify” the core area while work is in progress – aesthetics help
- Through “green” building and design
- City Hall – a green model for others in region to come see

How can the City provide support to home-based businesses?

- Create an online business association. Better infrastructure – sidewalks, bike lanes
- Home business needs support – i.e. stationery stores, Kinko’s, clean restaurants to meet at and eat. Kenmore looks pretty bad without Safeway and Rite-Aid
- The City should create an office of business communication via web based avenues
- Encourage telecommuting





Please put a ✓ next to businesses you would like to see locate in Kenmore:

Full service restaurants	12
Entertainment venues	7
Grocery stores	6 (natural foods store, Trader Joe’s x2, PCC)
Daily goods stores	4
Light industrial employers	4
Specialized/boutique retail	3
Overnight accommodations	3
Office employers	3
Large-scale retail	1

Other (please specify)

- Hardware store
- Bike and Kayak rental at Lakepointe
- Family oriented businesses: good hardware store, arts and crafts, yardage, sporting goods, a great anchor – Target or Fred Meyer
- Though I’d hate to see a Wal-Mart here (hopefully we don’t have the space!) it would be nice to have a place we could buy general goods. If I need file folders or socks, I need to shop elsewhere
- Small neighborhood-friendly businesses that cater to residents and others
- Plug in wind turbine factory, smaller solar panels

Other comments or questions related to this topic

- Development related to new employers in Kenmore should be scaled to complement the surrounding neighborhoods and should create a welcoming, pedestrian-friendly, open and light environment
- One of the biggest deterrents to shopping in Kenmore is the northbound congestion on Juanita Drive/68th. If you live south of Bothell Way and need to shop, you will continue to head south
- Please work on aesthetics – landscaping, sculptures, lighting, small banners on lamp poles. Residential areas have standards for junk, cars, tarps etc. City must do something with downtown
- Bastyr dorms need to be exemplary of sustainability – work with transportation capacity, have smaller environmental footprint. Fewer dorms and support local housing in the neighborhoods as a link between school and community and support local economy





Goal 3: Create a Multi-Use, Vibrant, and Walkable Downtown

What development and infrastructure improvements would make Downtown Kenmore more attractive to shoppers, residents, and visitors?

- Build Lakepointe or other similar waterfront development
- Consistency in new development
- Build sidewalks in the residential areas so residents can walk downtown. Provide regular public transportation throughout the city, not just on SR-522. North-south bike route that connects to the Burke-Gilman trail
- Traffic improvements; sidewalks; detail “clean up” gardens, lighting (very scruffy and messy now)
- Create an open government that listens to and supports its citizens and businesses that then invites involvement at all levels
- Make our city green through well planned infrastructure
- Encourage more businesses that offer healthy/healthcare services – more natural foods; local bakery; non-chain café with live music or open mike; bike shop; boat rental; sports related store
- LEED development, construction and design
- The planned medians on SR 522 will block access to downtown except for 68th and 61st
- Scrap the Kenmore Village and revisit a Lakepointe-type development
- More sidewalks are needed to connect residents on the hill to downtown and to make it safe for school kids on 68th as they walk to school etc.
- Add a northbound lane on the bridge over the Sammamish slough to provide access from Finn Hill and Juanita to downtown
- Traffic control especially through traffic to Bothell and beyond
- Pedestrian overpass or underpass across Bothell Way
- Regular bus service from farther edges of Kenmore to central core; Open a natural foods store such as PCC
- Make plenty of parking available at a reasonable cost
- Put up an info kiosk at the Park and Ride to promote public meetings and city events. More retail should be tied into and near the Park and Ride
- Increase right of way width and/or required setbacks to get wider sidewalk if Kenmore is going to continue to plant street trees. Minimum 14’, 8’ for trees and 6’ for pedestrians
- Sidewalks, public park, off leash dog park
- We need a good/excellent family restaurant





What ideas do you have to activate the public spaces in the Downtown?

- Create reasons for people to visit downtown. There is no real draw for residents “downtown”
- To have more public spaces than the few discussed currently and Kenmore Village and City Hall you will need to plan more parking. Current planned parking will be stressed by retail/office and residents not leaving parking for additional people just coming to gather

Goal 4: Advance the Community’s Connection to the Waterfront

Do you have any thoughts or ideas to improve the connection to the waterfront?

- Huge infrastructure changes to 68th and develop the waterfront
- Removal of the unsightly concrete plant/warehousing/storage from Juanita Drive to Log Boom Park
- Provide swimming areas with lifeguards like Matthew’s Beach and Magnusson Park. Have a Kenmore Civic Club like the Lake Forest Park Civic Club, open to Kenmore residents
- Take at least a corner of Pioneer Towing to put a parking area across from boat ramp with a kayak launch. 175 Street gets full with boat ramp parking and fights through frustration
- City needs to lead with infrastructure improvements; needs to provide funding bonds, levy etc.
- Acquire all or part of LakePointe property. Environmentally remove concrete and asphalt plant
- A ferry from Kenmore is a great idea – it has potential for a tourist activity (my husband suggest a “historical Kenmore ferry” angle) and a commuting option (especially if it were easily connected to light rail stations or other mass transit option on the Seattle end)
- A community gathering space in Kenmore would be nice – maybe an amphitheater set up on the waterfront park or Rhododendron Park (similar to Bothell Landing Park)
- Raise half of Burke-Gilman Trail to connect with the backyard of businesses on 522 (from 61st to 65th)
- Create a water feature (i.e. canals, fountains, and walking areas). It would be a Marina Del Rey type of development
- Encourage a “hanging marina” development along the slope – north of Burke-Gilman from 61st to 68th Ave
- Preserve natural aspects of shoreline
- Hold property owners accountable – clean up LakePointe
- Parking for overflow boat ramp, kayak launch and some grass to enjoy river with bench. Also for bike trail parking – no one can park in Log Boom Park due to bike trail people filling the lot





Please provide any final overall thoughts or comments

- Rename the City as Lakepointe; Kenmore is a lousy name
- I like Kenmore a lot, but would like it more if the downtown was pedestrian friendly and environmentally sound. South – Lake Washington; North – N 185th East – 73rd Ave; West – 61st Ave
- Development in Briar and other communities north of Kenmore is increasing traffic on the main North-South roads (61st, 68th, 71st etc). Is there any way to mitigate this?





Dot Counts

Strategies are ranked according to the number of dots received.

Establish Kenmore's Image by Promoting its High Quality of Life and Many Assets

- Support efforts to improve, maintain, and expand parks and open spaces, recognizing them as an important economic vitality asset (6)
- Launch a community marketing campaign to raise Kenmore's profile in the region (4)
- Engage Kenmore residents through ongoing community outreach around economic development goals and key initiatives, such as the downtown redevelopment (2)
- Strengthen and promote Kenmore's community activities and events

Support Existing Businesses and Explore Opportunities to Expand Employment

- Support growth and expansion of Bastyr University and existing independent Kenmore businesses (14)
- Promote a business climate that supports economic growth (11)
- Understand and respond to issues facing Kenmore businesses (8)
- Pursue opportunities to attract light industrial/manufacturing employers, with emphasis placed on clean tech and biotech firms (6)
- Maintain the opportunity for longer term office based employment (3)
- Engage existing businesses through a business registration and in the longer term, support the establishment of a business association (2)

Create a Multi-Purpose, Vibrant, and Walkable Downtown

- Prepare for and build off of Kenmore Village, City Hall, library and other existing or planned Downtown projects and improvements (12)
- Encourage additional residential development to increase density in the Downtown and attract daily goods shops, services, and restaurants (8) one specified four quadrants
- Create a landmark gateway to Kenmore at the intersection of SR 522 and 68th Avenue as part of the SR 522 Improvement Project (7)
- Develop 181st Street as a unifying feature of a pedestrian-oriented Downtown (5)

Advance the Community's Connection to the Waterfront

- Be an active player in opening up the waterfront (11)
- Support and encourage improved linkages to the water (9)
- Continue to pursue designation as the first King County ferry district demonstration route in July 2009 (6)
- Redevelopment of the waterfront with improved public access (2)





CITY OF KENMORE ECONOMIC DEVELOPMENT STRATEGY

ADVISORY COMMITTEE “ACTION BOARD” ITEMS

Strengthen the City’s employment base – largely through an emphasis on its competitive advantage – quality of life

- Build on the presence of Bastyr University
 - Encourage conferences, community use of the auditorium
- Target organizations for membership and participation, such as enterpriseSeattle, Prosperity Partnership
- Promote the new City Hall emphasizing its LEED Gold certification
- Fast-trak applications for green buildings and provide other incentives for green businesses
- Promote willingness to work with businesses
- Explore options for attracting office or light industrial employers
 - Sector-specific opportunities including green/clean tech, biotech, flex office space, home-based businesses
- Identify specific locations – including City-owned land – for potential office space developments
- Work to identify public/private partnerships to support expansion of the City’s employment base

The Advisory Committee created a working document, known as the “Action Board,” to capture and refine ideas related to Strategy goals and action items at each meeting.

The version shown here is the final version of the Action Board that was used to develop the first draft of the Economic Development Strategy.

Support and invest in the downtown

- Promote Kenmore Village and other existing or planned downtown improvements
- Invest in infrastructure improvements and street furniture to make 181st Street a pedestrian-oriented street
- Create a gathering place at the new City Hall to strengthen the sense of place
 - Active public space at the library
- Encourage additional residential development to increase downtown density and attract daily goods shops and services and restaurants
 - Do density right” with amenities and walkways





Advance the community's connection to the waterfront

- Work with the community to articulate a long-term vision for the lakefront that features public uses with some residential and small-scale commercial uses (waterfront restaurants) and promote the vision
- Pursue federal and state dollars for public investment
- Use a possible Kenmore ferry demonstration route to leverage infrastructure investment and begin to open up waterfront
- Use zoning to preserve public lake views
- Public/private partnership opportunities and other tools to catalyze development on private lands
- Expand parks, improve trails, and connect to regional systems

Support and promote the City's assets

- Elevate Kenmore's image through branding and/or promotional efforts
 - Hardcopy and online promotional materials that articulate Kenmore's strategy and competitive advantage
 - Website with maps, photographs, activities
 - Searchable PDFs of materials (ability to be shared by email)
- Promote the City's willingness to work with investors and businesses
 - Produce developer-focused materials, convene developer forums, increase PR efforts to create "buzz" around projects like the new City Hall, Kenmore Village, and the infrastructure improvements
- Engage residents, especially youth, via: communications, email, web (for input), visioning session with images and examples of attractive development
 - Use the redesigned City of Kenmore website to get community input
 - Solicit input from Kenmore Air passengers, design/architecture firms/Bastyr students and guests
- Highlight existing unique and shared assets:
 - Infrastructure improvements along 522
 - Excellent school district
 - Bastyr University
 - Kenmore Air
 - Burke Gilman Trail
 - Slough and wetlands, Saint Edward Park, Log Boom Park, bike trails
 - Proximity to I-5 and 405, Seattle, and the Eastside
 - Transportation hub – land, sea, and air
 - Lake Washington
 - No City imposed Business and Occupation tax
 - Civic investments – City Hall, Fire Station, Library





- General image – branding/key messages, attraction of out of town/regional visitors (activities)
- Who is our salesperson? What is our message? Once we have it, we need to stay on message.
 - Recruit City ambassadors

Make targeted infrastructure investments

- Invest in pedestrian infrastructure on 181st: widen sidewalks, improve streetscape with shade trees, benches, and lamp posts
 - Investments in public infrastructure may lay the foundation for additional private investment
 - Explore funding tools and grants for infrastructure projects
- Install “wayfinding” markers (targeted in downtown, but also in parks and along trails)
- Maintain and improve existing parks
 - Strengthen connections among parks and to Burke Gilman trail
 - Develop signage along 522 for Log Boom Park
- Explore options to create additional park land and enhance wetlands and Tolt Pipeline
- Continue to improve intersections at 522 and 68th and 61st
- Improve signage on 522 and Burke Gilman trail to mark arrival and departure from Kenmore
- Separate pass-through traffic from local traffic (similar to Bothell’s plan for 527)

Support Kenmore businesses

- Support for existing businesses
- Improvements to the business and development climate: easier, faster entry into the community for businesses
- A business organization
- Business registration





KENMORE DOWNTOWN PLAN SUMMARY

BACKGROUND

The City Council adopted the Downtown Plan in April 2003. The Downtown Plan is the result of an 18-month effort that included the volunteers who serve on the Planning Commission, the citizens of Kenmore, the business community, and City staff. The Plan addresses the issues of land use, transportation, and public investment in the Downtown area of Kenmore, which is generally the area near the intersection of SR-522 and 68th Avenue NE.

At the same time as adopting the Plan, Council adopted revisions to the zoning code and instituted design guidelines in the area. The Council also established a Downtown Task Force to advise City staff and the City Council in implementation of the Downtown Plan.

DOWNTOWN VISION

A community with an attractive, vital, pedestrian-oriented city center offering commercial, civic, cultural, and park spaces, integrated with higher density housing.

COMMUNITY NEEDS

This Downtown Plan will meet the following community needs:

- Protect single -family residential areas
- Create a Central Place in Kenmore
- Stimulate Economic Revitalization
- Manage Traffic and Improve Circulation
- Protect the Environment

CORE CONCEPTS

The Plan is based on the five core concepts described below. These concepts are intended to provide incentives and regulations to advance the community vision for Downtown. Given that the vast majority of property is and will remain in private ownership, the effort will be a public/private partnership and private property owners will determine their property investment and development.

- 1. Strategic Civic Investment.** To provide a "central place" and to stimulate complementary private investment, the Comprehensive Plan calls for the City to focus its civic investment in the Northwest Quadrant. Public investment is intended to encourage land assembly and public/private redevelopment efforts. Strategic civic investment could include a Civic Center, comprised of a City Hall, a Community Center, and/or Library. Other civic investments proposed include a Park-and-Ride facility, as well as street and infrastructure improvements such as road realignment, sidewalks, plazas or open space, and street trees.





- 2. Circulation Improvements.** Circulation patterns affect the mobility of vehicles, pedestrians, and other modes of travel, as well as the land use pattern, and character of a district. Additional circulation connections, for vehicles and nonmotorized travel, can help distribute traffic and allow for greater walkability in the downtown.
- 3. Zoning.** Zoning is a means of categorizing land into different classifications or zones in order to establish the following types of regulations common to each zone: allowable uses of a site, a structure's size (e.g. height), and a structure's location on a lot (e.g. setback standards). In the Northwest and Northeast Quadrants, two zones have been created: Downtown Commercial (DC) and Downtown Residential (DR). The former emphasizes commercial uses but allows for mixed uses, and the latter primarily focuses on multifamily residential forms where the City will accommodate much of its required population growth, allowing for support of commercial districts and protection of more established single-family districts.
- 4. Design Standards.** The location, frequency, and quality of buildings, parking lots, pole signs, sidewalks, crosswalks, landscaping, and street trees are elements of urban form that individually and collectively determine visual cohesiveness, comfort, and pedestrian-orientation in urban areas. The Downtown Design Standards apply to the Downtown Commercial and Downtown Residential Districts, and to some Regional Business properties north of NE 175th Street. Standards address site design and building design. These standards would create a character and quality of development consistent with a pedestrian-oriented downtown.
- 5. Implementation Strategies, Near Term and Long Term.** The table on the following pages recreates the Downtown Plan Implementation Matrix Tools (Table H) from the Downtown Plan. This piece is described in the Plan as a "menu of near-term and long-term strategies... [to] be considered by the City Council in terms of priorities, costs, and funding to help promote the overall success of Downtown Kenmore for the entire community, businesses, and residents."



**IMPLEMENTATION STRATEGY****OPTIONS****BUSINESS RETENTION****Business Promotion**

- Assist with business expansions – pre-application review, and permit fast track.
- Coordinate with Chamber on education (e.g. business management, business promotion ideas).
- Support local business groups.
- Market to and attract new business compatible with long-range plan and zoning intents, and strengthen and increase the variety of commercial shopping and service opportunities for the community.

Business Expansion

- Work with local lenders to secure sources of capital for building improvements and/or business expansion.
- Identify a funding mechanism to support a business consultant that could help review existing business operations and plans and identify a vision or options for business owners to attract increased customers and achieve greater financial returns.

Business Assistance

- Identify an economic development contact at City of Kenmore City Hall.
- Consider alternative approaches to funding an Economic Development staff position with the local Chamber of Commerce, Seattle-King County Economic Development Council, or other body.
- Assist with finding temporary or permanent alternative space.
- Assist with “re-establishment” expenses, additional monetary assistance for businesses relocating in Downtown/within City limits.
- Seek to avoid or minimize adverse impacts on existing businesses, when developing City, Public Agency, or Private Projects.
- Develop incentives for new development to offer space to existing businesses.

ECONOMIC DEVELOPMENT**Land Assemblage**

- Waive permit fees associated with lot consolidation such as lot line adjustments.
- Facilitate matching compatible owners that can work jointly to consolidate and sell/develop.
- Require that buildings not be constructed over property lines.
- Purchase land as part of the Civic Center development, and consolidate/resell surplus property.

Parking

- Require adequate surface parking with incentives for structured parking, or contribution or parking purchase plan towards a shared public parking structure.
- Maximize on-street parking including 67th Avenue NE and NE 182nd Street consistent with public safety considerations and pedestrian goals.
- Relocate Park and Ride closer to SR-522 to increase transit use. Allow for public parking availability during off-peak hours for Downtown businesses and uses.

Catalyst Project in Downtown

- Identify appropriate Civic Center sites that will support existing businesses and future business expansion, and a revitalized mixed-use city center.
- Continue to work with Metro to secure existing Park & Ride property, and relocate function without a net loss.
- Work with LakePointe property owner and developer to bring project or similar concept to fruition.

Marketing

- Actively promote business development opportunities and sites.





IMPLEMENTATION STRATEGY	OPTIONS
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INFRASTRUCTURE/ SERVICES	
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Circulation	<ul style="list-style-type: none"> • SR-522 Improvements: SR-522, 68th Avenue NE, and NE 181st Street. • 67th Avenue NE, added as a public street, private street, or pedestrian walkway. • NE 182nd Street, extended west of 68th Avenue NE. • Signal or roundabout at 65th Avenue NE and NE 181st Street. • Sidewalks, crosswalks, pedestrian safety facilities. • Pedestrian overpass on SR-522 anchored by public use, and/or public easement secured in private developments. • Select lighting standards compatible with SR-522 and potentially LakePointe. • Encourage on-street parking in circulation plans and designs. • Develop signage to facilitate "wayfinding" to parking, pedestrian walkways, public facilities, trail linkages, and other special features.
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Utilities	<ul style="list-style-type: none"> • Facilitate relocation of sewer/water line to maximize development potential in coordination with Northshore Utility District. • Promote undergrounding of existing utility lines as part of streetscape improvements.
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Public Safety	<ul style="list-style-type: none"> • Provide visible public safety services to promote a pedestrian-friendly environment.
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COMMUNITY CHARACTER	
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Design Standards	<ul style="list-style-type: none"> • Implement Design Standards and follow the Thresholds for Applying Regulations below. • Provide incentives to encourage businesses to make cosmetic improvements such as painting, screening, landscaping, or other improvements before they initiate significant remodels or changes that would be addressed by Design Guidelines. Incentives may include: <ul style="list-style-type: none"> - Building or site development permit fast-tracking if applicable, - Fee waivers, - Loan pools, - Improvement districts, and - Marketing efforts.
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REGULATIONS/PERMITTING/ EVALUATION	
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Implementing Regulations	<ul style="list-style-type: none"> • Develop Permanent Sign Code. • Develop Permanent Landscape Regulations. • Develop lease standards or guidelines for arcades over sidewalks. • Study and, as appropriate, establish criteria and standards for murals. • Review and update parks/open space and other density bonus provisions as part of City work programs for zoning and subdivision regulation updates in 2003. These revisions should be prioritized. • Study and, as appropriate, develop a process to notify property owners of the 12-month abandonment clause for existing legal or nonconforming uses, when such uses cease.
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Thresholds for Applying Regulations	<ul style="list-style-type: none"> • Apply regulations for design and development to new buildings, enlarged buildings, exterior remodels, parking reconfigurations, and in some cases change of use. Recognize need for ongoing maintenance activities. • Implement Proportional Compliance Criteria to allow for improvements to existing buildings/sites without triggering full compliance, but with some incremental change towards new requirements. Recognize need for ongoing maintenance activities. • Consider programs, such as low interest loans, or other mechanisms to assist with compliance.
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Permit Fast Track	<ul style="list-style-type: none"> • Provide a Master Plan Process for multiple phase projects, and waiver of Commercial Site Development Permit if meeting master plan performance standards (environmental and design standards). • Prepare SEPA Checklists on behalf of applicants. • Streamline review process while allowing for appropriate City staff and public review. • Provide clear decision-making criteria to increase understanding and certainty.
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Evaluation	<ul style="list-style-type: none"> • Establish a Downtown Implementation Task Force representative of businesses, property owners, citizens, and Planning Commissioners, or other appropriate representatives advise the City regarding the Downtown Plan implementation strategies. • Develop evaluation criteria and periodically review the effectiveness of the overall Downtown Plan. • Conduct a periodic evaluation of Downtown Zoning and Design Standards regarding intent, outcomes, and ease of administration for City and applicants. Involve participating development applicants, and prospective applicants, as appropriate.
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KENMORE COMPREHENSIVE PLAN ECONOMIC DEVELOPMENT ELEMENT SUMMARY

INTRODUCTION

The purpose of the Comprehensive Plan's Economic Development Element is to establish economic development policies for the City of Kenmore as the community's economic base changes over time in response to market forces and proactive investment in the community's vision.

FUTURE TRENDS

The Downtown area will capture a large share of City-wide development based on several key characteristics, including its central location on major highways/arterials and on Lake Washington and the Sammamish River, as well as existing development which ranges from low intensity industrial development to moderate intensity commercial development.

SUMMARY OF GOALS, OBJECTIVES, AND POLICIES

- **Goal 25. Establish an economic base that provides for the needs of citizens and a range of employment opportunities.**
 - **Objective 25.1. Strengthen the economy in a manner that creates job opportunities for all citizens, protects environmental quality, and utilizes public/private partnerships.** Supportive policies include: classifying adequate commercial land; protecting the environment as a key economic value; supporting disadvantaged individuals in improving their economic future through cooperative planning efforts; maintaining capital facility plans for transportation, surface water, and parks; and fostering public/private partnerships to implement economic development policies, programs, and projects.
 - **Objective 25.2. Create a climate that fosters business creation and retention, positively contributing to the City's quality of life.** Supportive policies include: supporting the expansion of the local and regional economic base; recruiting and marketing business opportunities; using zoning and infrastructure investment to stimulate business revitalization and creation; allowing industrial developments to continue and invest in their businesses until market forces lead to commercial or mixed-use redevelopment opportunities; allowing home occupations in residential zones; and encouraging adequate child care and adult care facilities.
 - **Objective 25.3. Encourage the retention and provision of commercial services that support residents and local businesses.** Supportive policies include: supporting private reinvestment in local-serving shopping centers and businesses through business improvement districts, loan or grant matching, or other methods; reinforcing private investment through maintenance and improvement of city streets, sidewalks, water facilities, and parks; and encouraging mixed-use areas where small-scale commercial development can occur.





- **Objective 25.4. Improve the visual appearance of new and existing commercial development in terms of design, signage, landscaping, and maintenance.** Supportive policies include: improving the visual appearance of Downtown, SR-522, and other commercial districts through public and private measures; improving the appearance of parking areas with landscaping and maintenance; and implementing sign standards that create a distinct image and which orient to pedestrians as well as drivers.
- **Objective 25.5. Identify and support Kenmore's Downtown as a focal point for commercial and economic revitalization and growth.** Supportive policies include: promoting a diversity of uses within Downtown that provide employment, civic, cultural, recreational, residential, and commercial activities; using zoning and infrastructure incentives to achieve redevelopment and infill in the Downtown, and creating zoning districts, regulations, incentives, and strategic investment that results in an inviting, vital, self-supporting central core.
- **Objective 25.6. Support regional economic development strategies consistent with the Kenmore vision.** Supportive policies include: establishing regional economic diversification and development goals, strategies, and actions through coordination with other jurisdictions, labor, education, environment, and business interests; and cooperating with other counties, cities, governmental agencies, and the private sector to monitor and plan for land capacity for commercial, institutional, resource, critical area, open space, and residential uses for 6- and 20-year time periods.

IMPLEMENTATION STRATEGIES

The strategies described in the Element would require commitments of City resources to undertake the following:

- Create new programs, rules, or regulations to address:
 - Incentives to stimulate business revitalization, retention, and creation
 - Creation of one or more Downtown zones
- Review existing programs, rules, and regulations to ensure they meet the policies, including:
 - Removal of the Industrial Zone
 - Review of home occupation standards
 - Review of design, landscape, and signage standards
- Coordinate with adjacent jurisdictions or participate in regional programs, including:
 - Cooperative efforts with other agencies to support economic development activities for the disadvantaged
 - Coordination with economic development groups, such as the Northshore Chamber of Commerce, or others
 - Cooperation on a regional basis towards economy diversification and land capacity monitoring





MEMORANDUM

DATE: July 9, 2007
TO: Steve Anderson
FROM: Michael Hodgins and Paul Zitarelli
RE: Operating and Capital Fiscal Impacts of Kenmore Catalyst Project

This memorandum provides results of a fiscal analysis to support the City of Kenmore's evaluation of proposed development on the downtown catalyst property and to estimate net revenues available for other City investments. This catalyst development is expected to catalyze growth and lead to future development. The fiscal model used for this project is flexible, and can estimate the fiscal impacts from any number of different scenarios. This analysis, however, focuses only on the development of baseline scenarios for the catalyst project.

FRAMEWORK FOR DISCUSSING RESULTS

This analysis looks at ranges of likely outcomes, acknowledging the uncertainty inherent in certain development assumptions. There are three main determinants of fiscal impact from development:

1. Scale of Development
2. Quality of Development
3. Magnitude of City Costs and Investments

This analysis will focus on varying each of these three axes in order to present a range of possible outcomes.

Scale of Development: Three Development Alternatives. This analysis will examine the three development alternatives that have been submitted for SEPA review.

Quality of Development. While the baseline assumptions around development quality (AV/unit and sq ft; retail sales/sq ft) are based on reliable data from the King County Assessor and the state Department of Revenue, it is impossible to predict future development quality with complete certainty. To address potential variability in the quality of development, we will consider a range of development quality for each of the three development alternatives.





Magnitude of City Costs and Investments. The City of Kenmore has choices around a number of different cost, investment, and fee policies. This analysis will look at the incremental impact of several of those policies on the range of fiscal impacts associated with each development scale-and-quality scenario.

ANALYTIC FRAMEWORK

A municipal fiscal model was used for this project to estimate revenues and expenses for the catalyst project area. In this model, factors in the land base (such as population, employment, and commercial activity) drive both demand for services and the tax base. Depending on a jurisdiction's scope of services and choices regarding level of service, demand for services leads to costs, and depending on a jurisdiction's choices regarding fiscal and taxing policy (limited by tax laws), its tax base will lead to tax and fee revenues. Exhibit 1 below is a schematic representation of the model.

Proper Calculation of Future Property Tax Revenues

For the most part, this analysis focuses only on the fiscal performance of Kenmore's catalyst project area and does not consider the future fiscal outlook for the remainder of the City of Kenmore. However, due to the nature of the calculation of property tax rates, it is necessary to project assessed values (AV) citywide.

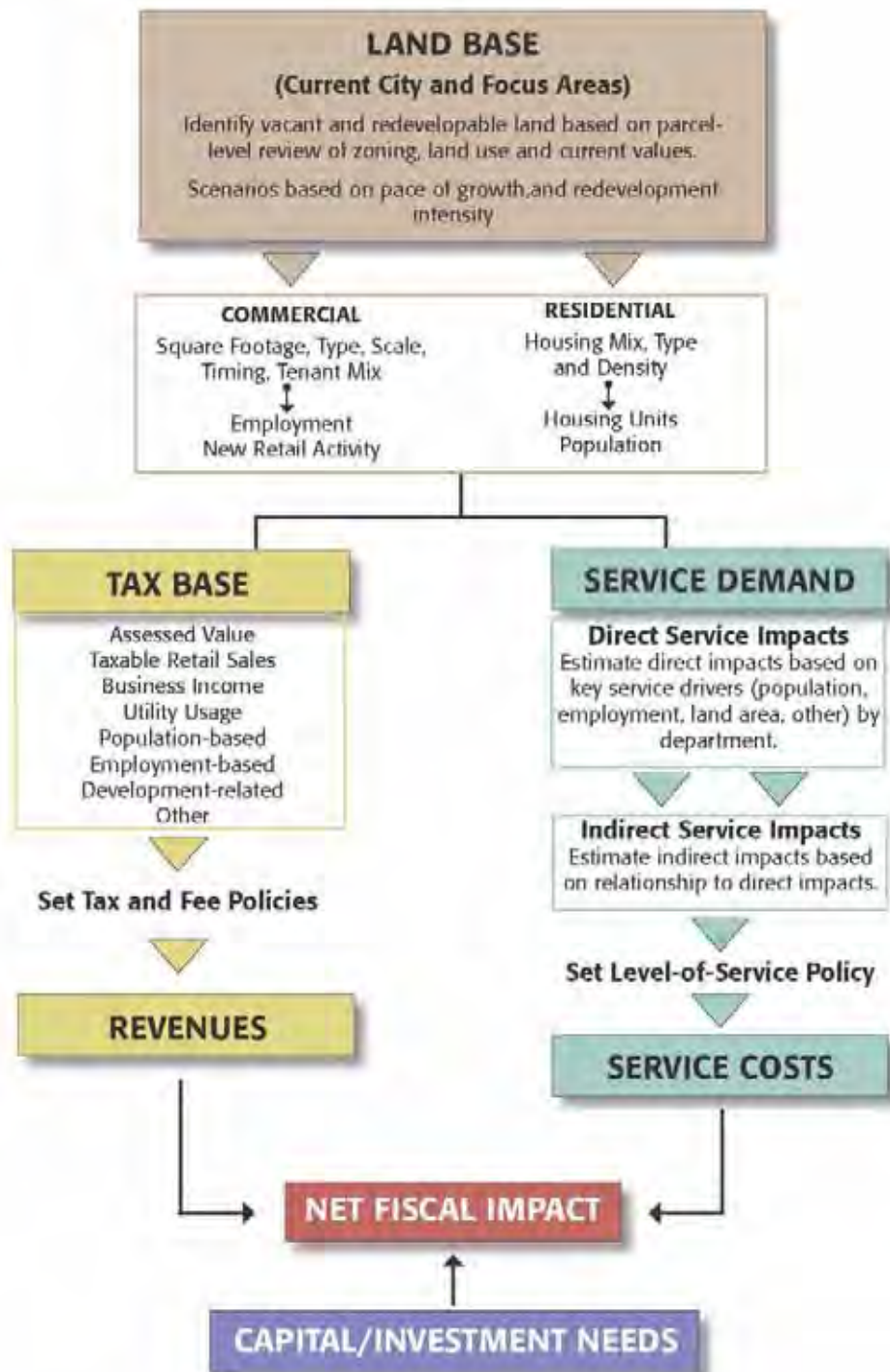
Initiative 747 limits cities in Washington to a maximum property tax levy increase of 1% over the previous year's levy (plus additional levy revenues from new construction), unless a larger increase is allowed through a public vote. Because the assessed value of most property increases at a rate greater than 1% per year, the result of I-747 is a lessening over time of the property tax yield of any individual piece of property, and a gradual lowering of the tax (or millage) rate.

The catalyst project area will be taxed at the city's millage rate, so it is necessary to project how the millage rate might change in the future in order to reasonably predict property tax revenues generated by the area. The future millage rate depends entirely on the future assessed value in the City and Council direction regarding levy increases, and that assessed value is projected by taking the average rate of construction in the City over the past four years and assuming a continuation of that trend through the end of the planning horizon.





Exhibit 1: Long-Term Fiscal Model Schematic



Source: Berk & Associates





STUDY AREA CHARACTERISTICS

The map in Exhibit 2 shows the catalyst property (outlined in red) and the surrounding area:

Exhibit 2: City of Kenmore Catalyst Project Area



Source: Heartland

Current Conditions on the Catalyst Property

Estimates of current population, housing units, commercial square footage, and assessed value in the catalyst project area are based on GIS analysis of King County Assessor’s data extracts. Current retail sales tax estimates in the catalyst project area are based on Berk & Associates’ analysis of the Washington State Department of Revenue’s spatial analysis of taxpayers in the area. The catalyst property currently contains no dwelling units and no population, but it does contain approximately 52,000 sq ft of retail space and 4,000 sq ft of office space. Because the property is all City-owned, it is tax-exempt and therefore currently has no taxable assessed value. It is estimated that the area currently produces approximately \$1.2 million in annual taxable retail sales.





BASELINE DEVELOPMENT SCENARIOS

Basis for Development Assumptions

For each development scenario to follow, units and square footage assumptions are based on the SEPA Alternatives Summary and The Concord Group's Market and Feasibility Study. Assessed value (AV)/unit assumptions for townhomes, condos, and apartments are based on the Concord Group's pricing analysis and average rents (Exhibit III-5), while AV/unit assumptions for affordable housing units are scaled down from the Concord Group's apartment pricing analysis.

Unlike the commercial AV/sq ft figures presented on May 21 (which represented the incremental additional commercial AV/sq ft), these figures represent the full assessed value (including land and improvement values). In the model, these full values are added to the assessed value pool, and the current full values of land and improvements (from the King County Assessor) are subtracted. Therefore, the net assessed value added to the AV pool is the incremental improvement value of the new commercial space.

Because AV includes both land and improvement values and construction taxable retail sales (TRS) should include only improvement values, discount factors are used to translate AV into construction TRS. For residential, this discount factor is 65% of AV; for commercial, the factor is 75%.

Operating TRS/sq ft assumptions for restaurant and general retail are based on the 2006 Dollars & Cents of Shopping Centers, and reflect a discount from the Western Median (\$386 restaurant, \$289 general retail). The discount reflects the assumption that some of the retail spending currently taking place in Kenmore will be redistributed to these new retail centers. Washington Department of Revenue (DOR) data, however, shows that Kenmore is currently underserved in retail and restaurant categories, so this redistribution effect might be minimal, in which case the assumptions for TRS/sq ft would be conservative.

Operating TRS assumptions for grocery stores are set to \$120/sq ft, a fraction of the gross sales at grocery stores, which are usually closer to the \$400-\$800 range (only a small portion of these gross sales are taxable). This \$120 estimate is somewhat lower than the production of the current Safeway in Kenmore, based on an assumption that there will be some redistribution of grocery shopping. DOR data shows that Kenmore's current grocery market is roughly in line with its population base. However, there are two factors that could minimize the redistribution effect: 1) Kenmore has a large pass-through market and could attract more grocery shoppers from outside its city limits; and 2) the more complementary the new grocery store is to the current offerings in Kenmore, the smaller the redistribution effect will be.

Lower Site construction is assumed to take place in 2009 and 2010, with marketing in 2011, while Upper Site construction is assumed to take place from 2010 through 2012, with marketing in 2013.

Range of Development Production

For each of the three development scenarios to follow, we will present fiscal impacts as a range of likely outcomes. This range is related to the production of development, which is impacted by the quality of the tenant mix, as well as the market for residential and retail space at the time the development is completed. Exhibit 3 below presents the development characteristics for the base





development quality scenario. The fiscal impact ranges to follow will vary from a more pessimistic development-quality assumption (10% discount off the AV and construction TRS figures in Exhibit 3; 15% discount off the operating TRS) to a more optimistic development-quality assumption (10% increase over the AV and construction TRS figures in Exhibit 3; 15% increase over the operating TRS). More of a range is assumed in the operating TRS figures because these figures vary more widely and are somewhat more difficult to predict.

Exhibit 3: Base Development Production

Residential	AV/Unit	Constr. TRS/Unit	
Affordable	\$0	\$65,000	
Townhomes	\$400,000	\$260,000	
Apartments	\$170,000	\$110,500	
Condos	\$325,000	\$211,250	

Commercial	AV/Sq Ft	Constr. TRS/Sq Ft	Operating TRS/Sq Ft
Grocery	\$140	\$105	\$120
Restaurant	\$160	\$120	\$300
General Retail	\$160	\$120	\$225

Source: Berk & Associates

Some key assumptions for the three baseline development scenarios are:

- Property tax levies are assumed to increase only by the amount of new construction (the 1% levy increases allowed by law are not included in these baseline scenarios).
- All affordable housing units are assumed to be exempt from property tax payments.
- Transportation and park impact fees are waived for the first 50 affordable housing units.
- No multi-family units are assumed to be included in the multi-family property tax abatement.
- Transportation impact fees are not bifurcated.
- Non-fee-covered permit-related staffing costs are assumed to be \$50,000 in 2009, \$100,000 in 2010, \$100,000 in 2011, and \$50,000 in 2012.
- There are no infrastructure improvement costs related to the Catalyst Project.

Land Analysis

The net present value of land acquisition costs, land operating income, and closing revenues (using a cost-of-capital discount rate of 4.5%) was found to be \$1.3 M in 1999 dollars. Escalated to 2007 dollars, the net positive fiscal impact from land purchase-and-sale is \$1.7 M.





Revenues Included

The following operating revenues are measured as part of the baseline analyses:

- **Property Tax.** As noted above, the catalyst project area would be taxed at the city's millage rate, so it is necessary to project the future of that rate out over time in order to reasonably estimate property tax revenues generated by the area. The future millage rate depends on the future assessed value in the City and Council direction on levy increases.

Because current Council direction does not include increasing the City's levy by 1% of the previous year's levy, the amount of new construction is especially important to the City's ability to avoid erosion of its millage rate. A typical measure of the level of new construction activity in a city is the percent of a city's total assessed value that comes from new construction in a given year. The baseline scenario projects the future rate of new construction in the City to be the same as the average rate over the past four years: 2.3%.

- **Sales Tax.** Of the 8.4% sales tax currently collected in the City, a 1% "local" share of the tax accrues to local jurisdictions. The city receives 85% of the 1% local tax and the County receives 15%. This tax is levied not only on businesses in the area, but also on construction activity and some transactions that are related to housing, such as certain online purchases and telecommunications services.
- **Utility Tax.** The City of Kenmore imposes utility taxes on telephones, electricity, and natural gas.
- **Other Taxes and Fees.** Other taxes and fees include: Criminal Justice Tax; Cable TV Franchise Fee; Liquor Board Profits and Excise Tax; Grants and Other Intergovernmental Revenue; and Other Miscellaneous Revenues.

The following capital revenues are measured as part of the baseline analyses:

- **Motor Vehicle Excise Tax (Gas Tax).** The City receives a gas tax distribution that is unrestricted for street purposes.
- **Real Estate Excise Tax (REET).** REET revenues, which are placed in the City's Municipal Capital Reserve Fund, are used by the City to finance capital projects.
- **Transportation and Park Impact Fees.** Impact fees are charges paid by new development to reimburse the City for capital costs of public facilities that are needed to serve new development. These funded public facilities can serve the City of Kenmore at large.





FISCAL IMPACTS OF ALTERNATIVE DEVELOPMENT SCENARIOS

For each of the development scenarios below, the results are presented in terms of a 20-year net present value. Net present value represents the value (in today's dollars) of a stream of future costs and revenues. It is important to note, however, that the fiscal benefits of the catalyst project will not end after 20 years. The revenues generated by the project could continue well beyond 2027. A 20-year net present value is used because long-term public debt is frequently issued in the form of 20-year bonds.

Development Alternative A

This is the most conservative of the three development alternatives, and the characteristics of this development alternative are presented below in Exhibit 4:

Exhibit 4: Development Alternative A

Residential	Units
Affordable	100
Townhomes	57
Apartments	100
Condos	143
Total	400

Commercial	Sq Ft
Grocery	24,000
Restaurant	10,000
General Retail	43,000
Total	77,000

Source: Berk & Associates

The range of fiscal impacts for development Alternative A (20-year net present value at a discount rate of 6%) is:

- **\$8.55 M to \$9.64 M Total**
 - \$4.43 M to \$5.33 M Operations
 - \$2.46 M to \$2.65 M Capital
 - \$1.66 M Land





Development Alternative B

This development alternative sees more residential development than Alternative A and the same amount of commercial development. The characteristics of this development alternative are presented below in Exhibit 5:

Exhibit 5: Development Alternative B

Residential	Units
Affordable	125
Townhomes	57
Apartments	100
Condos	218
Total	500

Commercial	Sq Ft
Grocery	24,000
Restaurant	10,000
General Retail	43,000
Total	77,000

Source: Berk & Associates

The range of fiscal impacts for development Alternative B (20-year net present value at a discount rate of 6%) is:

- **\$9.80 M to \$11.04 M Total**
 - \$5.25 M to \$6.25 M Operations
 - \$2.89 M to \$3.13 M Capital
 - \$1.66 M Land





Development Alternative C

This development alternative sees the same residential development as Alternative A but more commercial development. The characteristics of this development alternative are presented below in Exhibit 6:

Exhibit 6: Development Alternative C

Residential	Units
Affordable	100
Townhomes	57
Apartments	100
Condos	143
Total	400

Commercial	Sq Ft
Grocery	46,000
Restaurant	10,000
General Retail	45,250
Total	101,250

Source: Berk & Associates

The range of fiscal impacts for development Alternative C (20-year net present value at a discount rate of 6%) is:

- **\$9.21 M to \$10.43 M Total**
 - \$4.86 M to \$5.89 M Operations
 - \$2.68 M to \$2.87 M Capital
 - \$1.66 M Land





Baseline Development Alternative Results

As Exhibit 7 shows, Development Alternative B yields the greatest net fiscal impacts of the three alternatives. Because Alternatives B and C involve greater scales of development than Alternative A, it is not surprising that they yield greater fiscal impacts. It may seem surprising that Alternative B (greater residential development) yields a larger fiscal impact than Alternative C (greater retail impact). However, because there are no incremental service costs related to the additional population from Alternative B's development, the increased property taxes, sales taxes on construction and operations, and other population-driven taxes and fees from Alternative B outweigh the additional taxes and fees from Alternative C.

Exhibit 7: Net Fiscal Impacts of Development Alternatives (Millions of 2007 \$)

Development Alternatives	Operations			Capital			Land All	Total		
	Low	Base	High	Low	Base	High		Low	Base	High
A	4.43	4.88	5.33	2.46	2.55	2.65	1.66	8.55	9.10	9.64
B	5.25	5.75	6.25	2.89	3.01	3.13	1.66	9.80	10.42	11.04
C	4.86	5.38	5.89	2.68	2.78	2.87	1.66	9.21	9.82	10.43

Source: Berk & Associates

INCREMENTAL IMPACTS OF POLICIES STILL UNDER CONSIDERATION

The following section examines a number of policies still under consideration by the City of Kenmore, and the incremental impact of each policy on the three development alternatives. Exhibit 8 below is a summary of the fiscal impacts of these policies.

Multi-Family Property Tax Abatement

The impact of the multi-family property tax abatement, which would exempt property tax payments for 12 years (per ESHB 1910 in the 2007 Legislative Session), is measured when the abatement is applied to all non-affordable multi-family units (300 units in Alternatives A and C; 375 in Alternative B). The affordable multi-family units are already assumed to be exempt from property taxes.

- Alternative A (Base Development Quality): **Loss of \$820,000**
- Alternative B (Base Development Quality): **Loss of \$900,000**
- Alternative C (Base Development Quality): **Loss of \$820,000**





Affordable Unit Impact Fee Waivers

In the base development alternatives, it is assumed that the first 50 affordable units receive transportation and park impact fee waivers. The following are the incremental impacts associated with extending those impact fee waivers to the remaining affordable units (another 50 units for Alternatives A and C; another 75 for Alternative B):

- Alternative A (Base Development Quality): **Loss of \$140,000**
- Alternative B (Base Development Quality): **Loss of \$210,000**
- Alternative C (Base Development Quality): **Loss of \$140,000**

Bifurcation of Transportation Impact Fees

In the base development alternatives, it is assumed that the first transportation impact fees are paid in the year prior to the start of construction. The following are the incremental impacts associated with delaying collection of 75% of transportation impact fees until developments are occupied:

- Alternative A (Base Development Quality): **Loss of \$7,000**
- Alternative B (Base Development Quality): **Loss of \$8,000**
- Alternative C (Base Development Quality): **Loss of \$9,000**

Exhibit 8: Net Fiscal Impacts of Policies Under Consideration (Millions of 2007 \$)

Development Alternatives	Baseline Scenario			Tax Abatement			Total		
	Low	Base	High	Low	Base	High	Low	Base	High
A	8.55	9.10	9.64	-0.74	-0.82	-0.90	7.82	8.28	8.74
B	9.80	10.42	11.04	-0.81	-0.90	-0.99	8.99	9.52	10.05
C	9.21	9.82	10.43	-0.74	-0.82	-0.90	8.47	9.00	9.53

Development Alternatives	Baseline Scenario			Impact Fee Waiver			Total		
	Low	Base	High	Low	Base	High	Low	Base	High
A	8.55	9.10	9.64	-0.14	-0.14	-0.14	8.42	8.96	9.51
B	9.80	10.42	11.04	-0.21	-0.21	-0.21	9.60	10.21	10.83
C	9.21	9.82	10.43	-0.14	-0.14	-0.14	9.07	9.68	10.29

Development Alternatives	Baseline Scenario			Impact Fee Bifurcation			Total		
	Low	Base	High	Low	Base	High	Low	Base	High
A	8.55	9.10	9.64	-0.07	-0.07	-0.07	8.48	9.02	9.57
B	9.80	10.42	11.04	-0.08	-0.08	-0.08	9.73	10.34	10.96
C	9.21	9.82	10.43	-0.09	-0.09	-0.09	9.12	9.73	10.34

Source: Berk & Associates

