

*Financial Analysis*

*For*

*Redevelopment of Northeast Burien Special Plan  
Area*

*May 2002*

Prepared for the  
*City of Burien*

*Economic  
Consulting  
Services*



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*Financial Analysis*  
*For*  
*Redevelopment*  
*Of the*  
*Northeast Burien Special Plan Area*

*May 2002*

Prepared

For the

*City of Burien, WA*

By

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For  
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In the  
Northeast Burien Special Plan Area*

*May 2002*

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*Financial Analysis  
for  
Redevelopment  
In the  
Northeast Special Plan Area  
City of Burien*

(May 15, 2002)

*Summary*

*Reader's note:* At the time that this report was finished, the City of Burien had not chosen among the three alternative future patterns being considered for land use in the Northeast Burien Special Planning Area. Part B of this report examines the economic and fiscal impacts of these three alternative patterns, the current pattern, and two future development patterns for this area: one alternative is for 162 acres, the other for 110 acres. Part A analyzes five scenarios for potential redevelopment actions by the City of Burien and/or the Port of Seattle. The five scenarios that are discussed in this Summary and in Part A ~~assumes that all 162 acres of the Northeast Burien Special Planning Area are redeveloped~~, even though that decision has not been made at this time. The two parts of this financial analysis were undertaken to examine the implications of future implementation actions: the DSEIS alternative land use patterns (Part B); and the implications of different land acquisition and redevelopment action scenarios (Part A). This Summary is an overview and synthesis of both parts.

Because this financial analysis deals with future events and actions, it is very important to monitor the economic and financial assumptions used. This document was provided to assist the City of Burien as a resource for the policy decisions it will be making. It will be very important to monitor and update the assumptions as time passes and the economy evolves.

**I. Purpose**

Redevelopment of the Northeast Special Plan Area (NESPA) in the City of Burien provides a rare opportunity for the City, the Port of Seattle and the region. Getting 162 acres of land for new economic development on the freeway system, near a major transportation complex and in the economic center of Western Washington is significant. Redevelopment would require a great commitment of funds, but the economic returns to the community and the annual fiscal return to the City are substantial. In order to obtain these returns from redevelopment, a significant amount of time, funding and organizational effort need to be expended. There are two general policy approaches:

- If the general policy for the City is to re-designate the area for non-residential uses, then to let the private market factors accomplish this through the typical real estate redevelopment process; it will take a long time, but will not require large amounts of funds from the Port or the City. The returns will be a longer time coming.

The essence of the vision for this area in the future in the Comprehensive Plan for Burien is to create the capacity to hold economic activity, which would generate employment as envisioned in projections of the future for Burien and the region. This economic activity would be located near the transportation facilities, residential areas and within areas that already have needed infrastructure. These attributes are all consistent with the State's Growth Management Act (GMA) and local and regional policies to implement it. In addition the economic and fiscal returns to the City will help diversify the local economy and provide a stream of tax revenue to support future services and facilities.

## **II. Context: Policy Issues**

The catalyst for redevelopment is the potential significant noise and other impacts on a section of Burien. These impacts will occur from the expansion of a regionally significant transportation facility, a third runway for SeaTac International. The Northeast Burien Special Planning Area is primarily a residential section of the City of Burien that is now marginally impacted by air traffic. It will be dramatically impacted with the third runway. The definition of "blight" used in state law to allow public action for land acquisition and redevelopment activities focuses on correcting conditions that impact the health, safety and common welfare of the citizens in an area. Airport operations and safety factors will dictate that (re)development will be restricted in this area. The current land uses are primarily residential; uses allowed in the approach areas include office, business park and warehouse/distribution. It is likely the Port of Seattle will purchase land in the approach areas for the third runway. The disposition and use of those lands is crucial for generating new economic activity.

From the perspective of the City of Burien, this could be either:

- a simple process of changing the Comprehensive Plan to allow new economic uses, designating appropriate zoning and administering the development regulatory process and then waiting for others to carry out the development; or
- the City could become actively involved in the redevelopment process.

The former approach is fraught with the risk that the anticipated positive returns to the community and the city would not be realized. It also minimizes the control the City of Burien would have. There is a significant risk that it could lose the tax revenue it now receives from this area. The latter approach, active involvement, will be costly to the City in financial resources and organizational effort to implement redevelopment. Alternatively, the City could be indirectly involved through negotiations and participation with other public and private decision makers. This approach would assure that an economic development scenario that produces the rewards occurs. The uses on some of the lands within the NESPA are defined by FAA regulations. The restriction of uses by these regulations will also impact the financial implications from redevelopment. These restrictions are described and illustrated in the environmental impact statement for the Comprehensive Plan changes for the NESPA. Figure 1 describes the 162-acre planning area with the sub-areas and their land use designations, as well as the FAA regulated

areas. The FAA regulated areas include a very restrictive *Runway Protection Zone* (RPZ) and an *Approach Transition Zone* (ATZ). The remainder is designated for the purpose of this report as a "non-airport related" area, i.e., area to the west and north of the ATZ and RPZ in the planning area. The RPZ, the most restricted area is small (7.0 or less acres).

This type of dilemma was envisioned in a study commissioned by the Puget Sound Regional Council (PSRC). The study was undertaken to consider the implications to local jurisdictions from the impacts of regionally significant transportation facilities. These facilities have the general impact of adversely effecting areas around them. The focus of the PSRC study was to test the feasibility of a city or county undertaking the redevelopment of areas impacted by the new or expanded major transportation facility. The focus of the study was to consider the potential recapture of the costs to redevelop these impacted areas and to evaluate financial tools that could be used to assist these communities.

Molyneaux Associates, Inc. carried out the PSRC commissioned study, "Property Acquisition Financial Feasibility Study," in July 1997. The study concluded that the local jurisdiction would have to receive substantial financial assistance for land conversion and redevelopment because the financial recapture for the costs of land acquisition/assembly, demolition, clearing and grading far exceeded the potential resale of the land. One of the examples used in the study report was a 70-acre area adjacent to the southwest corner of SeaTac International Airport.

This area faces a similar opportunity/dilemma, as is the case for NESPA. The study considered how the area would be converted from primarily single-family residential development into warehouse/distribution and/or business parks. The recapture from land resale after the local jurisdiction's land acquisition and redevelopment actions covered only one third of the investment of public funds. The study considered, but did not estimate the economic and fiscal returns to the jurisdiction from the eventual new economic activity. The FAA restrictions on potential development present in NESPA were apparently not a factor in the SeaTac area example.

The two parts to the report that follow consider both the initial financial participation by the city in redevelopment and the downstream economic and fiscal returns to the city and the community from new economic activity. A very important aspect of this report that was not considered by the PSRC/Molyneaux study was the potential implications of certain choices by the Port of Seattle. If the port (or another public agency) acquired the lands impacted by airport runway operations and left them "fallow", i.e., the land was *not* redeveloped or was used only for public purposes that support the airport's operations, not new economic activity, the City (and region) would not be able to obtain the economic and fiscal benefits from redevelopment. Once property is purchased by public agencies, property taxes that fund local services are not collected. If the land is used for private

**Table A**

**Summary of Financial Implications**

Dimension	Scenario 1	Scenario 2a	Scenario 2b	Scenario 3a	Scenario 3b <sup>4</sup>
<b>City Buys</b>	162 ac	75ac.	75ac.	0	0
<b>Port Buys &amp; Redevelops</b>	0	0	80.1ac.	0	155.1ac.
<b>Port Buys &amp; holds.</b>	0	87.0ac.	6.9	1621ac.	6.9ac.
<b>Planning &amp; Regulatory Costs per year for 2 years**</b>	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
<b>Total Land Acquisition Costs</b>	\$73,024,000	\$33,637,000	\$33,637,000	0	0
<b>Infrastructure: Plan &amp; Design Costs</b>	?	?	?	?	?
<b>Infrastructure: Construction Costs</b>	?	?	?	?	?
<b>Land Re-sale:</b>	\$57,038,391	\$31,763,190	\$31,763,190	0	0
• R-O-W	\$1,978,170	\$ 901,813	\$ 901,813	0	0
• Sites	\$55,060,221	\$ 30,861,377	\$ 30,861,377	0	0
<b>Present Value* of Land Re-sales</b>	\$44,891,072	\$24,887,290	\$24,887,290		
<b>Percent Recapture</b>	78% (P.V.= 61%)	94% (P.V.=74%)	94% (P.V.=74%)		
<b>Annual Net Fiscal Return to City</b>	\$816,649	\$387,989	\$779,621	0	\$779,621
<b>Present Value* of Annual Net Fiscal Return:</b>					
• 15 years	\$8,900,366	\$ 4,228,548	\$ 8,496,809	0	\$ 8,496,809
• 30 Years	\$13,181,594	\$6,262,551	\$12,583,919	0	\$12,583,919
<b>One Time During Construction Returns</b>	\$3,126,516	\$1,467,950	\$2,986,060	0	\$2,986,060
<b>Economic Activity in Community</b>					
Employment	2,556	1,465	2,421	0	2,421
Private Investment	\$187,355,916	\$ 89,960,112	\$178,744,104	0	\$178,744,104
Gross Business Income	\$448,191,826	\$213,996,364	\$427,870,748	0	\$427,870,748
Utility payments	\$5,272,938	\$2,672,842	\$5,019,854	0	\$5,019,854
Land Value Increase	\$47,341,008	\$27,301,230	\$44,814,528	0	\$44,814,528

Notes: \*The present value of the future stream of revenues to the City from economic activity in the redeveloped area was calculated. Dollars of revenue in the future are not worth as much as current dollars. The costs to acquire the redeveloped areas occur in the present. This expense must be compared on a comparable basis, the present value, to the returns in the future. The land resale revenue could occur five years in the future, the net annual fiscal/revenue returns will occur over the period when the economic activity is actually operating in the new development in NESPA. The calculation of these future values allows a comparison to the current expenditures of City funds. The calculation is made by discounting the future values back to the present by use of a discount rate 5%, which is roughly the costs for City borrowing. \*\*These annual costs could continue for project management, if the City chooses an aggressive redevelopment policy.

The financial implications for the City of Burien include:

- the city could buy all part or none of the NESPA depending on policy decisions with respect to aggressiveness of economic development and control,
- the City would have some planning and regulatory costs to manage this process of assembling land, we have used \$100,000 per year, but it could more; it may also be necessary for the City to continue this level annual staff expenditure for project management if the City decides to pursue an aggressive redevelopment policy.
- the City could buy the entire area, except for the existing rights-of-way and the cost would be \$ 73,024,000 for the entire area or \$ 33,837,000 for the areas not impacted by FAA regulations,
- if the city could resell the land that it has acquired and assembled and now as is rezoned at a higher value with commercial/industrial entitlements instead of residential uses, the land resale return would be \$57, 038,391, including \$1,978,170 from the right-of-way sales. The present value of this resale amount for comparison to the land acquisition costs would be \$ 44,691,072,
- the annual net fiscal return to the City from the taxes on the newly redeveloped area, less estimated costs to provide public services, is \$816,649 to \$387, 989 per year once the redeveloped lands are fully occupied and businesses operational. If the entire area is left "fallow" there would be no tax revenues to the City and probably some costs at least for police patrol,
- there are some returns to the City during the construction phase from retail sales tax on construction contracts for buildings in the NESPA, partial property tax collections, and permit fees for a one-time total of \$3,126, 516,
- there are significant economic returns to the community: employment of 2,556 persons, \$187,355,916 in private investment, land value increments of \$47,341,008, retail sales of \$21,117, 888 and business incomes at \$448,191,826.
- other local jurisdictions receive annual tax revenues of \$2,932,180, including the city's share and at 2002 rates,
- in addition there are substantial non-quantifiable returns to the city of Burien: the local economy is diversified, the City becomes a significant part of the commercial/industrial real estate market in the South end of King County and northern Pierce County, and there are induced and/indirect economic impacts through the multiplier process, though most probably these effects will be spread beyond the City of Burien, and
- the City could excise some control over its own economic activity and budgets, and ameliorate some of the negative risk of the Port of Seattle buying these lands and not using them for economic purposes.

Figure A graphically illustrates the general pattern of the timing and magnitude of the financial implications for the City of Burien from redevelopment of the area. The pattern is large expenditures of cost at the beginning, partially repaid initially by the proceeds from the resale of land, and then followed by the annual stream of net fiscal returns to the City

**Part A:**

**Financial Implication for Redevelopment**

**I. Overview**

Part A of this report analyzes the financial implications to the City of Burien from redevelopment of the NESPA. It follows the general format and uses updated estimates similar to those in the PSRC/Molyneax study. This part compares the land acquisition and resale proceeds to the City with the stream of fiscal returns that would accrue when the land is occupied and economic uses are operational.

The following sections of this report consider the financial implications for the City of Burien by taking different roles in the redevelopment process. There are policy and implementation choices to be made by the City of Burien and others (Port of Seattle and private sector). The financial implications to the City depend on these choices, not all of which are controlled by the city. This report examines the following topics:

- the redevelopment process and its general stages,
- estimates the financial implications to the City in each stage,
- other issues that indirectly influence the financial implications to the City, and
- identifies where more detailed estimates or information may be needed.

At the time of this report, the City had not yet made a decision on whether or not to change the Comprehensive Plan, including which of the proposed alternatives it would select from among those considered in the DSEIS. The calculations and estimates in this Part A of the report assume that the City decides to revise the Comprehensive Plan and to adopt "Alternative 1" described in the DSEIS. This alternative envisions redevelopment of 162 acres of land in the NESPA from primarily residential uses to commercial and light industrial uses.

Part B of this report provides detailed estimates of the economic and fiscal returns (impacts) to the City and other jurisdictions once the redevelopment occurs. The economic

not substantially different from other office, business park, and industrial areas of South King County. A difference may be the landscaping and buffering requirements noted in the proposed revisions to the City's plans/regulations. A description of the anticipated uses can be found in the DSEIS and appendix.

While there are many steps and ways of characterizing the redevelopment process, Table A-1 indicates ten steps. The purpose of the table is to indicate that there are a variety of ways that the City could take a role, as there could be a variety of roles for the Port of Seattle and private property owners (or developers). There are some roles (planning, zoning and development regulation) that the City assumes exclusively. The other roles can be accomplished in partnership with others and the City's role and level of participation would be negotiated. The more of these tasks the City is involved with the more control it has, though it will probably also be more financially involved. The more of these tasks the City takes on alone or in concert with other local jurisdictions the more aggressive and proactive its economic development policy for the redevelopment of the NESPA.

To illustrate the financial implications of the City's participation in the redevelopment process, three stages of redevelopment are considered. The stages include the following and are illustrated elsewhere by estimates of the financial costs and implications for the City. Other issues are considered in a subsequent section.

#### Land Conversion Stage

The thrust of this stage is to change the regulatory and planning environment for redevelopment and to provide an action plan or road map for redevelopment. Some of this has been accomplished, or will be shortly by the City. The City is considering the kinds of uses that will be appropriate with the impact of airport operations. The Comp Plan changes, zoning, and development policies are being considered for change. These changes will effect the "entitlements" that go with the land for current and future property owners in the area. "Entitlements" are the rights to develop land as detailed by city zoning, regulation and permitting processes. These new "entitlements" would add more economic value for the land from the new land uses.

In typical situations much public activity slows (or stops) at this point and the forces of the private real estate market are used to implement the new uses in the area. Often this takes a long time unless the property owners initiate the changes in response to strong market pressures. Should the City decide to become more active in the redevelopment process, it would continue to other steps illustrated in Table A-1 beyond the first two steps and proceed to take or negotiate roles in the acquisition of land and/or subsequent steps.

The public need to purchase large areas for airport operation and safety considerations as well as reduction of impacts on residents makes this situation appropriate for direct public intervention into the (re) development process. The role of who will initiate and shepherd the redevelopment of the NESPA is being negotiated between the Port of Seattle and the City of Burien.

Table A-2

Acquisition Costs Estimates  
(\$000's)

	Assumption	1	2a	2b	3a	3b
Assessed Value does not include right-of ways	Does not include RPZ areas	\$45,772	\$21,021	\$21,021	0	0
Assessed value Adjusted to market and sales values	Assessed value increased by 15% to market Value and 15% to Sales value	59,504	27,328	27,328	0	0
Relocation Costs	20 % of Sales Value	11,901	5,466	5,466	0	0
Demolition and Grading/clearing Costs	\$10,000/acre	\$ 1,620	\$ 744	\$ 744	0	0
Total Estimated Acquisition Costs		\$73,024	\$33,537	\$33,537	0	0
Off-site Infrastructure Construction Costs		?	?	?	?	?
On-site infrastructure Costs		?	?	?	?	?
Resale Returns without infrastructure or value of r-o-w						
Land Use "A"	Office land = \$15/sq.ft	\$ 19,602.0	\$18,099.2	\$18,099.2	0	0
Land Use "B"	Business Park = \$10/sq.ft.	\$34,978.7	\$16,291.4	\$16,291.4	0	0
Land Use "C"	Warehouse/Distribution \$5/sq.ft.	\$ 6,817.1	\$ 0	\$ 0	0	0
Less Sale Commission @ 10%		-\$6,337.6	-\$3,529.2	-\$3,529.2		
Total	Includes all adjustments and r-o-w	\$57,038.4	\$31,763.2	\$31,763.2		
Right-of Way Sale proceeds	Sale at Current Assessed Value of land	\$1,978.2	\$ 901.8	\$ 901.8	?	?
Percent of Acquisition Costs Recaptured		78%	94%	94%		
P.V. of Resale \$'s & % recapture	Assumed in five years	\$44,891.1 (61%)	\$24, 887.3 (74%)	\$24,887.3 (74%)		

- without federal funds to help purchase property, then return equal to cost

revenue to the City of Burien and other local jurisdictions as well as the state, primarily from the loss property tax. Public services costs may or may not be reduced. These tax revenue losses are estimated to be \$2,932,180 per year in 2002 tax rates for DSEIS Alternative 1 in 2002. For detailed assumptions see second part of this report. Scenarios were calculated for the eventuality of the land being left "fallow".

- That lands would be brought to a point where they could be marketed to potential private sector developers, but without appropriate construction of infrastructure to serve economic uses. This is another area where negotiations between the City of Burien and potential land buyers/developers could occur. The more aggressive the City's stance with respect to economic development the more of this task i.e., planning, design and construction of on- and off-site infrastructure. The City could decide to assist this process through financial involvement prior to the re-sale of the land.

The estimates of the resale values are very sensitive to the assumed land values. The land values here are typical for the types of uses specified but the prices of land vary with location, market pressures, and many other factors associated with location and site characteristics.

**Table A-3**

**Summary of Economic and Fiscal Impacts From Redevelopment**

<b>Impact</b>	<b>Alternative 1</b>	<b>Alternative 2</b>	<b>Alternative 3 Existing Conditions</b>
<b>Employment</b>	<b>2,556</b>	<b>1,572</b>	<b>173**</b>
<b>Annual Net Fiscal Return</b>	<b>\$816,649</b>	<b>\$ 468,087</b>	<b>-\$ 27,820**</b>
<b>Present Value of the Stream of Net Fiscal Returns*</b>	<b>\$8,900,366</b>	<b>\$5,101,512</b>	
<b>One Time during construction</b>	<b>\$3,126,516</b>	<b>\$1,784,289</b>	

Note: \* The present value is that value at the current time of the stream of annual revenue into the future. Assumptions were made that the interest rate for discounting this revenue stream back to the current time is 5%, approximately the City's cost of borrowing funds. The fifteen-year time period was somewhat arbitrary but typical for an investment analysis in real estate. The "net fiscal return" includes annual estimates of tax revenues associated with the new economic activity to the City less the estimated costs of providing public services to the area. \*\*These are estimates of the current employment in the NESPA and the City's current net fiscal returns from the area, taxes do not cover public service costs. Sources: See Part B of this report.

- *Image* – Currently the City of Burien is not a recognized part of the regional South King County real estate market. There are no substantial commercial and industrial lands and space available for businesses in the city. The redevelopment of the NESPA would provide a substantial inventory of land and buildings, 1.7 million square feet, to contain new economic activity.
- *Diversity* – Most communities wish to have a diverse economic base so that when there are cycles and/or patterns of economic activity they are somewhat protected and their tax base is able to grow from several industries. The tax base for Burien is limited to its own area, it is developed/built out and the existing base of property is aging. Currently the tax base rests on residential areas, retail, and especially car dealerships. The redevelopment of the NESPA would diversify the tax base and provide significant additions for the City and other local jurisdictions including the school district.
- *Multiplier Effects*—The economic impacts estimated in this report are somewhat understated. The indirect/induced effects from secondary rounds of economic activity (the so-called multiplier effects) have not been calculated. Much of this effect would be experienced outside of the City, in the rest of the region, State, nation or internationally. No assumption is made that this is new economic activity. It could just as well be current economic activity that moved out of other areas to be close to the airport or for other reasons. What is analyzed here is the extent to which new economic capacity, more space for economic activity, is created within the City of Burien for economic activity. The combined influence of the negative effects of the third runway on the city and its actions to rezone the NESPA, will create this new capacity for regional and/or state economic activity.

These are significant along with the potential annual fiscal returns to the City of Burien that are estimated in Part B of this report.

## II. Other Financial Issues for Redevelopment

The following issues are considered from the perspective of the City and based on assumptions about the actions of other jurisdictions.

### Recovery of Lost Revenues

There are at least four ways that the City of Burien could recoup funds that were invested in the redevelopment process. These include:

is the area the City buys to facilitate redevelopment in conjunction with port purchase of the ATZ and RPZ.

- Policy factors such as: interpretation of the FAA regulations and funding regulations by the regional FAA and/or the Port of Seattle which will reduce eligible uses for land obtained with federal funds; Port policies and priorities with respect to uses in the NESPA; and that other regional and state agencies will not choose to provide assistance to the City of Burien as envisioned in the PSRC's "Vision 2020 Policies" (as updated in 1995). The concept of "fallowness" is an indication of a way that a major player in the redevelopment of the NESPA could short circuit the economic and fiscal potential for the City and other local jurisdictions. There are at least four dispositions of the NESPA if the port purchases it:
  - acquisition-demolition and then no use (it lies "fallow"),
  - acquisition, demolition, clearing, grading then public uses, but not those that result in private revenue generating activities for the Port that are similar to private economic activity (it lies "fallow"),
  - land purchase, demolition, clearing, grading and sale to the private sector for development, and
  - Port purchase and construction of buildings that are leased to private firms.

The two latter options are catalysts for expanded economic development (and fiscal returns to the City of Burien). The two former options result in substantial losses of tax revenues to the City and other jurisdictions. Purchase by a public agency other than the Port would produce similar results. The nature of FAA regulations indicates that the lands designated RPZ probably will not contribute to local economic development except as they allow airport operations to expand, but do not necessarily encourage redevelopment.

There are only three general uses identified as appropriate for the RPZ portion of NESPA: plant nurseries, passive recreation, and construction lay-down areas and under some circumstances park & rides and/or employee parking. The latter two uses could generate local tax revenues through taxation of parking, but minimal economic development/employment impacts. The RPZ amounts to only seven of the 162 acres in the largest version of the NESPA.

The more active the City is, the more control it has. The lower risk it has, the greater the cost.

There are several points of leverage or negotiation the City has to exercise control besides outright purchase and redevelopment of land. These can be used to reduce the risk of the redevelopment of NESPA not resulting in economic and/or fiscal returns to the community and to other local jurisdictions. The points of negotiation or leverage for the City include the following.

'urban renewal') by reducing or eliminating 'blight' and to acquire land, assemble sites, finance improvements, and resell, land according to a plan.

The essence of a public-private partnership is for the public entity to do what it does best and the private sector to do what it does best and what is not a public purpose.

#### Infrastructure Investments

The DSEIS lists the improvements and additions to the infrastructure and utility systems that would be required to ameliorate the impacts envisioned in the two DSEIS redevelopment scenarios. There are no engineering cost estimates for these mitigation conditions. This is a major unknown for this study and could be an important part of the City's negotiation for redevelopment. There are two steps:

- first setting a policy for who shares those costs, and then
- estimating the costs.

These may be more a set of iterative negotiations and less process of linear steps. If a property owner's intention is to let the areas in the NESPA lay "fallow," then this dimension of the redevelopment puzzle is less useful. The Port would not need dramatic new infrastructure if the land were to lie "fallow". This piece of information would require engineering input, at least to get to "order of magnitude" estimates and/or a detailed menu of parts of the mitigation to be shared.

#### Legal Issues

There are two aspects of the legal challenge facing the City of Burien's initiatives for aggressively pursuing redevelopment of the NESPA either to assure the potential economic and fiscal impacts, or to mount a defensive stance to protect against the loss of substantial revenues. The first aspect is the need for good legal advice to structure the City's own response to its will or policy to pursue an aggressive policy. That is, to have a legal "road map." Secondly, it has to secure (from other sources) commitments of funds or be able and willing to utilize its own resources. A common response is to structure a public-private partnership or some sort of inter-local agreement to combine public resources.

Two general routes are available to redevelop areas of a city. The first route is to use the State's urban renewal laws. These laws were recently revised in the 2002 legislative session to allow more access and easier use by cities and counties. They are now called, "community renewal". The principal challenge is to establish conditions of public purpose and/or "blight" then to initiate land acquisition activities. The challenge to use the process of the urban or community renewal, besides the need for funds, is the complexities and rigidity of the laws requirements for following plans for redevelopment. There is a distinction drawn by the legal community between "planner's blight" which is the result of inappropriate mixtures of land use, versus "real blight" which poses threats to the public health, safety, morals, and welfare of city residents. [reference RCW 35.81]

is 30.5% of the 12.84% levied. The City of Burien's current share of the property tax levied is 13.5%, so the leasehold excise in lieu of the property tax results in a larger share on the leased and publicly owned property than the percent of the property tax it would get. Use of the leasehold excise tax in lieu of the property tax results in a slightly more favorable stream of revenue to the City from, Port ownership and leasing of buildings for economic development purposes.

## **VI. Summary: Part A**

Part A of the Financial Analysis focused on the "Financial Implications" of different patterns of the disposition of the land in the NESPA depending on what the City, Port of Seattle and/or others did with the land and different roles that the City might take to accomplish its objectives for the area. The next section, Part B "Economic and Fiscal Impacts," focuses on the returns to the City and others once the redevelopment process has been completed. The returns are economic, those that occur in the local community of Burien; and fiscal, the changes in the flow of revenues and need for public services for the City. The latter examines the three alternative redevelopment patterns that were examined in the Draft Supplemental Environmental Impact Statement for the NESPA.

alternative patterns of real estate, i.e., land use, considered in the DSEIS and sub-area planning process for the Comp Plan. This analysis provides information for decision-makers not always included in an environmental impact statement.

#### Integrated Environmental and Comprehensive Planning Process

The City of Burien is examining and considering potential redevelopment for this area through a combined planning and environmental analysis process. The City is considering three alternative patterns of future land use in the area, including a continuation of the current patterns. The City has circulated a Draft Supplemental Environmental Impact Statement (DSEIS) that summarizes an environmental analysis of alternatives and proposed policies for future development in the Northeast Special Planning Area (NESPA). An advisory committee, the Planning Commission and the Mayor/City Council will be considering, recommending, then deciding on the adoption of plan policies and zoning for the NESPA.

This economic and fiscal impact analysis provides additional information for that consideration and decision-making process. The economic impacts (i.e., changes in employment, private investment, retail sales, income, and other aspects) are those that result from the changes being considered in the City's Comprehensive Plan. The fiscal impact analysis compares potential tax and other City revenues to costs of providing public city services to the area under the current and proposed alternative future land use patterns.

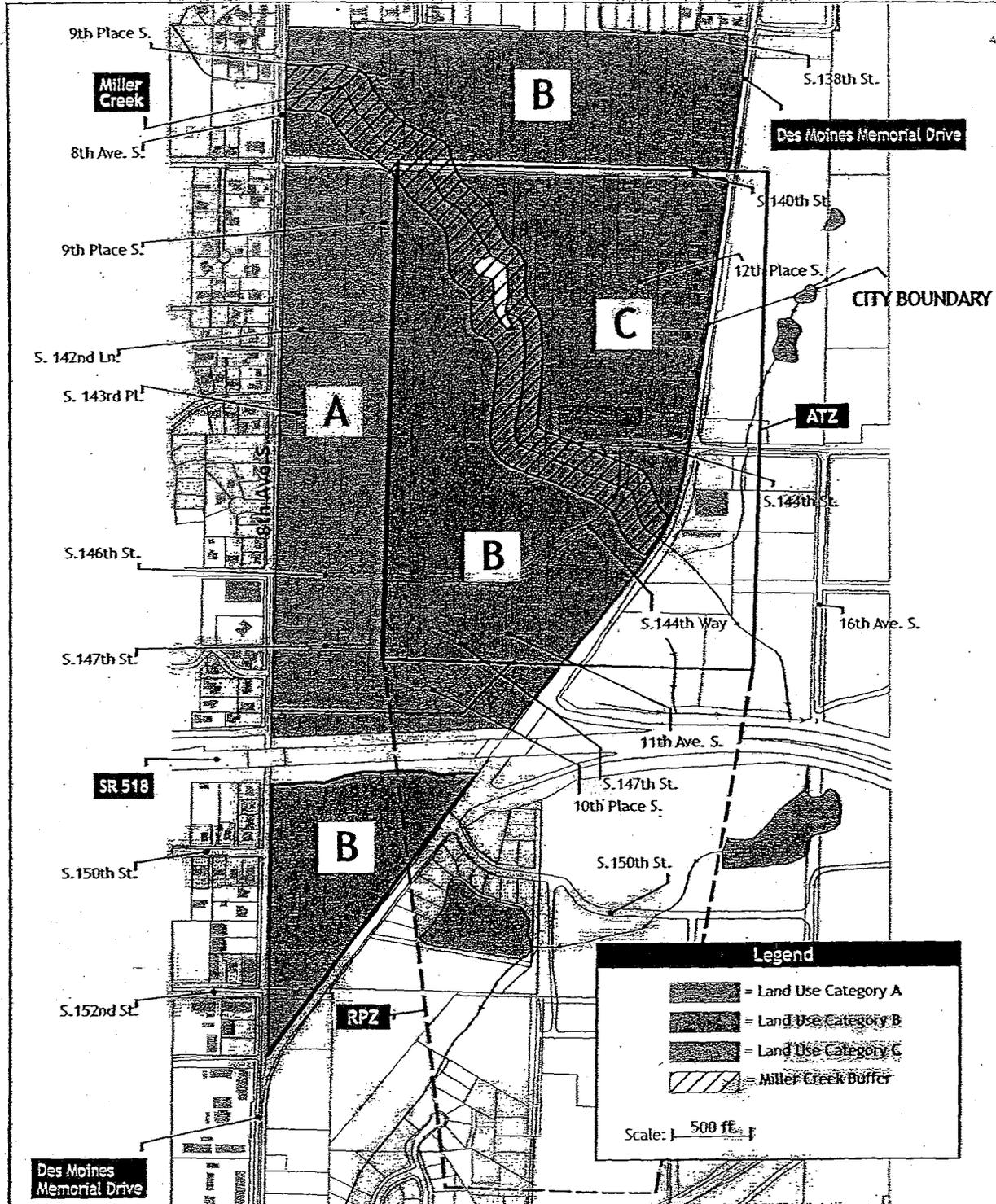
The economic and fiscal impact analysis is made under the assumptions of full build out and a stable operation year for the study area in the future. It would take some time to "ramp-up" to the full build out for the NESPA. After the area is assembled, existing structures and utilities demolished, cleared, graded, and buildings built, it could take a while for the full impact of the economic and fiscal effects to be realized. The key variables are the kind and quality of the development consistent with, and commensurate with, the strength of the market when the project comes on-line. It could take two to ten years for the office, business park, and warehouse and distribution space built there to be absorbed.

The alternatives analyzed in the DSEIS include two alternatives that are based on redevelopment of the area into more intense development, primarily offices, business park, and warehouse distribution land uses. The alternatives vary in amount of area for each zoning categories and location of uses. Two of the alternatives would eventually eliminate residential uses. In addition to the change in uses, the intention would be to make the setting a park-like concentration of non-residential uses that respond to regional economic and/or airport-influenced activity. These uses would be under the flight path for the new third runway. FAA regulations and Port of Seattle acquisition and disposition actions for major portions of the area would dictate the range of eventual uses, as would the regional market for non-residential real estate. [See Appendix B of the DSEIS]

The Comprehensive Plan designations and zoning classifications in the study area would change, as would the language in the Comprehensive Plan setting policies for future

Figure B-1b

Northeast Burien Special Planning Area:  
Alternative 1 with 162 ac. Land Use Pattern



development in this area. The current zoning that allows residential, commercial, and industrial uses would be changed to a new special designation that would allow for a mixture of office, commercial, industrial, airport-related, and airport-compatible uses in a business park setting. Alternative 1 would change the entire 162-acre study area between 8<sup>th</sup> Avenue South, Des Moines Memorial Drive, and South 138<sup>th</sup> Street. Alternative 2 would focus on a smaller area between 10<sup>th</sup> Avenue South, Des Moines Memorial Drive, and South 138<sup>th</sup> Street. Both alternatives assume that the land will be redeveloped. [See Figures B-1a,b, & c]

The third alternative is consistent with keeping the current types of land use that are now in place, primarily single family residential, with new development and/or redevelopment according to current zoning. If the third runway is constructed, there would be restrictions on land uses within the area. The Port of Seattle would probably acquire large portions of the area where development is restricted to non-residential uses. [see: City of Burien, WA, Draft Supplemental Environmental Impact Statement (DSEIS), October 8, 2001, Section One].

The revisions to the City's Comprehensive Plan would set the pattern for future land use that would be allowed for landowners and developers, including the Port of Seattle or private investment firms. There are various options for ownership and financing redevelopment that could unfold over time could affect the actual amounts of economic and fiscal returns to the community.

There are other issues. The patterns of use, ownership, and utilization intentions of the landowners, as well as market factors could effect the implementation of the City's plans for the area. There are several combinations of ways that the Comprehensive Plan's vision for the future could be implemented. There are several roles that may be taken by the City of Burien, the Port of Seattle, landowners, and private developers or firms once the City's Comp Plan policies and zoning are in place.

The various options for the potential redevelopment of the area, including the various roles for the City, could change the economic returns to the community and financial returns to the City. They also could affect the economic development returns to the local and regional community, in terms of employment opportunities, business activity, and tax base growth. Even with plan changes it is possible that the area could lie "fallow" without extensive new redevelopment. This could occur depending on the actions of the property owners, including the Port of Seattle. Certain funding and airport operational considerations could occur that do not lead to redevelopment. If that were the case, substantial amounts of the economic and fiscal impact would not result. These financial implications are considered and estimated in the Part A section of this report.

The economic and fiscal analysis compares the scenarios wherein maximum use/redevelopment of the area occurs to establish the "envelope" of maximum potential economic and fiscal impact for the purposes of the EIS process. The purposes of this economic and fiscal analysis are limited to a comparison of the alternatives in the NESPA DSEIS. Part A of this report examines the financial implications to the City of Burien from

mitigation costs could be substantial. These costs could be a barrier to timely implementation of the redevelopment of the area.

- A summary of the net effect of the revenue estimates, which are usually positive, and the public expenses (costs), which are typically counted as negative. In addition, the changes that are apt to be experienced in the private sector of the local economy are noted. The positive revenue flows are compared to the negative expenditure flows. This comparison can then be used when comparing the potential fiscal dimensions among the alternatives being considered.

There are other potential fiscal returns and costs to the redevelopment process itself. These would occur prior to the occupation and operational stage in the effectuation of the redevelopment. These financial implications of land conversion, land assembly, relocation, demolition, infrastructure, and building construction phases in the redevelopment process are considered in Part A of this report above.

There are many other factors that may be considered besides the fiscal and economic. These are detailed in the DSEIS. Other factors besides the environmental are oriented to the City and policy decisions of various public and private entities. These include such factors as: the City's stance toward economic development, the need for buffers and mitigation for airport operations' impacts, land development objectives, and interpretation/application of FAA regulations.

The methods for the impact analyses assume that the period of analysis is at some future, stabilized, full build-out year after all of the land uses being considered have been implemented. The time "path" to that full build-out is not considered.

#### Overview of Economic and Fiscal Impact Report

After this introduction and summary section, the results of the economic and fiscal impact analyses for Northeast Special Planning Area are reported in two ways. This report provides the description of the research and findings and conclusions for both the economic and fiscal analysis of alternatives in the DSEIS. There is a technical appendix to this report that provides the detailed spreadsheets, assumptions, and methods that were used to provide the impact analysis. As the market conditions and negotiations with the Port of Seattle and/or other property owners unfold, the City staff will be able to use the impact analyses to provide useful information for implementation decisions.

#### Summary of Results

The results of the economic and fiscal analysis of the alternatives being proposed for the Northeast Burien Special Planning Area are reported in Tables A-1, A-2, and A-3. The full build out stabilized year comparison shows that the redevelopment of the area would provide substantial economic activity in the community and net revenues for the City.

The net fiscal gain, from potential redevelopment in the NESPA, comes from additions to the tax base of the City through significant increases in assessed value, business and occupation tax, utility taxes, and retail sales tax. The costs to provide city services to the area were estimated to be similar for the three scenarios for redevelopment of the area.

Table B-2 provides comparative estimates of the net fiscal impact to the City of Burien. The estimates of the current revenues that are generated by the area indicate that the revenues do not exceed the estimated current costs to serve the area. This result is consistent with typical results for similar situations. The estimates for Alternative 1 exceed those for Alternative 2. As a very general rule, with many potential exceptions for specific cities, single family land uses tend not to “pay for themselves”; multifamily land uses tend to “break-even”; and commercial/industrial areas tend to be net revenue generators, i.e., tax revenues tend to exceed the city’s costs to provide services.

**Table B-2**  
**Summary of Results for Fiscal Analysis to Burien**

	Alternative 1	Alternative 2	Alternative 3	Difference: Alt.1 less Alt.3
Annual Revenue to City	\$ 1,095,489	\$ 639,522	\$ 192,979	\$ 902,510
Annual Public Service Costs to City	\$278,840	\$ 171,435	\$ 220,799	\$ 58,041
Net Fiscal Return Annually	\$ 816,649	\$ 468,087	\$ - 27,820	\$ 844,469
Sum of One Time Fiscal Return*	\$ 3,126,516	\$ 1,784,289		\$3,126,516

Note: There are other returns to the City depending on how and who implements the changes anticipated in the Comp Plan. These are estimated and discussed in Part A of this report above. During the construction phase of the project and before the building are occupied and businesses are operational, certain increase in tax base occurs and permits and fees are paid. \*These are the “one time” fiscal returns. In addition, there are other tax revenues that could accrue to the city if and when the land and projects are sold, such as, the real estate excise tax, which are not included in this total.

The results are based on the detail assumptions described elsewhere in the memorandum and are sensitive to those assumptions. There are many other economic returns to the community besides those that are listed above. The non-quantitative economic effects include the following.

- The effects of the airports operations on business operations and building technology.
- Policy driven infill development and more intense development of urban land.

The services that these jurisdictions provide are less directly associated with measures of redevelopment at the site. Possible exceptions are fire protection and EMT services. The demand for the latter is a function of the number of persons who will be present at the site. The increased need for fire protection of commercial and industrial space is often balanced by the ability of the fire protection agency to impose on-site design and equipment features to reduce property lost for commercial-industrial uses. It is also in the interest of these firms, if for no other reason than insurance considerations and state work place safety regulations, to provide a portion of their own fire and other safety protection.

The fiscal impact on the local school district is ambiguous. On the one hand the district loses revenues since the school age population that would be in the residences in the NESPA are no longer there to attract state allocated revenues per student. To balance that, the school district would have additional assessed value and tax base to levy of local option revenues for their programs and facilities. The commercial and industrial activity would bring to the school district more tax base to levy local option levies without more students.

Other junior taxing districts will have to balance program needs to increased tax revenues that are generated by the new development in the NESPA.

#### Limitations, Monitoring and Updating the Analysis

Any activity that has "development" in its description usually takes a long time. Redevelopment of a sub-area of a city may take even longer, since it involves dramatic changes to something that is already established in responses to market forces, albeit historic ones, plus the inertia of changing existing in place investment. The imposition of a large and significant public investment in infrastructure, such as the potential third runway for the SeaTac terminal, will be a catalyst for this dramatic change. Still the process will be stretched over many years. This timeframe is not necessarily a problem for the financial analysis of either the DSEIS alternatives or the options for the City. Decisions must be made in the near term. While during redevelopment implementation the financial analysis can be used to compare potential actions even though those events will likely take place in the future. The actual acquisition of land and operation of the third runway is estimated to occur after five years. The financial analysis was developed so that it could be updated and revised, as more detail is known about the project. The implementation of redevelopment could take quite a bit longer as a function of the strength of the market and public agency's participation.

This form of financial analysis is often called '*pro forma*' analysis since it is based on assumptions about conditions "as if" they were occurring with actual knowledge of events that would occur in the near term. The impact analysis [and the financial analysis of Part A of this report] is made based on careful construction of reasonable scenarios for the future using current market values, public policies/regulations and relationships. In reality these relationships will probably change in the future as implementation actuality occurs.



The Northeast Special Plan Area of Burien is located favorably with respect to many transportation modes. The NESPA location is adjacent to and has access to the region's network of freeways and major highways. Access to SR-518 (extension of I-405) provides access to I-5 (a major north-south freeway that links the West Coast and Canada, as well as Mexico. SR 518 (I-405 extended) is also a route to a major east-west freeway, I-90. SR-509 is located 2/3 of a mile from the NESPA location. The planned connection of this freeway (SR-509) to I-5 in the Kent-Des Moines area will enhance the freeway connection aspect of the NESPA location, as well as downtown Burien.

The SR-509 freeway currently provides ready access to the central business district of Seattle, a major commercial, financial, government, retail and cultural center for the Pacific Northwest. In addition, this freeway provides access to the marine terminals of the Port of Seattle and to the large concentration of businesses in the industrial areas of the South Seattle market. Seattle's industrial area contains yards for two transcontinental railroads. The marine terminals provide freight access to international and Alaskan trade. This access to the region's freeways also provides a means to link to another international/Alaskan seaport, the Port of Tacoma, and eventually to other Western Washington ports on Puget Sound, the Columbia River and California ports. Moreover, there is a large concentration of industrial parks, business parks, retail stores/shopping centers, and some offices and office parks in the Green River Valley. This concentration of industrial space in Southwest King County and the South Seattle area (with extensions into Pierce County) is consistently ranked for their strength by national real estate investors. The Green River Valley includes the cities of Tukwila, Renton, Kent, Auburn and other small communities. There is also a growing market for business and office park space in Federal Way, Tacoma and northern Pierce County, especially Sumner.

**Table B-4**

**Airport Activity 1985-2010  
Rates of Growth for Passenger and Cargo Traffic**

	1980-85	1985-90	1990-95	1995-98	1998-2010	Projected Long Term*
<b>Passenger</b>	4.5%	7.2%	7.0%	4.3%	2.8%	4.4%
<b>Cargo</b>	-0.1%	8.3%	5.4%	1.6%	4.6%	4.2%

Notes: \* Average Annual Rate of Growth 1980-2010  
Source: Port Of Seattle, 2000

Given these many transportation assets, the areas of Tukwila, SeaTac, Des Moines and Burien are also dominated by the economic and real estate influence of the passenger and freight traffic that flows through SeaTac International airport's terminals. While the residents of these, and other Southwestern King County areas do not universally appreciate the activity at the airport, it is an undeniable asset for leveraging economic development.

A number of issues are identified in the DSEIS that will influence the feasibility of redevelopment. Water quality, transportation/traffic/storm water/surface water management facilities, as well as buffering surrounding areas from non-residential activities/impacts have been identified in the DSEIS as significant issues. Several of these issues could require large investments of funds for mitigation costs of the environmental impacts. The DSEIS lists anticipated capital improvements and mitigation issues. The DSEIS does not address how such improvements would be financed. Typically, financing these types of improvements is negotiated through combinations of public and private funds. The DSEIS does not provide cost estimates for these mitigation items.

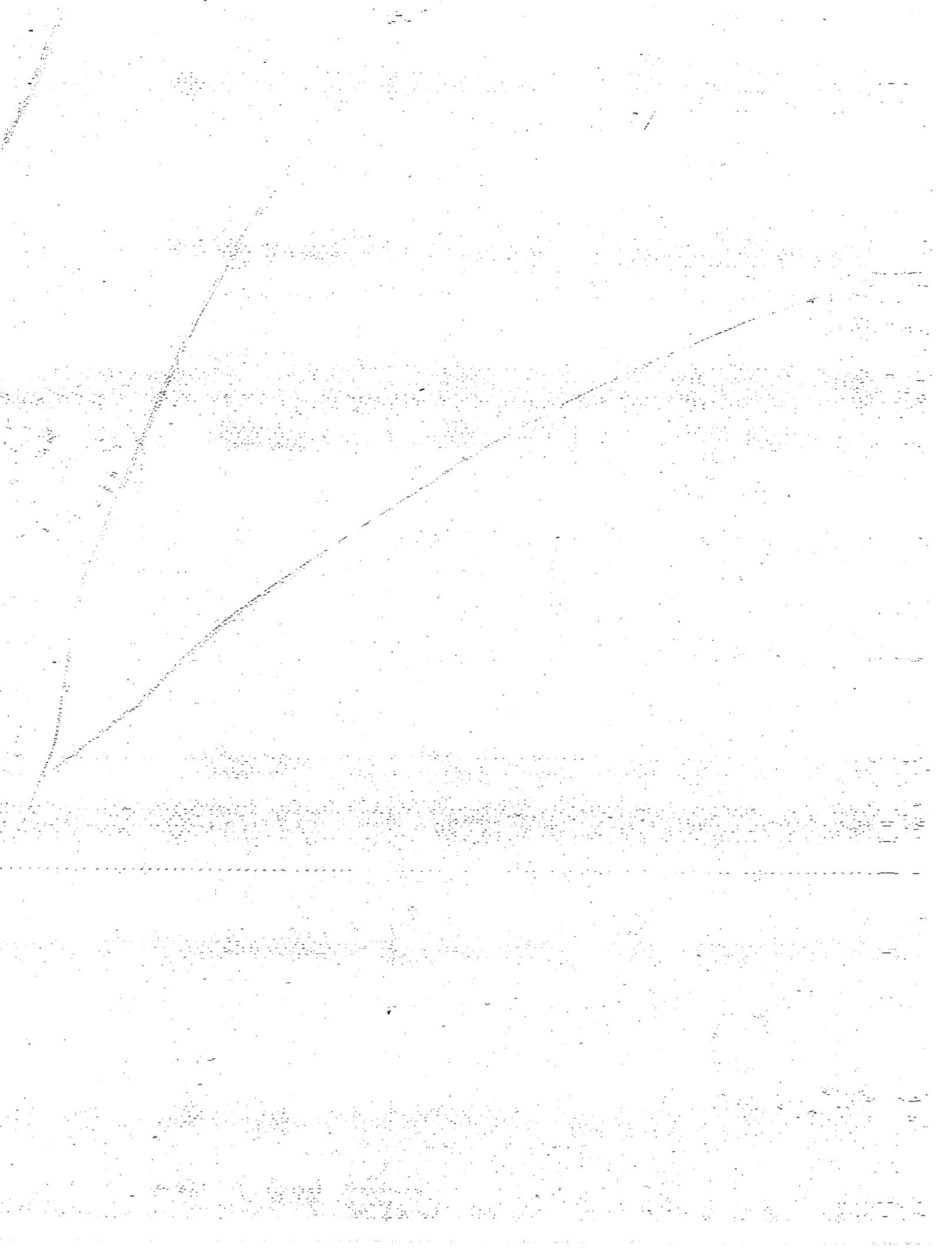
Most of the redevelopment parcels will be under the flight path for the third runway. This type of location has not been a major impediment for development of industrial space in areas surrounding the airport. High quality business parks and office space have not been attracted to these areas. The overall real estate and business climate in South King County has provided appropriate sites for high quality business, office parks and industrial parks elsewhere in the market area. The site in the NESPA will have to be of such high quality to overcome the noise and image impacts of being in the flight path and impact of airport operations.

Many of these redevelopment issues will be influenced by the actual plans that land owners and developers formulate for the area. These details could affect the pace and performance of the implementation of redevelopment for this area of Burien.

#### Economic Overview for Area

Three cities surround the airport and provide most of the opportunities for employment spaces adjacent to the airport, SeaTac, Des Moines, and Burien. Tukwila's SR-99 redevelopment area is also a portion of the surrounding economic area for development influenced and dominated by the airport. SR-99, Pacific Highway South (or in SeaTac, International Boulevard) is currently mostly retail highway services-oriented and lodgings businesses. Tukwila has plans to upgrade some of the limited space along SR-99 to office and small business park or heavy commercial uses.

Tables B-5 and B-6 summarize current data on employment in these three cities. The data in Table B-5 on the share of employment, an indicator of the local economic base, reveals that retail trade, services, finance, insurance and real estate are the primary economic activities within Burien with 73.4% of employment. The services, finance, insurance, and real estate industrial category (S/FIRE) is often used as proxy for office employment, but the category is diverse and includes activities that are accommodated into many small retail spaces. The S/FIRE category includes service and repair activities, lodgings, business services, as well as health (Highline Hospital) services and other professional services. The large concentration of wholesale, transportation communication and utilities industry employment is often found in light industrial warehouse, distribution and terminal facilities such as those around the airport. Burien has much less of this than is typical for these cities. Burien has a significant share of most types of employment except this type. Manufacturing activity is underrepresented in the economies of these three other airport



Data on the population size and growth of Burien are not as significant as employment for this analysis. Local population growth is only indirectly related to the demand for the type of space envisioned in the NESPA. The growth and size of population in this general part of the region is relevant. Table B-9 shows the recent past trend in population growth and projections for the future. Some types of office space and warehouse/distribution businesses are sensitive to population size and growth.

### Burien Budget Trends

The City of Burien has had a relatively short budget history since incorporation in 1993. Some patterns have evolved. Table B-10 briefly shows these patterns. The table focuses on the revenue or tax base sensitive side of the City's budget. The tax and revenue collections of the City have increased faster than the combined effects of population, which are often associated with more demand for services, and inflation that may drive the cost of providing services. Significant influences have been the increase in assessed value, levels of construction permits, and growth of retail sales in the city. The assessed value of property in the City has increased slower than the other sources of revenues. The City has significantly reduced its outstanding debt during the period. Other taxes, primarily the retail sales tax and the City's own operations through charges, licenses and permits, have been primarily responsible. Increases in budget amounts greater than the combined rates (35.9%) of increase in the CPI and population indicate rates of increase that have expanded faster than typical demand factors in established communities.

**Table B-11**

### Current & Proposed Land Uses

Land Use	Alternative 1	Alternative 2	Alternative 3 (Current)
A - Office*	30.0	24.1	.1
B - Business Park*	80.3	41.3	
C - Warehouse /Distribution*	31.3	15.6	
Residential	--		100.7
Commercial	--	--	7.4
Institutional/Schools	--	--	12.0
Vacant	--	--	22.0
Miller Creek Buffer	--	14.9	17.0
Right-of-Ways	20.4	13.7	20.8
<b>Total Study area</b>	<b>162 ac.</b>	<b>109.6ac.</b>	<b>162ac.</b>

Notes: \* refers to A, B, and C, land use categories used in the DSEIS (October 2001), page 2-11. \*\* The actual amount will require a survey and site plan.

for "A" intensity uses is developed as office space; "B" intensity areas develop as business park space, which is usually referred to as light industrial space that accommodates a wide variety of businesses; warehouse and distribution is assumed to be the development that will occur on the "C" designated areas. This warehouse and distribution land use is probably the most common light industrial use found in areas adjacent to the airport. A portion of the space in office, business parks, and warehouse distribution is assumed used for supplemental retail uses.

#### IV. Key Assumptions for the Economic and Fiscal Analysis

The economic and fiscal analysis of the redevelopment of the NESPA is based on a number of assumptions and calculations that first create a reasonable scenario for the future, then apply existing state and local revenue regulation and policies to the new economic activity that would occur. The new development would change the types of demands that the area puts on the City's finances from primarily residential to commercial industrial activities. Another set of assumptions relates to the demand or influence that the new development will have on the expenditure side of the City's budget. These two counteracting influences are compared to estimate the future net fiscal return from redevelopment of the site as per the alternatives.

Table B-12

#### Economic Assumptions for Redevelopment Areas

	Land Use A	Land Use B	Land Use C
Primary Use	Office	Business Park	Warehouse/Distribution
Floor area ratio	.25	.30	.30
Square feet per employee	350	800	1500
Gross Receipts per employee	\$121,000	\$207,000	\$342,000
Retail sales per square feet	\$200	\$200	\$200
Utility payments* per square feet	\$4	\$3	\$2
Retail space	10%	5%	5%
Lease rate	\$22 per square feet	\$18 per square feet	\$6 per square feet
Construction Costs	\$120/sq.ft	\$110/sq.ft.	\$75/sq.ft.
Construction Contract**	65%	65%	75%
Land values	\$15/sq.ft.	\$10/sq.ft.	\$5/sq.ft

Note: \* Utility payments include: gas, water, sewer, telecommunications, etc. but not electricity in Burien.

\*\*This is a portion of the construction costs and includes labor and materials, sometimes referred to as the "hard" costs, as opposed to the "soft" costs of construction which typically include legal, architectural and engineering fees, taxes, marketing and leasing fees, and any assignment of developer fees.

## Public Service Expenditures

The estimates of the cost to the City of Burien for the public services it provides were estimated by relating such costs on a per capita basis. The transformation of the area from residential uses that are primarily influenced by the public facility and service needs of households to areas that will generate needs for public services to employees is a complication.

To account for the comparison of this "apples-to-oranges" complication the 2000 City expenditures for public services was divided by the "full-time equivalent population" for Burien in 2000. This is a purely artificial construct that attempts to measure the demand for city services that the City experiences because of the presence of people. Most direct city services are generated by the presence of people and these people are either residents or employees of local firms. Their needs are often different. The total of residents and employees estimated for the city in 2000 was calculated. Residents were weighted at .70 of each person because many residents are in their home in Burien 70% of the time (e.g., the week 110 hours). Employees were weighted at .30 for each employee in Burien because they are present 50 hours per week, 40 hours of work and ½ hour before and after, or 30% of the week. These two were then added together to obtain a number for the total of "full-time equivalent population" present and generating the need for services of the city. The amount spent for each public service in 2000 was divided by the estimated weight amount of population and employment to get an amount per "full-time equivalent population". This amount was then applied to the estimated population and/or employees for each alternative.

**Table B-14**

### Public Services Costs

Service	\$ per "full-time equivalent person"
Police	\$176.08
Public Works	\$ 11.78
Community Development	\$ 31.28
Parks, recreation, Cultural	\$ 40.56
Direct Costs	\$259.71
"Overhead" – General Government	40.4% of Direct Costs
Total Cost per FTE-person	\$364.63

The Table B-14 lists the amounts used to apply to the estimated number of people, employees that would be in the NESPA at full build-out.

The direct public services costs were supplemented by other costs that may not vary directly with the number of persons (residents and employees) in the city. These were added like an "overhead" amount to the total of direct costs. These "overhead" costs for general government services were calculated as a percentage of the other "direct" public service costs, based on that same percentage in the current City budget.

## Appendices

There are two sets of spreadsheets that were used to calculate and estimate the financial dimensions of the redevelopment of the NESPA in Burien. These spreadsheets indicate the detailed assumptions that were used in the financial analyses.

### **Part A. Financial Implications**

This spreadsheet is an investment analysis, which considers the City's costs and returns from its participation in the redevelopment process for the NESPA. This set of spreadsheets illustrate the financial implications of actions by either the City of Burien and/or the Port of Seattle after the Comp Plan decision is made and decisions are made about how aggressively to redevelop the NESPA by land owners. It also illustrates the policy options that are available to the City with respect to redevelopment.

### **Part B. Economic and Fiscal Impact Analysis**

This spreadsheet analyzes the comparative economic returns to the community and the fiscal returns to the City of Burien once the redevelopment process is completed. Three alternatives were examined. The three alternatives are those that were analyzed in the City of Burien's Draft Supplemental Environmental Impact Statement, October 2001. The DSEIS considers changes in the City's Comprehensive Plan and zoning for the NESPA.

**Financial Implications:  
SDEIS Alternatives  
Northeast Special Planning Area  
City of Burien, Washington**

Variable	Formula	Scenario 1	Scenario 2A	Scenario 2B	Scenario 3A	Scenario 3B
<b>Economic and Fiscal Data</b>						
1 Total Acres - Alternative 1	= Total of 5 rows below	162.0	162.0	162.0	162.0	162.0
2 Land Use A - Office Park	= sum of land use A (RPZ, ATZ, NAR)	30.0	30.0	30.0	30.0	30.0
3 Land Use B - Business Park	= sum of land use B (RPZ, ATZ, NAR)	80.3	80.3	80.3	80.3	80.3
4 Land Use C - Warehouse/Distribution	= sum of land use C (RPZ, ATZ, NAR)	31.3	31.3	31.3	31.3	31.3
5 Miller Creek Buffer	= sum of Miller Creek Buffer (RPZ, ATZ, NAR)	0.0	0.0	0.0	0.0	0.0
6 Right of Way	= sum of Right of Way (RPZ, ATZ, NAR)	20.4	20.4	20.4	20.4	20.4
7						
8 Runway Protection Zone (RPZ) Acres	= Total of 5 rows below	7.2	7.2	7.2	7.2	7.2
9 Land Use A RPZ - Office Park		2.3	2.3	2.3	2.3	2.3
10 Land Use B RPZ - Business Park		3.9	3.9	3.9	3.9	3.9
11 Land Use C RPZ - Warehouse/Distribution		0.0	0.0	0.0	0.0	0.0
12 Miller Creek Buffer		0.0	0.0	0.0	0.0	0.0
13 Right of Way		1.0	1.0	1.0	1.0	1.0
14						
15 Approach Transition Zone (ATZ) Acres	= Total of 5 rows below	80.4	80.4	80.4	80.4	80.4
16 Land Use A ATZ - Office Park		0.0	0.0	0.0	0.0	0.0
17 Land Use B ATZ - Business Park		39.0	39.0	39.0	39.0	39.0
18 Land Use C ATZ - Warehouse/Distribution		31.3	31.3	31.3	31.3	31.3
19 Miller Creek Buffer		0.0	0.0	0.0	0.0	0.0
20 Right of Way		10.1	10.1	10.1	10.1	10.1
21						
22 Non-Airport Related (NAR) Acres	= Total of 5 rows below	74.4	74.4	74.4	74.4	74.4
23 Land Use A NAR - Office Park		27.7	27.7	27.7	27.7	27.7
24 Land Use B NAR - Business Park		37.4	37.4	37.4	37.4	37.4
25 Land Use C NAR - Warehouse/Distribution		0.0	0.0	0.0	0.0	0.0
26 Miller Creek Buffer		0.0	0.0	0.0	0.0	0.0
27 Right of Way		9.3	9.3	9.3	9.3	9.3
28						
29 Current Land Uses (acres)	= Total of 7 rows below	162.0	162.0	162.0	162.0	162.0
30 Single Family Residential		89.0	89.0	89.0	89.0	89.0
31 Multi Family Residential		9.4	9.4	9.4	9.4	9.4
32 Mobile Home Park		2.3	2.3	2.3	2.3	2.3
33 Commercial		7.4	7.4	7.4	7.4	7.4
34 Institutional/School		11.0	11.0	11.0	11.0	11.0
35 Office		0.1	0.1	0.1	0.1	0.1
36 Vacant		22.0	22.0	22.0	22.0	22.0
37 Right of Way & Other		20.8	20.8	20.8	20.8	20.8
38						
39 Total Residential Units	= sum of SF, MF and MH residential units below	340.0	340.0	340.0	340.0	340.0
40 Residential Units - Single Family		188.0	188.0	188.0	188.0	188.0
41 Residential Units - Multi Family		56.0	56.0	56.0	56.0	56.0
42 Residential Units - Mobile Home		96.0	96.0	96.0	96.0	96.0
43						
44 Assessed Value (000's) - Single Family Residential Unit	= # of units x \$175,000/1000	\$32,900	\$32,900	\$32,900	\$32,900	\$32,900
45 Assessed Value (000's) - Multi-Family Residential Unit	= # of units x \$65,000/1000	\$3,640	\$3,640	\$3,640	\$3,640	\$3,640
46 Price per Mobile Home	= land assessed value x 1.3	\$1,253	\$1,253	\$1,253	\$1,253	\$1,253
47						
48						
49 Total Current Assessed Value (000's)	= sum of land and buildings	\$45,772	\$45,772	\$45,772	\$45,772	\$45,772
50 Land	= sum of 8 below	\$15,709	\$15,709	\$15,709	\$15,709	\$15,709
51 Single Family Residential		\$7,989	\$7,989	\$7,989	\$7,989	\$7,989
52 Multi Family Residential		\$1,993	\$1,993	\$1,993	\$1,993	\$1,993
53 Mobile Home Park		\$964	\$964	\$964	\$964	\$964
54 Commercial		\$1,845	\$1,845	\$1,845	\$1,845	\$1,845
55 Office		\$34	\$34	\$34	\$34	\$34
56 Institutional/School		\$1,118	\$1,118	\$1,118	\$1,118	\$1,118
57 Vacant		\$1,766	\$1,766	\$1,766	\$1,766	\$1,766
58 Right of Way & Other		\$0	\$0	\$0	\$0	\$0
59						
60 Buildings	= sum of 8 below	\$30,063	\$30,063	\$30,063	\$30,063	\$30,063
61 Single Family Residential		\$17,181	\$17,181	\$17,181	\$17,181	\$17,181
62 Multi Family Residential		\$10,132	\$10,132	\$10,132	\$10,132	\$10,132

**Financial Implications:  
SDEIS Alternatives  
Northeast Special Planning Area  
City of Burien, Washington**

	Variable	Formula	Scenario 1	Scenario 2A	Scenario 2B	Scenario 3A	Scenario 3B
63	Mobile Home Park		\$234	\$234	\$234	\$234	\$234
64	Commercial		\$1,214	\$1,214	\$1,214	\$1,214	\$1,214
65	Office		\$55	\$55	\$55	\$55	\$55
66	Institutional/School		\$1,247	\$1,247	\$1,247	\$1,247	\$1,247
67	Vacant		\$0	\$0	\$0	\$0	\$0
68	Right of Way & Other		\$0	\$0	\$0	\$0	\$0
69							
70	Current Retail Sales	= Retail Space (sq ft) x Retail Sales per sq ft (\$200)	\$12,400,000	\$12,400,000	\$12,400,000	\$12,400,000	\$12,400,000
71	Current Gross Receipts	= Office, W/D space (sq ft) x \$400	\$640,000	\$640,000	\$640,000	\$640,000	\$640,000
72							
73		<b>Redevelopment Assumptions</b>					
74	Total Land Use A - Acres		30.0	27.7	27.7		
75	Total Land Use B - Acres		80.3	37.4	37.4		
76	Total Land Use C - Acres		31.3	0.0	0.0		
77	Total Land Use Miller Creek Buffer - Acres		0.0	0.0	0.0		
78	Total Land Use Right of Way - Acres		20.4	9.3	9.3		
79	Total City Acres	= Sum of 5 rows above	162.0	74.4	74.4	0.0	0.0
80							
81	Total Land Use A - Acres				0.0		27.7
82	Total Land Use B - Acres				39.0		76.4
83	Total Land Use C - Acres				31.3		31.3
84	Total Land Use Miller Creek Buffer - Acres				0.0		0.0
85	Total Land Use Right of Way - Acres				10.1		19.4
86	Total Port Acres Developed	= Sum of 5 rows above	0.0	0.0	80.4	0.0	154.8
87							
88	Total Land Use A - Acres			2.3	2.3	30.0	2.3
89	Total Land Use B - Acres			42.9	3.9	80.3	3.9
90	Total Land Use C - Acres			31.3	0.0	31.3	0.0
91	Total Land Use Miller Creek Buffer - Acres			0.0	0.0	0.0	0.0
92	Total Land Use Right of Way - Acres			11.1	1.0	20.4	1.0
93	Total Port Acres Undeveloped	= Sum of 5 rows above	0.0	87.6	7.2	162.0	7.2
94	Grand Total Acres		162.0	162.0	162.0	162.0	162.0
95							
96		<b>Phase I</b>					
97	Planning and Regulatory Fees (for 2 years)		\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
98							
99	Total Assessed Value - Land and Buildings (000's)	to be bought by City	\$45,772	\$21,021	\$21,021	\$0	\$0
100	Adjusted to Market Value	= total assessed value x 30%	\$59,504	\$27,328	\$27,328	\$0	\$0
101	Relocation Costs	= adjusted assessed value x 20%	\$11,901	\$5,466	\$5,466	\$0	\$0
102	Demolition & Grading Costs	= \$10,000 x total acres	\$1,620	\$744	\$744	\$0	\$0
103	Total Acquisition Costs (000's)	= sum of adj assessed value, relocation, demo & grading	\$73,024	\$33,537	\$33,537	\$0	\$0
104							
105	Total Assessed Value - Land and Buildings (000's)	to be bought by Port and redeveloped	\$0	\$0	\$22,716	\$0	\$43,738
106	Adjusted to Market Value	= total assessed value x 30%	\$0	\$0	\$29,531	\$0	\$56,659
107	Relocation Costs	= adjusted assessed value x 20%	\$0	\$0	\$5,906	\$0	\$11,372
108	Demolition & Grading Costs	= \$10,000 x total acres	\$0	\$0	\$804	\$0	\$1,548
109	Total Acquisition Costs (000's)	= sum of adj assessed value, relocation, demo & grading	\$0	\$0	\$36,242	\$0	\$69,779
110							
111	Total Assessed Value - Land and Buildings (000's)	to be bought by Port and not redeveloped	\$0	\$24,751	\$2,034	\$45,772	\$2,034
112	Adjusted to Market Value	= total assessed value x 30%	\$0	\$32,176	\$2,645	\$59,504	\$2,645
113	Relocation Costs	= adjusted assessed value x 20%	\$0	\$6,435	\$529	\$11,901	\$529
114	Demolition & Grading Costs	= \$10,000 x total acres	\$0	\$876	\$72	\$1,620	\$72
115	Total Acquisition Costs (000's)	= sum of adj assessed value, relocation, demo & grading	\$0	\$39,487	\$3,246	\$73,024	\$3,246
116							
117	Grand Total Acquisition Costs (000's)	= sum of City, Port developed, Port not redeveloped	\$73,024	\$73,024	\$73,024	\$73,024	\$73,024
118							
119		<b>Phase 2</b>					
120	Infrastructure Planning and Design Costs						
121	Off-site	????	\$0	\$0	\$0	\$0	\$0
122	On-site	?????	\$0	\$0	\$0	\$0	\$0
123	Infrastructure Construction Costs						
124	Off-site	????	\$0	\$0	\$0	\$0	\$0

Financial Implications:  
SDEIS Alternatives  
Northeast Special Planning Area  
City of Burien, Washington

Variable	Formula	Scenario 1	Scenario 2A	Scenario 2B	Scenario 3A	Scenario 3B
125 On-site	?????	\$0	\$0	\$0	\$0	\$0
126 Total Infrastructure Planning, Design and Construction Costs	= sum of four above	\$0	\$0	\$0	\$0	\$0
127						
128 Proceeds from Resale of Land						
129 Land Use A - Office	= Office Acres x \$193,400	\$19,602,000	\$18,099,180	\$18,099,180	\$0	\$0
130 Land Use B - Business Park	= (BP acres) x \$435,600	\$34,978,680	\$16,291,440	\$16,291,440	\$0	\$0
131 Land Use C - Warehouse/Distribution	= (W/D acres) x \$217,800	\$6,817,140	\$0	\$0	\$0	\$0
132 Miller Creek Buffer	= (AV land/total acres) x Miller Creek Acres	\$0	\$0	\$0	\$0	\$0
133 Right of Way	= (AV land/total acres) x ROW Acres	\$1,978,170	\$901,813	\$901,813	\$0	\$0
134 Sales Commission	= 10% of five above	\$6,337,599	\$3,529,243	\$3,529,243	\$0	\$0
135 Total Proceeds from Resale of Land	= proceeds from sale less sales commission	\$67,038,391	\$31,763,190	\$31,763,190	\$0	\$0
136 Present Value from Proceeds of Land Sales	= Future Value/(1.06)^5	\$44,891,072	\$24,887,290	\$24,887,290	\$0	\$0
137						
138	<b>Phase 3</b>					
139						
140 Construction Costs						
141 Total Construction Cost - Office	= sq ft Office x \$120	\$39,204,000	\$36,198,360	\$36,198,360	\$0	\$36,198,360
142 Total Construction Cost - Business Park	= sq ft BP x \$110	\$115,429,644	\$53,761,752	\$109,823,472	\$0	\$109,823,472
143 Total Construction Cost - Warehouse/Distribution	= sq ft W/D x \$80	\$32,722,272	\$0	\$32,722,272	\$0	\$32,722,272
144 Total all Construction Costs	= sum of three above (Const Cost of Office, BP, W/D)	\$187,355,916	\$89,960,112	\$178,744,104	\$0	\$178,744,104
145 Total Land Value Increment	= Sum of LVI for land use A, B and C	\$47,341,008	\$27,301,230	\$44,814,528	\$0	\$44,814,528
146						
147 Land Values						
148 Land Values - Office	= Office acres x 43560 x \$15	\$19,602,000	\$18,099,180	\$18,099,180	\$0	\$18,099,180
149 Land Values - Business Park	= BP acres x 43560 x \$10	\$34,978,680	\$16,291,440	\$33,279,840	\$0	\$33,279,840
150 Land Values - Warehouse/Distribution	= W/D acres x 43560 x \$5	\$6,817,140	\$0	\$6,817,140	\$0	\$6,817,140
151 Total Land Values	= sum of 3 #'s above	\$61,397,820	\$34,390,620	\$58,196,160	\$0	\$58,196,160
152						
153 Construction Contracts						
154 Total Construction Contract - Office	= Total Construction Cost Office x .66	\$25,482,600	\$23,528,934	\$23,528,934	\$0	\$23,528,934
155 Total Construction Contract - Business Park	= Total Construction Cost BP x .65	\$75,029,269	\$34,945,139	\$71,385,257	\$0	\$71,385,257
156 Total Construction Contract - Warehouse/Dist.	= Total Construction Cost W/D x .75	\$24,541,704	\$0	\$24,541,704	\$0	\$24,541,704
157 Total Construction Contracts	= sum of three rows above	\$125,053,573	\$58,474,073	\$119,455,895	\$0	\$119,455,895
158 Permit Fees	= .015 x Total Construction Contracts	\$1,875,804	\$877,111	\$1,791,838	\$0	\$1,791,838
159						
160 Economic Indicators						
161 Total Retail Square Feet	= Retail Space (Office + BP + W/D)	105,589	54,602	100,636	0	100,636
162 Annual Retail Sales	= Total Retail Sq ft (above) x \$200	\$21,117,888	\$10,920,492	\$20,107,296	\$0	\$20,107,296
163 Private Investment	= Total all Construction Cost (Office, BP, W/D, Retail)	\$187,355,916	\$89,960,112	\$178,744,104	\$0	\$178,744,104
164 Current Employment Sum	= Total Employees Current	0	0	0	0	0
165 New Employment Sum	= Employees from Land Use A, B, C + (total retail sq ft/500)	2,556	1,465	2,421	0	2,421
166 Gross Business Income	= A,B,C Gross Receipts = Crnt Ret Sales + Crnt Gross Receipts	\$448,191,826	\$213,996,364	\$427,870,748	\$0	\$427,870,748
167 Utility Payments	= Utility Payments from Office, BP, W/D & Residential	\$5,272,938	\$2,672,842	\$5,019,854	\$0	\$5,019,854
168 Value of Construction Contracts	= Total all Construction Contracts	\$125,053,573	\$58,474,073	\$119,455,895	\$0	\$119,455,895
169 Land Value Increments	= Sum of LVI for land use A, B and C	\$47,341,008	\$27,301,230	\$44,814,528	\$0	\$44,814,528
170						
171 Rent/Leases						
172 Office	= Office bldg sq ft x \$22	\$7,187,400	\$6,636,366	\$6,636,366	\$0	\$6,636,366
173 Business Park	= BP bldg sq ft x \$18	\$18,888,487	\$8,797,378	\$17,971,114	\$0	\$17,971,114
174 Warehouse/Distribution	= W/D bldg sq x \$6	\$2,454,170	\$0	\$2,454,170	\$0	\$2,454,170
175 Total Lease Payments	= sum of three rows above	\$28,530,057	\$15,433,744	\$27,061,650	\$0	\$27,061,650
176	<b>Revenues</b>					
177 Annual Revenues						
178 Annual Retail Sales Tax	= Annual Retail Sales x .85 x .01	\$179,502	\$92,824	\$170,912	\$0	\$170,912
179 Property Tax	= (LVI + Total Private Investment)/((\$1000) x \$1.60	\$375,515	\$187,618	\$357,694	\$0	\$357,694
180 Utility Tax	= Utility Payments x .06	\$316,376	\$160,370	\$301,191	\$0	\$301,191
181 Business and Occupation Tax	= Gross Business Income x .0005	\$224,098	\$106,998	\$213,935	\$0	\$213,935
182 Total Annual Revenues	= Sum of Annual Taxes (Retail, Property, Utility, Business)	\$1,095,489	\$547,811	\$1,043,732	\$0	\$1,043,732
183 In lieu leasehold excise tax	= total lease payments x (3.92% + 1.96%)	\$1,677,567	\$907,504	\$1,591,225	\$0	\$1,591,225
184	<b>Costs</b>					
185 Full Time Equivalent Population						
186 Residents x .7	= Total Population x .7	0	0	0	0	0

**Financial Implications:  
SDEIS Alternatives  
Northeast Special Planning Area  
City of Burien, Washington**

	Variable	Formula	Scenario 1	Scenario 2A	Scenario 2B	Scenario 3A	Scenario 3B
187	Employees x .3	= .3 x New Employment Sum for All 1 & 2, Empl. Sum for All 3	767	440	726	0	726
188	FTEP	= sum of 2 rows above	767	440	726	0	726
189							
190	<b>Public Services Cost</b>						
191	Police	= FTEP x \$176.08	\$135,041	\$77,401	\$127,908	\$0	\$127,908
192	Public Works	= FTEP x \$11.78	\$9,034	\$5,178	\$8,557	\$0	\$8,557
193	Community Development	= FTEP x \$31.28	\$23,990	\$13,750	\$22,722	\$0	\$22,722
194	Parks, Rec and Cultural	= FTEP x \$40.56	\$31,107	\$17,829	\$29,464	\$0	\$29,464
195	Direct Costs	= sum of four rows above	\$199,172	\$114,159	\$188,651	\$0	\$188,651
196	General Government (overhead)	= sum of Direct Costs x .40	\$79,669	\$45,664	\$75,460	\$0	\$75,460
197	Total Annual Public Services Cost	= Direct Costs + General Gov	\$278,840	\$159,822	\$264,112	\$0	\$264,112
198							
199		<b>Results</b>					
200	Net Annual Fiscal Return	= Total Annual Revenue - Total Public Services Cost	\$816,649	\$387,989	\$779,621	\$0	\$779,621
201							
202	<b>One Time Tax and Permit Fees</b>						
203	One Time Retail Sales	= Value of Const Contracts x .85 x .01	\$1,062,955	\$497,030	\$1,015,375	\$0	\$1,015,375
204	1/2 Property Tax During Construction	= Property Tax x .5	\$187,758	\$93,809	\$178,847	\$0	\$178,847
205	Permits	= Value of Construction Contracts x .015	\$1,875,804	\$877,111	\$1,791,838	\$0	\$1,791,838
206	Total One Time Tax and Permit Fees	= sum of three rows above	\$3,126,516	\$1,467,950	\$2,986,060	\$0	\$2,986,060
207							
208	<b>Other Revenues</b>						
209	Storm Water Management		\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
210							
211	<b>Other Fiscal Dimensions</b>						
212	Arts Project	= Value of Construction Contracts x .01	\$1,250,536	\$584,741	\$1,194,559	\$0	\$1,194,559
213	Real Estate Excise	= Total Land Values x .0025	\$153,496	\$85,977	\$145,490	\$0	\$145,490
214	Increased Debt Capacity	= Total Private Investment x .075	\$14,051,694	\$6,747,008	\$13,405,808	\$0	\$13,405,808
215	Sale of Right of Way	from above	\$1,978,170	\$901,813	\$901,813	\$0	\$0
216							
217							
218	<b>Tax Revenue to other Jurisdictions (2002 rates)</b>						
219	City	= (Construction Contract + LVI)/1000 x \$7.55431	\$1,302,322	\$647,973	\$1,240,950	\$0	\$1,240,950
220	Schools	= (Construction Contract + LVI)/1000 x \$3.22778	\$556,452	\$276,864	\$530,229	\$0	\$530,229
221	Fire	= (Construction Contract + LVI)/1000 x \$1.34794	\$232,378	\$116,620	\$221,427	\$0	\$221,427
222	EMS	= (Construction Contract + LVI)/1000 x \$.25	\$43,099	\$21,444	\$41,068	\$0	\$41,068
223	State Schools	= (Construction Contract + LVI)/1000 x \$2.98946	\$516,367	\$256,422	\$491,080	\$0	\$491,080
224	King County	= (Construction Contract + LVI)/1000 x \$1.44949	\$249,884	\$124,330	\$238,108	\$0	\$238,108
225	Port of Seattle	= (Construction Contract + LVI)/1000 x \$.18956	\$32,679	\$16,260	\$31,139	\$0	\$31,139
226	Total Tax Revenue		\$2,932,180	\$1,458,913	\$2,794,000	\$0	\$2,794,000
227							
228	<b>Sales Taxes</b>						
229	Burien	= Retail Sales x .0085	\$179,502	\$92,824	\$170,912	\$0	\$170,912
230	King County	= Retail Sales x .0085	\$179,502	\$92,824	\$170,912	\$0	\$170,912
231	State	= Retail Sales x .065	\$1,372,663	\$709,832	\$1,306,974	\$0	\$1,306,974
232	RTA	= Retail Sales x .004	\$64,472	\$43,682	\$80,429	\$0	\$80,429
233	Metro	= Retail Sales x .002	\$42,236	\$21,841	\$40,215	\$0	\$40,215
234	Total Sales Tax		\$1,858,374	\$961,003	\$1,769,442	\$0	\$1,769,442
		<b>Phase 1</b>					
235	Planning and Regulatory Fees		\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
		<b>Phase 2</b>					
236	Land Acquisition		\$73,024,320	\$33,537,095	\$33,537,095	\$0	\$0
		<b>Phase 3</b>					
237	Infrastructure Design & Construction		\$0	\$0	\$0	\$0	\$0
238	Land Resale		\$57,038,391	\$31,763,190	\$31,763,190	\$0	\$0
239	Present Value of land resale		\$44,691,072	\$24,887,290	\$24,887,290	\$0	\$0
		<b>Phase 4</b>					
240	Net Fiscal Return - Year 1		\$816,649	\$387,989	\$779,621	\$0	\$779,621
241	Net Fiscal Return - Year 15	= sum of (net fiscal return/1.05^year)	\$8,900,366	\$4,228,548	\$8,496,809	\$0	\$8,496,809
242	Net Fiscal Return - Year 30	= sum of (net fiscal return/1.05^year)	\$13,181,594	\$6,262,551	\$12,583,919	\$0	\$12,583,919

Economic and Fiscal Analysis  
SDEIS Alternatives  
Northeast Special Planning Area  
City of Burien, Washington

	Variable	Formula	Alternative 1	Alternative 2	Alternative 3
		Description			
1	<b>Total Acres</b>	= Total of 5 rows below	<b>162.0</b>	<b>109.6</b>	<b>0.0</b>
2	Land Use A - Office Park	= sum of land use A (RPZ, ATZ, NAR)	30.0	24.1	0.0
3	Land Use B - Business Park	= sum of land use B (RPZ, ATZ, NAR)	80.3	41.3	0.0
4	Land Use C - Warehouse/Distribution	= sum of land use C (RPZ, ATZ, NAR)	31.3	15.6	0.0
5	Miller Creek Buffer	= sum of Miller Creek Buffer (RPZ, ATZ, NAR)	0.0	14.9	0.0
6	Right of Way	= sum of Right of Way (RPZ, ATZ, NAR)	20.4	13.7	0.0
7					
8	<b>Runway Protection Zone (RPZ) Acres</b>	= Total of 5 rows below	<b>7.2</b>	<b>7.0</b>	<b>0.0</b>
9	Land Use A RPZ - Office Park		2.3	4.6	
10	Land Use B RPZ - Business Park		3.9	1.5	
11	Land Use C RPZ - Warehouse/Distribution				
12	Miller Creek Buffer				
13	Right of Way		1.0	0.9	
14					
15	<b>Approach Transition Zone (ATZ) Acres</b>	= Total of 5 rows below	<b>80.4</b>	<b>80.5</b>	<b>0.0</b>
16	Land Use A ATZ - Office Park			19.5	
17	Land Use B ATZ - Business Park		39.0	20.5	
18	Land Use C ATZ - Warehouse/Distribution		31.3	15.6	
19	Miller Creek Buffer			14.9	
20	Right of Way		10.1	10.0	
21					
22	<b>Non-Airport Related (NAR) Acres</b>	= Total of 5 rows below	<b>74.4</b>	<b>22.1</b>	<b>0.0</b>
23	Land Use A NAR - Office Park		27.7		
24	Land Use B NAR - Business Park		37.4	19.3	
25	Land Use C NAR - Warehouse/Distribution				
26	Miller Creek Buffer				
27	Right of Way		9.3	2.8	
28					
29	<b>Current Land Uses (acres)</b>	= Total of 7 rows below	<b>0.0</b>	<b>0.0</b>	<b>162.0</b>
30	Single Family Residential				89.0
31	Multi Family Residential				9.4
32	Mobile Home Park				2.3
33	Commercial				7.4
34	Institutional/School				11.0
35	Office				0.1
36	Vacant				22.0
37	Right of Way & Other				20.8
38					
39	<b>Total Residential Units</b>	= sum of SF, MF and MH residential units below	<b>0.0</b>	<b>0.0</b>	<b>340.0</b>
40	Residential Units - Single Family				188.0
41	Residential Units - Multi Family				56.0
42	Residential Units - Mobile Home				96.0
43	Persons per Unit - Single Family		2.8	2.8	2.8
44	Persons per Unit - Multi Family		2.2	2.2	2.2
45	Persons per Unit - Mobile Home		1.5	1.5	1.5
46	School Children (@ 0.6 per single family household)	= total single family residential units x .6	0.0	0.0	112.8
47					
48	<b>Total Population</b>	= sum of SF, MF and MH pop below	<b>0</b>	<b>0</b>	<b>794</b>
49	Population - Single Family	= SF units x pph (SF)	0	0	526
50	Population - Multi Family	= MF units x pph (MF)	0	0	123

Economic and Fiscal Analysis  
SDEIS Alternatives  
Northeast Special Planning Area  
City of Burien, Washington

	Variable	Formula	Alternative 1	Alternative 2	Alternative 3
51	Population - Mobile Home	= MH units x pph (MH)	0	0	144
52					
53	<b>Total Employees - Current</b>	<b>= sum of 3 rows below</b>	<b>0</b>	<b>0</b>	<b>173</b>
54	Retail Employees - Current	= 1 employee per 500 sq ft commercial			124
55	Office Employees - Current	= 1 employee per 350 sq ft office			5
56	Other Employees - Current	= 4 employees per acre			44
57	Retail Space (sq ft)				62,000
58	Office Space (sq ft)				1,600
59	Retail Sales per Square Foot		\$200	\$200	\$200
60	BP & Warehouse/Dist Gross Receipts per Employee per sq ft		\$10,000	\$10,000	\$10,000
61	Utility Payments per Square Foot Commercial/Office		\$0	\$0	\$2
62	Utility Payments per Residential Unit - Single Family				\$1,200
63	Utility Payments per Residential Unit - Multi Family				\$800
64	Utility Payments per Residential Unit - Mobile Home				\$800
65	State Shared Revenue per Person - 2000		\$31	\$31	\$31
66					
67	<b>Total Current Assessed Value (000's)</b>	<b>= sum of land and buildings</b>	<b>\$0</b>	<b>\$0</b>	<b>\$45,772</b>
68	<b>Land</b>	<b>= sum of 8 below</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,709</b>
69	Single Family Residential				\$7,989
70	Multi Family Residential				\$1,993
71	Mobile Home Park				\$964
72	Commercial				\$1,845
73	Office				\$34
74	Institutional/School				\$1,118
75	Vacant				\$1,766
76	Right of Way & Other				\$0
77					
78	<b>Buildings</b>	<b>= sum of 8 below</b>	<b>\$0</b>	<b>\$0</b>	<b>\$30,063</b>
79	Single Family Residential				\$17,181
80	Multi Family Residential				\$10,132
81	Mobile Home Park				\$234
82	Commercial				\$1,214
83	Office				\$55
84	Institutional/School				\$1,247
85	Vacant				\$0
86	Right of Way & Other				
87					
88	Current Retail Sales	= Retail Space (sq ft) x Retail Sales per sq ft (\$200)	\$0	\$0	\$12,400,000
89	Current Gross Receipts	= Office, W/D space (sq ft) x \$400			\$640,000
90					
91	<b>Redevelopment Assumptions</b>				
92	<b>Land Use A - Office</b>				
93	Total Land Use A - Acres	= RPZ office acres + ATZ office acres + NAR office acres	30.0	24.1	
94	Land Use A - FAR		0.25	0.25	
95	Land Use A - Square Feet	= Land Use A acres x FAR above (.25) x 43,560 x 90%	294,030	236,204	
96	Land Use A - Square Feet per Employee		350	350	
97	Land Use A - Office Employees	= sq ft of office / sq ft per employee	840	675	
98	Land Use A - Gross Receipts per employee		\$121,000	\$121,000	
99	Land Use A - Gross Receipts	= office employees x gross receipts per employee	\$101,650,371	\$81,659,132	
100	Retail Space sq ft	= Land Use A acres x FAR (.25) x 43560 x 10%	32,670	26,245	
101	Land Use A - Land Value Increment	= Land Use A acres x 43560 x \$12.50	\$16,335,000	\$13,122,450	

**Economic and Fiscal Analysis**  
**SDEIS Alternatives**  
**Northeast Special Planning Area**  
**City of Burien, Washington**

	Variable	Formula	Alternative 1	Alternative 2	Alternative 3
102	Land Use A - Utility Payments per sq. ft.		\$4	\$4	
103	Land Use A - Utility Payments	= sq ft of office & retail x utility payments per sq ft	\$1,306,800	\$1,049,796	
104	Land Use A - Retail Sales	= retail space sq ft x retail sales per sq ft (\$200)	\$6,534,000	\$5,248,980	
105					
106	<b>Land Use B - Business Park</b>				
107	Total Land Use B - Acres	= RPZ BP acres + ATZ BP acres + NAR BP acres	80.3	41.3	
108	Land Use B - FAR		0.30	0.30	
109	Land Use B - Square Feet	= Land Use B acres x FAR above (.30) x 43,560 x 95%	996,892	512,723	
110	Land Use B - Square Feet per Employee		800	800	
111	Land Use B - Employees	= sq ft of BP / sq ft per employee	1,246	641	
112	Land Use B - Gross Receipts per Employee		\$207,000	\$207,000	
113	Land Use B - Gross Receipts	= BP employees x gross receipts per employee	\$257,945,903	\$132,667,071	
114	Retail Space sq ft	= Land Use B acres x FAR (.30) x 43560 x 5%	52,468	26,985	
115	Business Park Land Value Increment	= Land Use B acres x 43560 x \$7.50	\$26,234,010	\$13,492,710	
116	Land Use B - Utility Payments per sq. ft.		\$3	\$3	
117	Land Use B - Utility Payments	= sq ft of BP & retail x utility payments per sq ft	\$3,148,081	\$1,619,125	
118	Land Use B - Retail Sales	= retail space sq ft x retail sales per sq ft (\$200)	\$10,493,604	\$5,397,084	
119					
120	<b>Land Use C - Warehouse/Distribution</b>				
121	Total Land Use C - Acres	= RPZ W/D acres + ATZ W/D acres + NAR W/D acres	31.3	15.6	
122	Land Use C - FAR		0.30	0.30	
123	Land Use C - Square Feet	= Land Use C acres x FAR above (.30) x 43,560 x 95%	388,577	193,668	
124	Land Use C - Square Feet per Employee		1500	1500	
125	Land Use C - Employees	= sq ft of W/D / sq ft per employee	259	129	
126	Land Use C - Gross Receipts per Employee.		\$342,000	\$342,000	
127	Land Use C - Gross Receipts	=W/D employees x gross receipts per employee	\$88,595,551	\$44,156,249	
128	Retail Space sq ft	= Land Use C acres x FAR (.30) x 43560 x 5%	20,451	10,193	
129	Warehouse/Distribution Land Value Increment	= Land Use C acres x 43560 x \$3.50	\$4,771,998	\$2,378,376	
130	Land Use C - Utility Payments per sq. ft.		\$2	\$2	
131	Land Use C - Utility Payments	= sq ft of W/D & retail x utility payments per sq ft	\$818,057	\$407,722	
132	Land Use C - Retail Sales	= retail space sq ft x retail sales per sq ft (\$200)	\$4,090,284	\$2,038,608	
133					
134	<b>Construction Costs</b>				
135	Total Construction Cost - Office	= sq ft Land Use A x \$120	\$39,204,000	\$31,493,880	\$0
136	Total Construction Cost - Business Park	= sq ft Land Use B x \$110	\$115,429,644	\$59,367,924	\$0
137	Total Construction Cost - Warehouse/Distribution	= sq ft Land Use C x \$80	\$32,722,272	\$16,308,864	\$0
138	Total all Construction Costs	= sum of three above (Const Cost of Office, BP, W/D)	\$187,355,916	\$107,170,668	\$0
139	Total Land Value Increment	= Sum of LVI for land use A, B and C	\$47,341,008	\$28,993,536	\$0
140					
141	<b>Land Values</b>				
142	Land Values - Office	= Office acres x 43560 x \$15	\$19,602,000	\$15,746,940	\$0
143	Land Values - Business Park	= BP acres x 43560 x \$10	\$34,978,680	\$17,990,280	\$0
144	Land Values - Warehouse/Distribution	= W/D acres x 43560 x \$5	\$6,817,140	\$3,397,680	\$0
145	Total Land Values	= sum of 3 #'s above	\$61,397,820	\$37,134,900	\$0
146					
147	<b>Construction Contracts</b>				
148	Total Construction Contract - Office	= Total Construction Cost Office x .65	\$25,482,600	\$20,471,022	\$0
149	Total Construction Contract - Business Park	= Total Construction Cost BP x .65	\$75,029,269	\$38,589,151	\$0
150	Total Construction Contract - Warehouse/Dist.	= Total Construction Cost W/D x .75	\$24,541,704	\$12,231,648	\$0
151	Total Construction Contracts	= sum of four rows above	\$125,053,573	\$71,291,821	\$0
152	Permit Fees	= .015 x Total Construction Contracts	\$1,875,804	\$1,069,377	\$0

**Economic and Fiscal Analysis**  
**SDEIS Alternatives**  
**Northeast Special Planning Area**  
**City of Burien, Washington**

	Variable	Formula	Alternative 1	Alternative 2	Alternative 3
153					
154	<b>Economic Indicators</b>				
155	Total Retail Square Feet	= Retail Space (Office + BP + W/D)	105,589	63,423	62,000
156	Annual Retail Sales	= Total Retail Sq ft (above) x \$200	\$21,117,888	\$12,684,672	\$12,400,000
157	Private Investment	= Total all Construction Cost (Office, BP, W/D, Retail)	\$187,355,916	\$107,170,668	\$0
158	Current Employment Sum	= Total Employees Current	0	0	173
159	New Employment Sum	= Employees from Land Use A, B, C + (total retail sq ft/500)	2,556	1,572	0
160	Gross Business Income	= A, B, C Gross Receipts = Crnt Ret Sales + Crnt Gross Receipts	\$448,191,826	\$258,482,452	\$13,040,000
161	Utility Payments	= Utility Payments from Office, BP, W/D & Residential	\$5,272,938	\$3,076,643	\$347,200
162	Value of Construction Contracts	= Total all Construction Contracts	\$125,053,573	\$71,291,821	\$0
163	Land Value Increments	= Sum of LVI for land use A, B and C	\$47,341,008	\$28,993,536	
164					
165	<b>Rent/Leases</b>				
166	Office	= Land Use A bldg sq ft x \$22	\$7,187,400	\$5,773,878	\$0
167	Business Park	= Land Use B bldg sq ft x \$18	\$18,888,487	\$9,714,751	\$0
168	Warehouse/Distribution	= Land Use C bldg sq x \$6	\$2,454,170	\$1,223,165	\$0
169	Total Lease Payments	= sum of 3 rows above	\$26,530,058	\$16,711,794	\$0
170		<b>Revenues</b>			
171	Annual Revenues				
172	Annual Retail Sales Tax	= Annual Retail Sales x .85 x .01	\$179,502	\$107,820	\$105,400
173	Property Tax	= (LVI + Total Private Investment)/(\$1000) x \$1.60	\$375,515	\$217,863	\$73,235
174	Utility Tax	= Utility Payments x .06	\$316,376	\$184,599	\$7,824
175	Business and Occupation Tax	= Gross Business Income x .0005	\$224,096	\$129,241	\$6,520
176	Total Annual Revenues	= Sum of Annual Taxes (Retail, Property, Utility, Business)	\$1,095,489	\$639,522	\$192,979
177	In lieu leasehold excise tax - total	= total lease payments x 12.84%	\$3,663,259	\$2,145,794	\$0
178		<b>Costs</b>			
179	Full Time Equivalent Population				
180	Residents x .7	= Total Population x .7	0	0	556
181	Employees x .3	= .3 x New Employment Sum for Alt 1 & 2, Empl. Sum for Alt 3	767	472	52
182	FTEP	= sum of 2 rows above	767	472	607
183					
184	<b>Public Services Cost</b>				
185	Police	= FTEP x \$176.08	\$135,041	\$83,025	\$106,932
186	Public Works	= FTEP x \$11.78	\$9,034	\$5,554	\$7,154
187	Community Development	= FTEP x \$31.28	\$23,990	\$14,749	\$18,996
188	Parks, Rec and Cultural	= FTEP x \$40.56	\$31,107	\$19,125	\$24,632
189	Direct Costs	= sum of four rows above	\$199,172	\$122,454	\$157,714
190	General Government (overhead)	= sum of Direct Costs x .40	\$79,669	\$48,981	\$63,085
191	Total Annual Public Services Cost	= Direct Costs + General Gov	\$278,840	\$171,435	\$220,799
192					
193		<b>Results</b>			
194	Net Annual Fiscal Return	= Total Annual Revenue - Total Public Services Cost	\$816,649	\$468,087	-\$27,820
195					
196	<b>One Time Tax and Permit Fees</b>				
197	One Time Retail Sales	= Value of Const Contracts x .85 x .01	\$1,062,955	\$605,980	\$0
198	1/2 Property Tax During Construction	= Property Tax x .5	\$187,758	\$108,931	\$36,618
199	Permits	= Value of Construction Contracts x .015	\$1,875,804	\$1,069,377	\$0
200	Total One Time Tax and Permit Fees	= sum of three rows above	\$3,126,516	\$1,784,289	\$36,618
201					
202	<b>Other Revenues</b>				
203	Storm Water Management		\$30,000	\$30,000	\$30,000

Economic and Fiscal Analysis  
SDEIS Alternatives  
Northeast Special Planning Area  
City of Burien, Washington

	Variable	Formula	Alternative 1	Alternative 2	Alternative 3
204					
205	<b>Other Fiscal Dimensions</b>				
206	Arts Project	= Value of Construction Contracts x .01	\$1,250,536	\$712,918	\$0
207	Real Estate Excise	= Total Land Values x .0025	\$153,495	\$92,837	\$0
208	Increased Debt Capacity	= Total Private Investment x .075	\$14,051,694	\$8,037,800	\$0
209	Sale of Right of Way	= ROW acres x 43560 x \$10	\$8,886,240	\$5,967,720	\$0
210	Sale of Land Use A - Office	= Office acres x 43560 x \$15	\$19,602,000	\$15,746,940	\$65,340
211	Sale of Land Use B - Business Park	= BP acres x 43560 x \$10	\$34,978,680	\$17,990,280	
212	Sale of Land Use C - Warehouse/Distribution	= W/D acres x 43560 x \$5	\$6,817,140	\$3,397,680	
213	Total Proceeds from Land Sales	= sum of 4 rows above	\$70,284,060	\$43,102,620	\$65,340
214	In lieu leasehold excise tax - total	= total lease payments x 12.84%	\$3,663,259	\$2,146,794	\$0
215	In lieu leasehold excise tax - City	= total lease payments x 3.92%	\$1,118,378	\$655,102	\$0
216	In lieu leasehold excise tax - County	= total lease payments x 1.96%	\$559,189	\$327,551	\$0
217					
218	<b>Tax Revenue to other Jurisdictions (2002 rates)</b>				
219	City	= (Construction Contract + LVI)/1000 x \$7.55431	\$1,302,322	\$757,587	\$345,776
220	Schools	= (Construction Contract + LVI)/1000 x \$3.22778	\$556,452	\$323,699	\$147,742
221	Fire	= (Construction Contract + LVI)/1000 x \$1.34794	\$232,378	\$135,179	\$61,698
222	EMS	= (Construction Contract + LVI)/1000 x \$.25	\$43,099	\$25,071	\$11,443
223	State Schools	= (Construction Contract + LVI)/1000 x \$2.98946	\$515,367	\$299,799	\$136,834
224	King County	= (Construction Contract + LVI)/1000 x \$1.44949	\$249,884	\$145,363	\$66,346
225	Port of Seattle	= (Construction Contract + LVI)/1000 x \$.18956	\$32,679	\$19,010	\$8,677
226					
227	<b>Sales Taxes</b>				
228	Burien	= Retail Sales x .0085	\$179,502	\$107,820	\$105,400
229	King County	= Retail Sales x .0085	\$179,502	\$107,820	\$105,400
230	State	= Retail Sales x .065	\$1,372,663	\$824,504	\$806,000
231	RTA	= Retail Sales x .004	\$84,472	\$50,739	\$49,600
232	Metro	= Retail Sales x .002	\$42,236	\$25,369	\$24,800

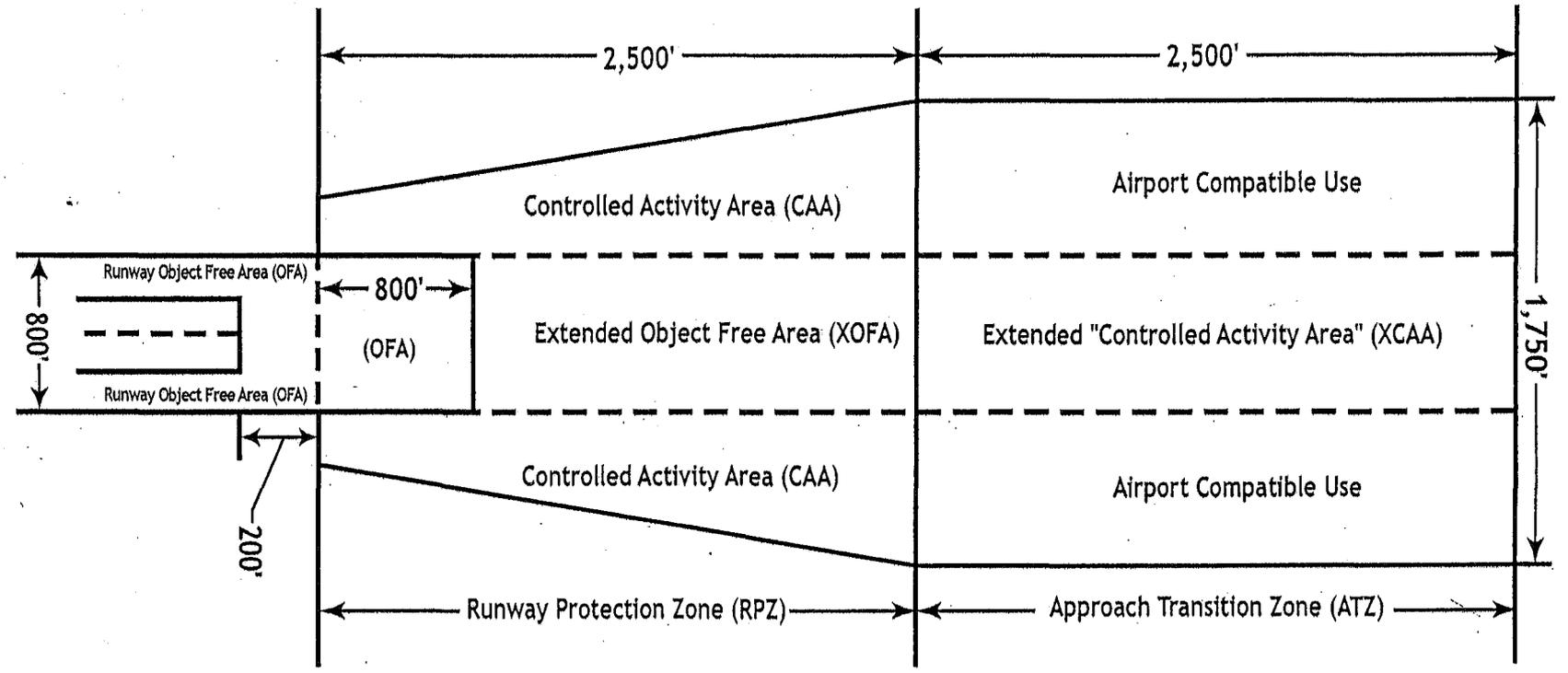


Figure 1.1-3 - ATZ & RPZ Detail

Northeast Special Planning  
Area Study - October 2001



Schematic  
Not To Scale



**INTERLOCAL AGREEMENT  
BETWEEN THE CITY OF BURIEN  
AND  
THE PORT OF SEATTLE  
REGARDING PROJECT MITIGATION AND REDEVELOPMENT IN  
NORTHEAST BURIEN**

**I. PURPOSE**

The purpose of this agreement is to provide a framework for the City of Burien to work with the Port of Seattle to remove the land use conflicts caused by expansion of airport uses adjacent to residential neighborhoods. Further, the purpose includes a framework agreement on the mutual goal and obligation of both parties to assemble property and redevelop airport-impacted neighborhoods rezoned to airport compatible commercial uses. The redevelopment of these properties and neighborhoods will benefit the City by replacing lost tax revenues caused by airport buy-out. Likewise, it will benefit the Port of Seattle and the region by producing revenue for the airport and jobs for the region.

**Goal:** Define clear set of initial obligations and be clear for the need to amend the agreement in the future to continue a long term process of changing residential and neighborhood commercial zoning use into airport commercial compatible commercial uses.

**Goal:** NERA land assembly may be completed by public or private actions. If the private market does not act timely, the Port will assume responsibility for buy out with public funds. The NERA land use transition may not fully complete the overall transition needed for Burien residents with significant noise impacts. Define a threshold to initiate planning and discussions further north or west if needed.

**Goal:** Funding priority for buyout of residents will be on equal footing with the expansion of the runway and other POS airport projects. The less restrictive the airport grant funding sources are to future redevelopment, the better.

**Goal:** The First Phase Buyout will be complete before the operation of the third runway. When the first phase of property assembly is completed, the parties will focus on redevelopment of the area and simultaneously initiate the second phase of buyout.

**Goal:** Use the tools available for land assembly and infrastructure development under state law. Work in partnership to attract funding and create redevelopment incentives.

**Goal:** Retain city's population and revenue base; provide alternative housing options for people relocated by the buyout.

- 1 -

*from Port  
no longer needed due  
to 509 project.  
Burien wants to move  
the 509*

# Fiscal Capacity Comparison

City	Fiscal Capacity Measure <sup>1</sup>	Utility Tax Rates	B&O Tax	Cardroom Gambling Tax
Tukwila <sup>2</sup>	1,611	4.0%	NO	10%
Seattle <sup>3</sup>	1,051	6.0%	0.22%	Banned
Redmond	958	5.5%	NO	12%
Bellevue	937	4.5%	0.15%	Banned
Renton	921	6.0%	NO	10%
Mercer Island	720	6.0%	0.10%	NO
Auburn	740	4.5%	NO	12%
SeaTac <sup>4</sup>	708	NO	NO	10%
Bothell	695	6.0%	NO	Banned
Kirkland	654	5.0%	NO	20%
Kent	670	4.8%	NO	10%
Shoreline	485	6.0%	NO	11%
<b>BURIEN<sup>5</sup></b>	<b>435</b>	<b>3%, 6%</b>	<b>0.05%</b>	<b>11%</b>
Federal Way	423	5.0%	NO	20%
Sammamish	406	NO	NO	NO
Lake Forest Park	394	6.0%	0.20%	NO
Des Moines	378	6.0%	NO	NO

<sup>1</sup> This measure uses 2001 per capita property, sales, gambling, utility, and business and occupation taxes. It also includes franchise and business license fees, in addition to fire service revenues. Data is from the Washington State Auditor's Office.

<sup>2</sup> The 4% utility tax in Tukwila is new for 2003, but is not included in this measure. Percentage data is from the Association of Washington Cities.

<sup>3</sup> An estimation of library revenues for Seattle, Renton, and Sammamish is deducted from each cities' financial capacity measure.

<sup>4</sup> SeaTac also collects a parking tax that is used for street purposes. It was \$147 per capita in 2001.

<sup>5</sup> Burien has a 3% utility tax on electricity and 6% on other utilities, which began in 2002. An estimate of \$54 per capita is included in the above amount.

**Northeast Redevelopment Area (NERA)**  
**Redevelopment of Port of Seattle Airport Impacted Land**  
**DRAFT Annual Economic and Financial Impact Analysis, Revised September 24, 2003**  
**, City of Burien, Washington**

<b>COSTS</b>	<b>Port Plans</b> Current Plans	<b>Redevelopment Project</b> Adds Commercial	<b>Redevelopment Project - Phase 2</b> Adds Residential
Number of Acres Currently Owned by Port <sup>1</sup>	26.8	26.8	26.8
Land Acquisition & Relocation Costs	\$ 37,561,937	\$ 37,561,937	\$ 37,561,937
Planned to Purchase by 2010 <sup>2</sup>	27.0	27.0	27.0
Land Acquisition & Relocation Costs	\$ 15,834,000	\$ 15,834,000	\$ 15,834,000
Add Neighborhood Commercial <sup>3</sup>		4.8	4.8
Land Acquisition & Relocation Costs <sup>4</sup>		\$ 2,983,776	\$ 2,983,776
Add Neighborhood N 140th & W of 10th S			11.6
Land Acquisition & Relocation Costs			\$ 10,065,060
<b>Total Acres</b>	<b>53.8</b>	<b>58.6</b>	<b>70.2</b>
<b>Total Acquisition &amp; Relocation Costs</b>	<b>\$ 53,395,937</b>	<b>\$ 56,379,713</b>	<b>\$ 66,444,773</b>
<b>Loss/Shift of Revenues</b>			
Annual Loss/Shift of Local Revenues <sup>5</sup>	\$ 367,371	\$ 380,357	\$ 434,986
20 Yr. Loss/Shift of Local Revenues	\$ 4,807,167	\$ 4,977,100	\$ 5,691,935
<b>REDEVELOPMENT OPTION</b>			
<b>Redevelop Land</b>			
Infrastructure Costs (Redevelopment Agency)	10,762,075	11,716,230	14,037,003
Construction Costs (Private Developer)	69,331,202	74,318,762	90,999,084
<b>Total Redevelopment Costs</b>	<b>80,093,277</b>	<b>86,034,992</b>	<b>105,036,087</b>
<b>BENEFITS OF REDEVELOPMENT</b>			
<b>Public Benefits</b>			
Port Annual Rental Income <sup>*6</sup>	1,239,779	1,291,733	1,645,558
City Annual Benefits <sup>7</sup>	619,659	656,604	817,073
Other Jurisdiction Annual Benefits <sup>8</sup>	1,265,481	1,346,841	1,665,738
<b>One-Time Revenues All Jurisdictions</b>	<b>4,862,010</b>	<b>5,247,299</b>	<b>6,364,047</b>
<b>Total New Employment in Redeveloped Land</b>	<b>687</b>	<b>726</b>	<b>906</b>
<b>Private Benefits</b>			
Developer Annual Net Rental Income	\$ 6,986,695	\$ 7,312,445	\$ 9,257,219

NOTES: 1. This includes the Lora Lake/Bowling Alley Triangle, RPZ area, Mobile Home Parks & Previously purchased residential properties

2. This includes the other residential houses in the overflight area.

3. This includes commercial properties that are mainly next to Des Moines Memorial Drive, actual acquisition may be higher.

4. The commercial property acquisition costs need to be further refined using commercial appraisal techniques

5. Loss/Shift of Revenue identifies the loss of local property, sales and utility taxes and state shared revenues

6. Port Rental Income for land assumes 70 cents per sq.ft. for business park & 25 cents/sq.ft for warehouse

7. City Tax Revenues include Leasehold Excise, Sales, Utility & B&O Taxes

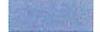
8. Other Jurisdiction Tax Revenues include State and County Leasehold Excise and Sales Taxes

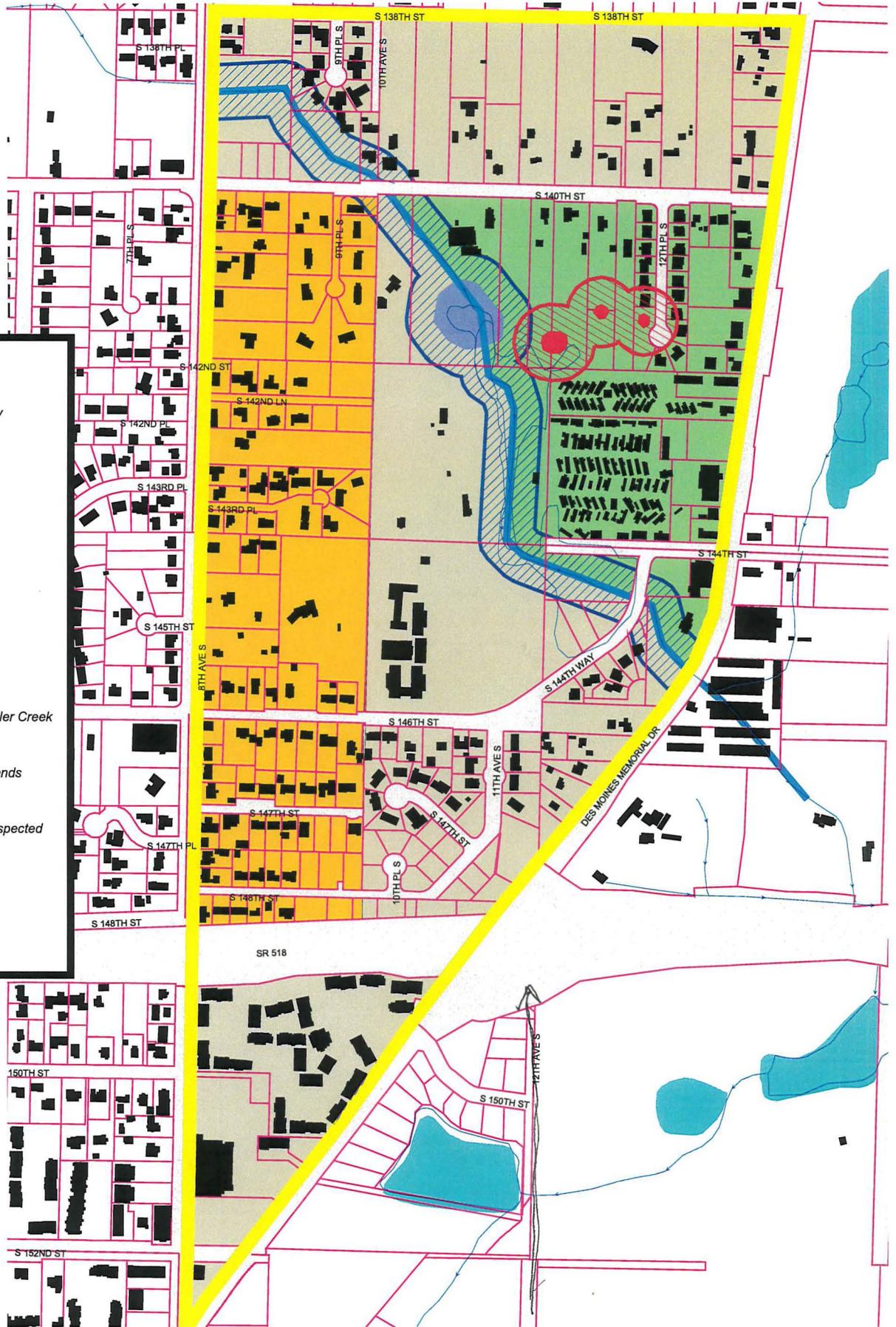
# NE Special Planning Area ~ 1/27/03



0 500 Feet

**Legend**

-  NESPA boundary
-  Area A
-  Area B
-  Area C
-  Miller Creek
-  Wetland
-  100' buffer of Miller Creek and wetland
-  Suspected wetlands
-  100' buffer of suspected wetlands
-  Property lines
-  Right of way



Burien, Washington, Special Study Areas, dated 1/27/03

## **Air Transportation Update: Regional Council Completes Property Acquisition Financial Feasibility Study**

One of the Regional Council's tasks under its 1996 amendment to include planning for a third runway at Sea-Tac Airport in the region's Metropolitan Transportation Plan was to assess the feasibility of financing mechanisms for purchase and redevelopment of incompatible land uses in high-noise areas around the airport. The action included specific instruction that any funding mechanism studied "must demonstrate a balance between long-term costs and revenues."

Originally, the Regional Council sought to examine the use of a state-financed revolving fund or other public and/or private financing mechanisms to acquire and redevelop land with incompatible uses adjacent to Sea-Tac airport. As the methodology for the study developed, the study was broadened to include other transportation facilities in addition to Sea-Tac. A case study area was selected near three regional transportation facilities: Auburn Rail Yard, Sea-Tac International Airport, and the proposed Everett 112th Street SE High Occupancy Vehicle (HOV) Lanes and Park-and-Ride Facility. The study was designed to provide Regional Council members with basic information concerning the financial feasibility of acquisition and redevelopment programs.

The study noted that any program addressing the re-use of land would be directly controlled by local governments exercising their land use planning and zoning authority; therefore, local jurisdictions would play a key role in implementing any acquisition and redevelopment program. The purpose of the feasibility analysis was simply to examine the possibility for acquisition and redevelopment as a mitigation solution, attempting to answer questions such as: What funding sources could be available? How much seed money may be needed to begin a project? What are the variables that affect costs and revenues? What percentage of the costs could be expected to be recovered?

The cost recovery analysis considered property acquisition, relocation assistance for displaced residents, demolition costs, site preparation costs, and resale proceeds. For each case study area, development impacts were evaluated including displaced population, added population, construction generated employment, operations phase employment, utilities impacts, traffic impacts, and local revenue impacts.

Three alternative financing strategies were identified: a State Trust Fund, funding through the Transportation Improvement Board, and creation of an Industrial Development Corporation. It was found that for the areas studied, the average cost recovery would be about 35 percent, although in the individual case studies the potential cost recovery ranged from 25 percent to 66 percent. The cost recovery analysis was based on reselling land to a third party for redevelopment.

The study noted that a redevelopment fund would need to be capitalized at a level sufficient to support the multiple phases of an acquisition and development program, and that a fund large enough to support 10 projects of varying types and sizes may require a total capitalization between \$150,000,000 and \$250,000,000.

For a free copy of the *Property Acquisition Financial Feasibility Study*, call the Regional Council Information Center at (206) 464-7532, or send email to [infoctr@psrc.org](mailto:infoctr@psrc.org)

**AWC LEGISLATIVE CONFERENCE  
OLYMPIA, WASHINGTON  
February 19-20, 2003**

**CITY OF BURIEN  
AGENDA**

- I. Thank you for meeting with us and for your past support.**
- SW 152<sup>nd</sup> Street: On schedule and below budget/celebrate the 4<sup>th</sup> of July
  - Maplewild Repair: Construction later this year/State match of \$386K?
  - Environmental Science Center: Constructing a classroom with state \$250K
- II. Request support for:**
- A. Northeast Special Planning Area Redevelopment/Airport Issues**
1. Support efforts for mitigation of airport impacts (separate issue from airport expansion) HB1639 Requires port districts to work with communities on facilities planning.
  2. EDGE (Tax Increment Financing): HB1281/SB5364
  3. Federal pilot project in Burien
  4. Oppose HB 1876-eliminates PCHB ruling on soil testing for fill
- B. City/County Regional Funding Solutions**
1. Earmark human services funding for geographical areas that have high human services needs but no money to address.
  2. Opposed to new taxes proposed by the county for county local and regional services until King County deals with its own cost of doing business. (See tax –fiscal capacity charts)
  3. Support AWC Tri Association Package: Efficiencies, local options for revenues and replacement funding for hardest hit cities.
- B. Land/Use/Building**
1. Support HB 1667. Local land use authority regarding the zoning of gambling facilities.
  2. Support the adoption of the International Building Code: HB1303/Oppose NFPA proposal (would require much higher staffing levels)
  3. Oppose SB5108: Limits government employee access to private property (restricts code enforcement ability).
  4. Oppose SB 5307: Mandatory 120-day permit review.
- C. Legal/Court Services**
1. Support reducing the number of judges in King County
  2. Support a revised statute that allows counties to contract on a break-even basis.