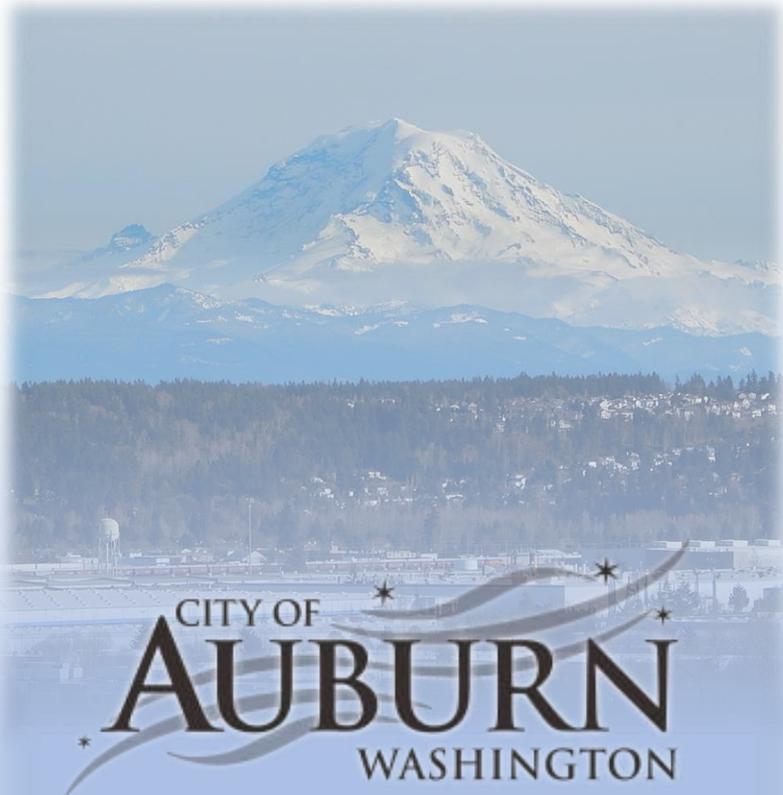




February 1, 2019

H E A R T L A N D

Presentation Outline



Zoning and Land Use Profile

Commercial Zone Performance

Zoning Assessment

Case Study: Auburn Way South

Findings & Recommendations

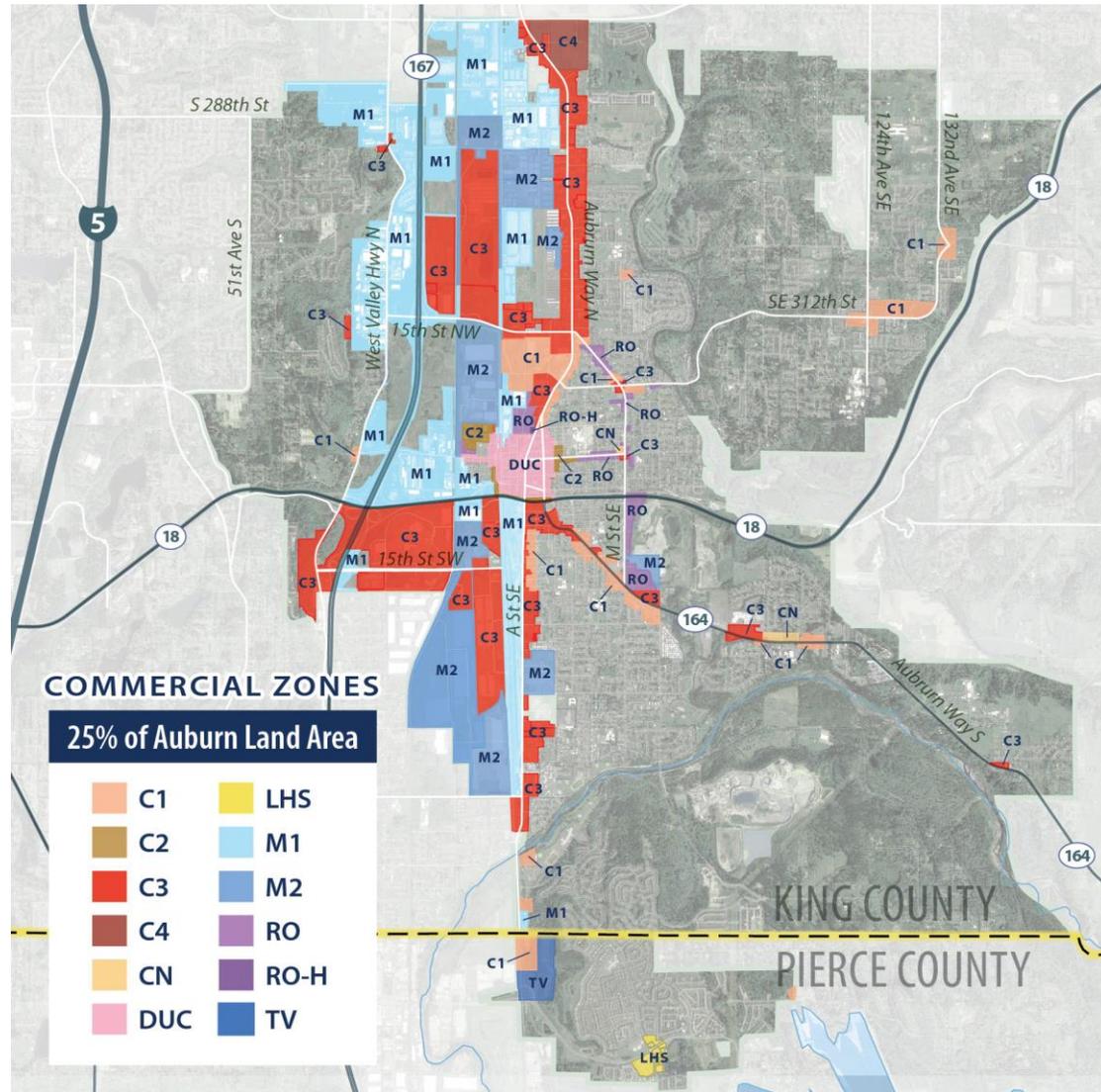
1.

ZONING AND LAND USE PROFILE

Commercial Zones

- Commercial zones cover just over **25%** of Auburn's total land area
- Centered around major transportation corridors
- M-1, C-3, and M-2 combined cover **85%** of the commercial zones
- A small portion of the Lakeland Hills South PUD (LHS) that allows commercial use is considered as part of the commercial zone

Specific Zones	% of Commercial
M-1	32.65%
C-3	30.69%
M-2	21.82%
C-1	6.12%
DUC	2.69%
RO	1.93%
C-4	1.47%
TV	1.17%
C-2	0.68%
LHS	0.52%
C-N	0.24%
RO-H	0.02%

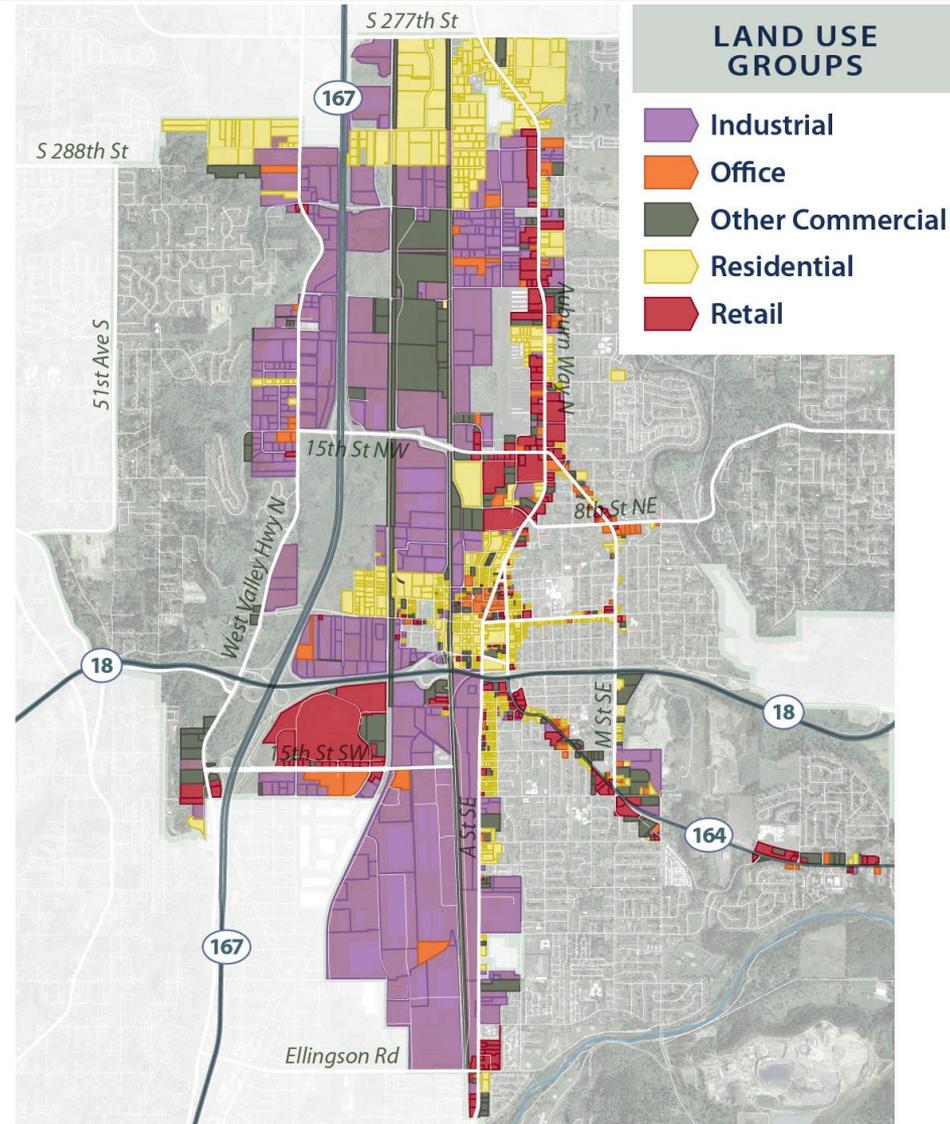
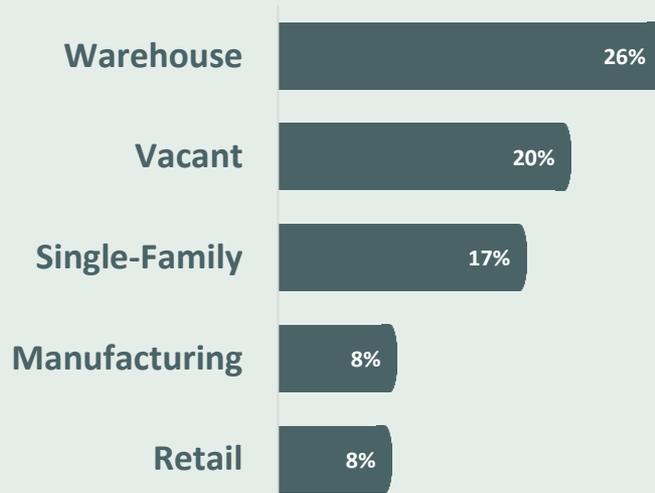


Land Use in Commercial Zones

Current Land Use Break Down

- 5 land use groups
- 24 subgroups

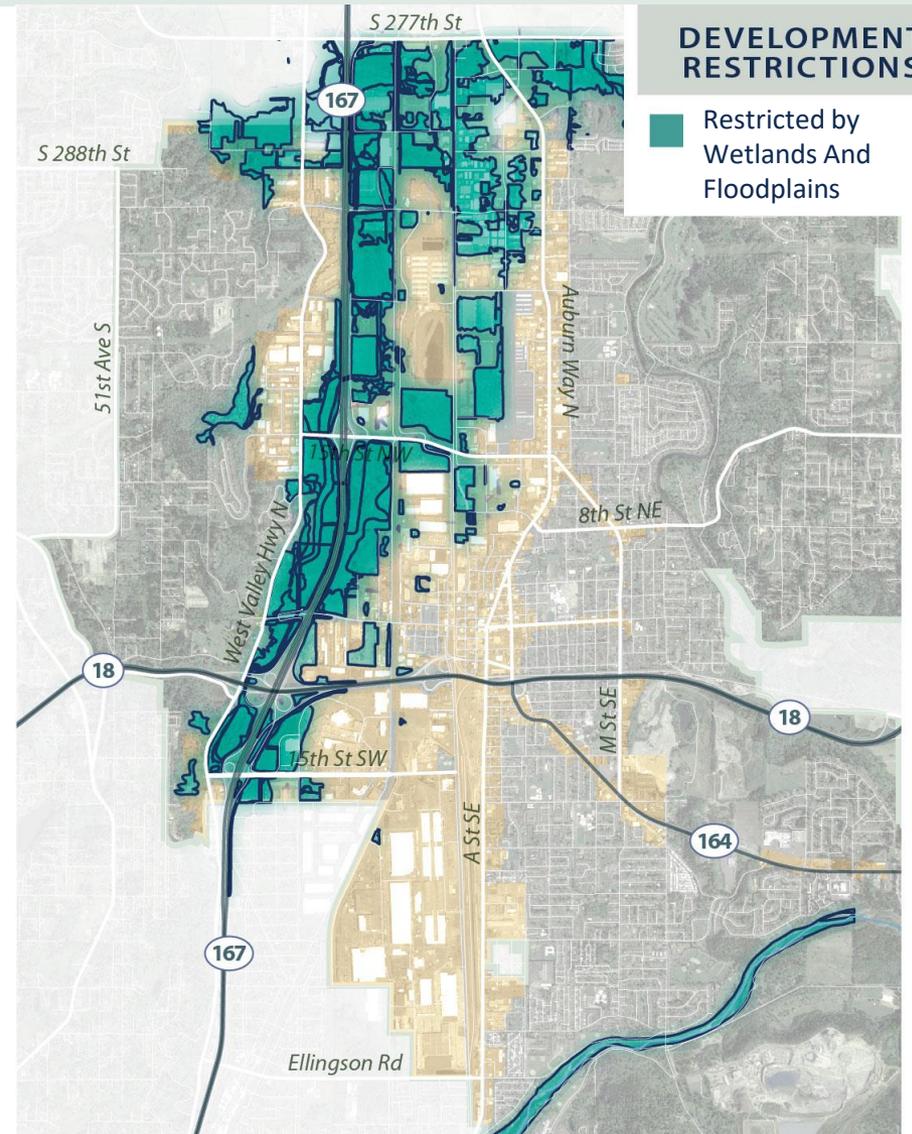
Top 5 Subgroups in Commercial Zones



Source: King County Assessor.

Environmentally Sensitive Areas

- Wetlands and floodplains impact **19.1%** of commercially zoned land
- Wetlands and floodplains impact **33.8%** of vacant commercial land (305 Acres)



Source: City of Auburn Wetlands and 2019 FEMA Floodplain data.

Land Use in Commercial Zones

	Land Use Subgroup	% of Commercial Area	C-N	C-1	C-2	C-3	C-4	DUC	M-1	M-2	RO	RO-H
1	Other Commercial	0.90%		3.91%		0.51%			0.88%	0.96%	0.22%	
2	Single-Family	16.87%		23.35%	89.69%	8.11%	87.03%	41.71%	24.67%	1.75%	43.78%	72.32%
3	Multi-Family	1.25%		5.79%		1.16%		1.49%			25.67%	
4	Hospitality	0.31%		0.31%		0.93%						
5	Other Housing	0.01%		0.12%								
6	Retail	7.75%	25.85%	18.22%	5.11%	19.54%		5.97%	0.27%	0.54%	0.59%	
7	Office	2.10%		2.63%		3.07%		3.29%	1.64%	1.02%	5.69%	17.30%
8	Medical	0.78%		5.89%		0.47%		8.26%			3.69%	
9	Recreational	1.50%		1.76%		3.92%		0.18%			7.30%	
10	Automotive	1.55%				4.82%		3.11%		0.08%		
11	Non-Profit	0.06%		0.12%							2.83%	
12	Food Service	0.84%		2.81%		2.00%		1.40%				
13	Government	0.40%		0.69%		1.02%					1.90%	
14	Education	0.18%		2.11%		0.08%					1.41%	
15	Warehouse	26.04%		2.72%		19.18%		7.62%	34.11%	37.90%	1.40%	
16	Flex	0.00%										
17	Industrial	3.87%		0.57%		3.41%		1.25%	2.79%	8.42%	0.29%	
18	Manufacturing	8.07%		0.10%		2.04%		0.55%	5.69%	25.90%		
19	Transportation	2.68%		7.10%		0.03%		1.43%	6.52%			
20	Utility	1.19%		0.28%		0.15%			3.00%	0.44%	0.87%	
21	Historic	0.01%						0.26%				
22	Vacant	19.87%	74.15%	19.39%	5.20%	29.23%	12.97%	5.71%	16.26%	15.46%	3.26%	10.38%
23	Encumbrance	3.49%		1.68%		0.21%		16.14%	3.90%	7.53%	0.37%	
24	Parking	0.29%		0.46%		0.12%		1.63%	0.26%		0.72%	

Source: King County Assessor.

2. COMMERCIAL ZONE PERFORMANCE

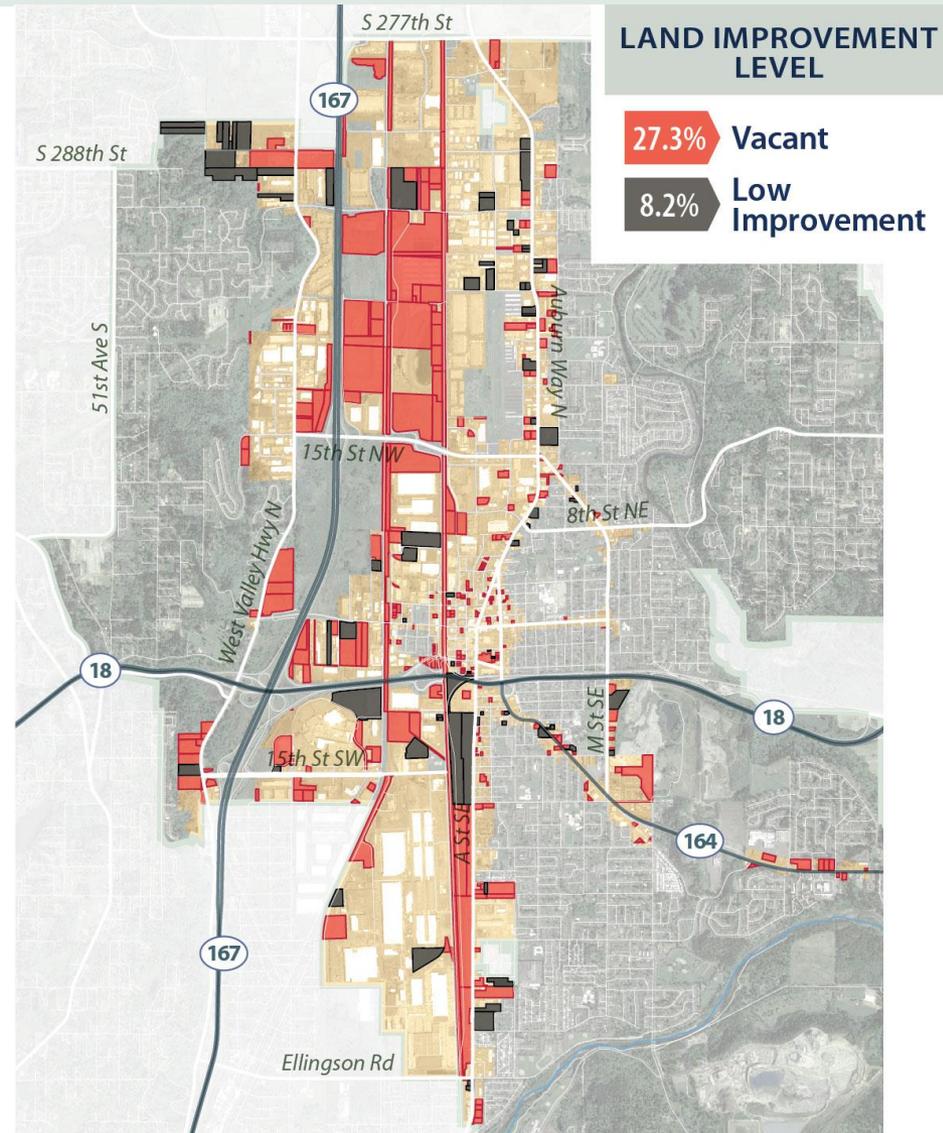
Land Improvement Level

Improvement Ratio: Assessed improvement value/total assessed value

Vacant: Property with zero improvement value

Low Improvement: Property with an improvement ratio lower than 0.25

- Vacant land (904 acres) and land with low improvement (271 acres) are over one third of commercial land combined
- 33.8% of vacant commercial land is restricted due to wetlands and floodplains (306 acres)
- 597 acres of vacant commercial land is developable
- 425 acres of vacant land is owned by large tax exempt property owners (p.11)



Property Tax Contribution – Land Use

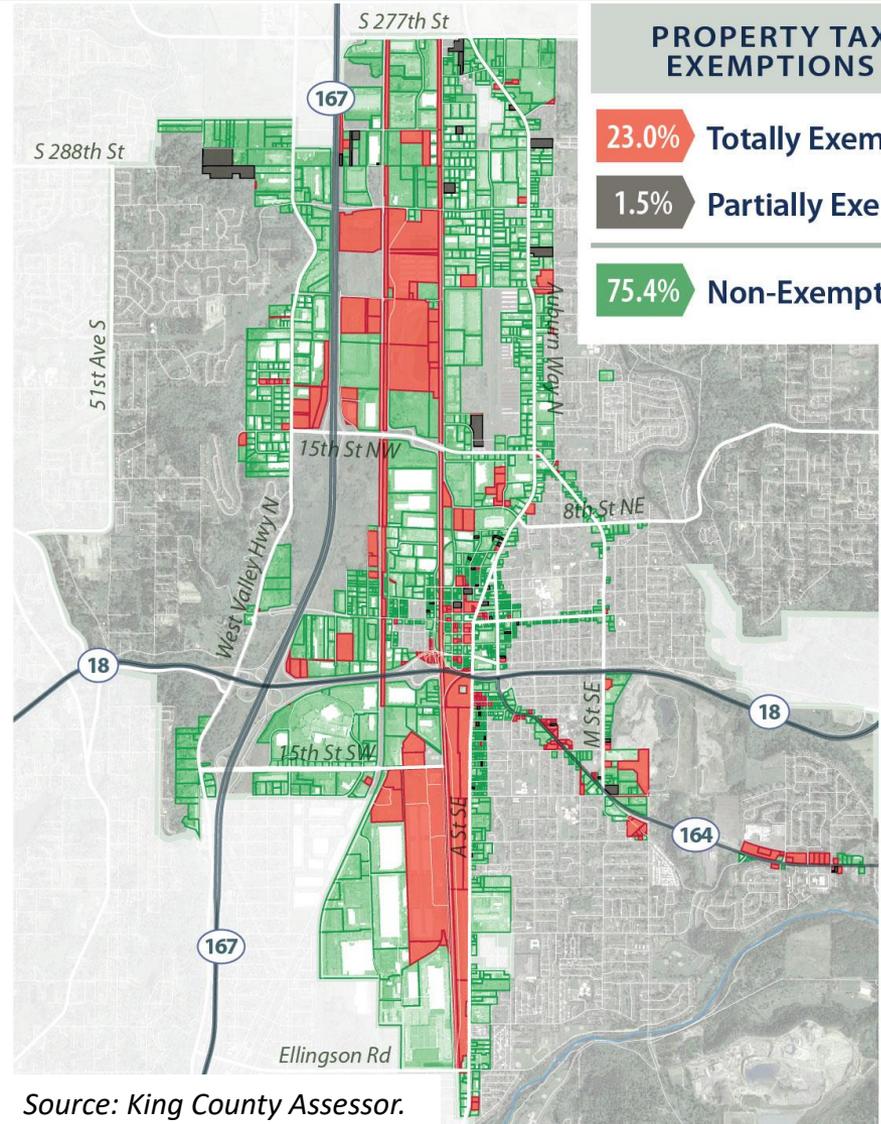
Tax-Exempt Land Use Subcategories % of Tax Exempt Area

Land Use	% of Tax Exempt Area
Vacant	35.90%
Warehouse	16.65%
Encumbrance	13.75%
Transportation	9.33%
Utility	4.30%
Recreational	3.92%

Tax-Exempt Land Use % of Tax Exempt Area – Excluding Large, Exempt Owners (p. 11)

Land Use	% of Tax Exempt Area
Vacant	5.86%
Single-Family	3.65%
Other Commercial	2.29%
Multi-Family	1.18%
Manufacturing	1.15%
Medical	1.06%
Office	0.81%

• \$496 million in appraised value was tax-exempted in 2018

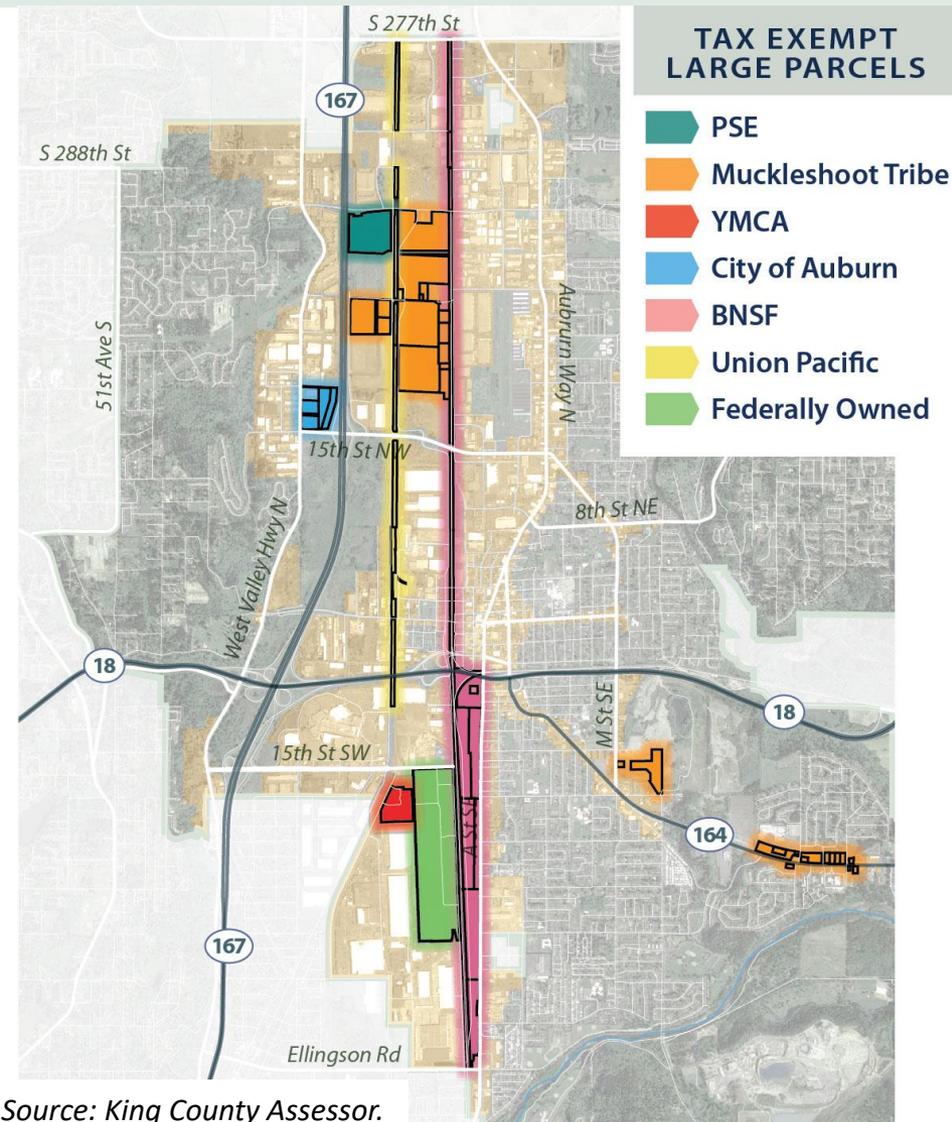


Source: King County Assessor.

Property Tax Contribution – Major Owners

Property Owner	Exempt Assessed Value	% of Commercial Land
Muckleshoot Tribe	\$76,997,700	5.68%
BNSF	\$26,063,600	5.37%
GSA	\$49,288,400	3.43%
City of Auburn	\$16,909,600	2.10%
Union Pacific	\$83,359,100	1.60%
PSE	\$5,513,400	1.27%
YMCA	\$9,595,300	0.47%
TOTAL	\$267,727,100	19.91%

- Major property owners contribute **81%** of tax-exempted parcels (757 acres)
- **19%** tax-exempted parcels are owned by other groups (177 acres)
- Non-profit ownership accounts for **4%** of tax-exempted parcels (37 acres)
- Religious organizations own **0.26%** of tax-exempted parcels (2.5 acres)



Businesses and Jobs Performance

Category	Average Annual Wage	Number of Businesses	Lot Size (Acres)	Number of Emp.	Employee / Acre	Sales Tax Revenue	Sales Tax Revenue /Acre	Rank
CONSTRUCTION	\$ 68,694	178	181	5,255	29	\$ 2,632,106	\$ 14,550	2
MANUFACTURING	\$ 75,217	144	194	3,661	19	\$ 677,600	\$ 3,499	5
RETAIL TRADE	\$ 34,632	303	379	4,348	11	\$ 4,871,580	\$ 12,867	3
AUTOMOTIVE	\$ 57,320	100	125	1,351	11	\$ 3,971,531	\$ 31,677	1
TRANSPORTATION & WAREHOUSING	\$ 55,381	89	232	2,170	9	\$ 88,503	\$ 381	8
WHOLESALE TRADE	\$ 85,926	157	325	2,888	9	\$ 1,363,083	\$ 4,192	4
SERVICES*	\$ 60,283	990	1,370	9,612	7	\$ 3,543,912	\$ 2,587	6
MISCELLANEOUS	\$ 47,504	113	130	503	4	\$ 65,374	\$ 501	7
TOTAL/AVERAGE	\$ 61,637	2,074	2,936	29,788	10,145	\$ 17,213,689	\$ 5,863	

* Real Estate, Rental, Leasing subsector is excluded from Services category.

Top Sale Tax Revenue/Acre

- Automotive
- Construction
- Retail Trade
- Wholesale Trade

Assumptions:

Only business licenses that are located in City of Auburn with an Auburn Parcel number and an NAICS code is included in the analysis.

For property with multiple businesses, lot SF is equally divided among businesses.

Businesses within the total City area were analyzed.

Source: City of Auburn 2018 Business License Data; Washington State Employment Security Department.

Method: Weighted average wage based on 3-digit NAICS code based on 2017 Covered Employment Wage Average of King County.

3. ZONING ASSESSMENT

Zoning and Property Tax Exemption

Commercial Zone	% of Commercial Area	% of Zone with Tax Exemption	% Total Commercial Area with Tax Exemption
C-1	6.12%	34.12%	2.16%
C-2	0.68%	5.71%	0.04%
C-3	30.69%	34.55%	10.78%
C-4	1.47%	1.53%	0.03%
C-N	0.24%	85.92%	0.20%
DUC	2.69%	30.07%	0.74%
M-1	32.65%	24.75%	8.23%
M-2	21.82%	10.42%	2.16%
RO	1.93%	11.74%	0.22%
RO-H	0.02%	0.00%	0.00%
TV	1.17%	0.00%	0.00%
LHS	0.52%	0.00%	0.00%
TOTALS	100%		24.56%

Highlights

C-3

- Major tax-exempt owners own **28.6%** of C-3 zone
- **Every large tax-exempt owner (pg. 11) owns land in a C-3 zone**

C-N

- Major tax-exempt owner owns **85.9%** of C-N zone
- **Tax-exempt owner is exclusively the Muckleshoot Tribe**

M-1

- Major tax-exempt owners own **20.3%** of M-1 zone
- **Owners include PSE, City of Auburn, Union Pacific and BNSF**

Source: King County Assessor.

Zoning and Jobs

Commercial Zones	# of Employees	% of Total Commercial Area	# of Emp. Per Land Acre Excluding Vacant Land
C-1	1,781	6.12%	9
C-2	121	0.68%	5
C-3	9,430	30.69%	11
C-4	0	1.47%	0
C-N	18	0.24%	8
DUC	2,531	2.69%	35
M-1	8,663	32.65%	9
M-2	12,654	21.82%	20
RO	521	1.93%	8
RO-H	17	0.02%	35
TV	2	1.17%	0
LHS	534	0.52%	21
TOTAL	36,272	100%	

- **85% of total employees** are located in C-3, M-1 and M-2 zones. These zones also make up a majority of the commercial zones (**85.1%**)
- Higher employment density occurs in smaller commercial zones, including DUC, RO-H, and LHS zones
- M-2 zone has a relatively high employment density

Source: City of Auburn 2018 Business License Data.

Method: Business location was geocoded based on recorded address in the City of Auburn 2018 Business License data.

4.

CASE STUDY

Auburn Way South

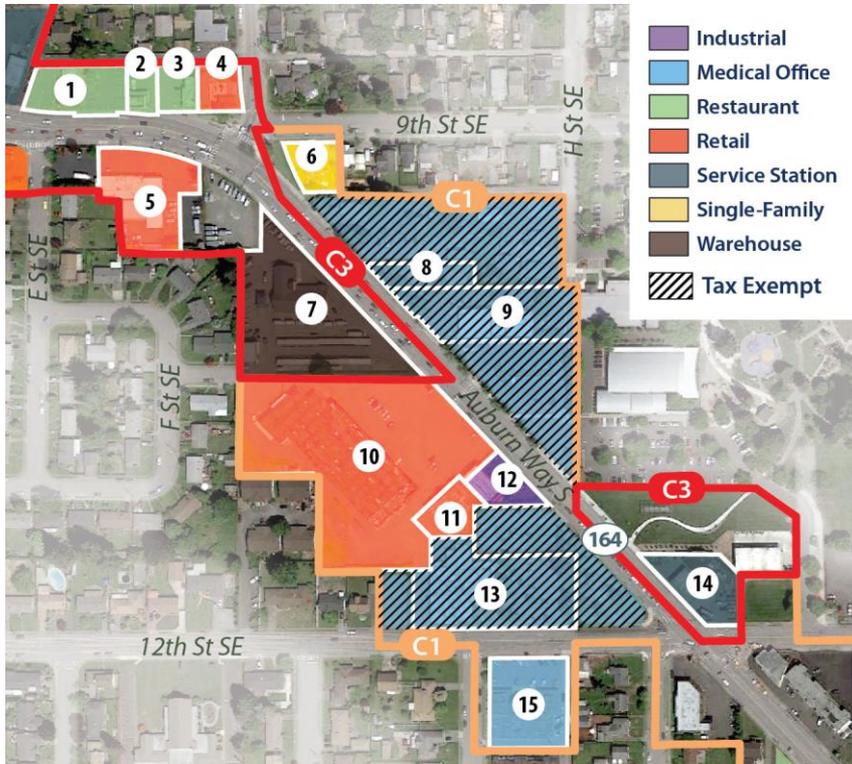
Auburn Way South – Section 1



ID	BUSINESS NAME	LOT SIZE (SF)	NUMBER OF EMPLOYEES	NUMBER OF EMPLOYEES PER ACRE	NUMBER OF BUSINESSES	IMPROVEMENT RATIO
1	MY GOODS MARKET #5928	35,420	5	6	1	0.63
2	Multiple	20,006	3	7	2	0.81
3	FIREHOUSE SQUARE	58,438	43	32	9	0.74
4	Multiple	5,956	4	29	2	0.79
5	AUBURN OUTDOOR FURNITURE	5,207	0	0	1	0.59
6	WSIADA	9,133	5	24	1	0.66
7	MCDONALDS OF AUBURN	40,285	50	54	1	0.78
8	TACO BELL #030819	21,098	0	0	1	0.74
9	KOONG THONG THAI RESTAURANT	13,059	0	0	1	0.24
10	VALLEY PUMP INC	8,100	1	5	1	0.64
11	PEP BOYS #1471	13,824	7	22	1	0.81
12	CHS NORTHWEST	17,560	3	7	1	0.46
13	Autoshop and Restaurant	21,270	1	2	2	0.56
14	LA FAVORITA MEXICAN STORE	14,163	3	9	1	0.74
15	PAMPER YOUR POOCH BOUTIQUE	10,672	0	0	1	0.83
16	BROWN BEAR CAR WASH	18,700	4	9	1	0.36
17	KING OF PHO	13,070	2	7	1	0.42
18	FENIX INSURANCE	8,409	4	21	1	0.79

- Clustered with neighborhood retail and restaurants
- Retail, office, restaurant, and auto service have higher job density

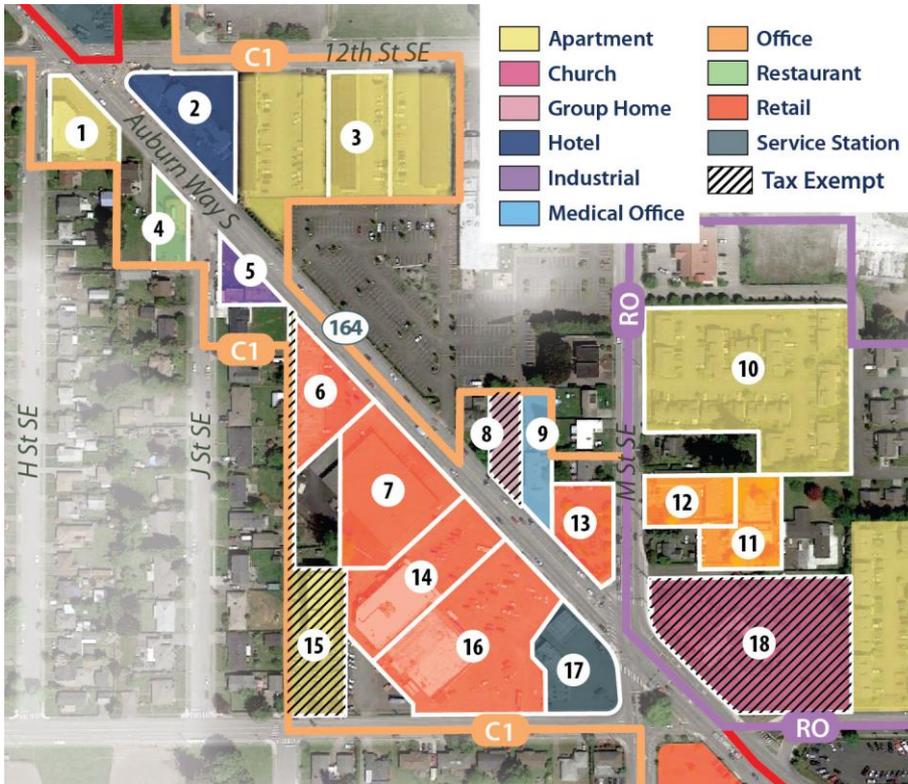
Auburn Way South – Section 2



ID	BUSINESS NAME	LOT SIZE (SF)	NUMBER OF EMPLOYEES	NUMBER OF EMPLOYEES PER ACRE	NUMBER OF BUSINESSES	IMPROVEMENT RATIO
1	SOUTH AUBURN DAIRY QUEEN	18,450	14	33	1	0.82
2	DONUT STAR	5,850	3	22	1	0.75
3	BASKIN ROBBINS	7,600	4	23	1	0.68
4	KALEIDOSCOPE CHILD CARE	8,170	8	43	1	0.57
5	LES SCHWAB TIRE CENTER	37,143	12	14	1	0.76
6	AUBURN PSYCHIC	9,185	1	5	1	0.73
7	U HAUL CO OF WASHINGTON	66,484	8	5	1	0.20
8	NEXUS YOUTH AND FAMILIES	9,893	0	0	1	0.83
9	NEXUS YOUTH AND FAMILIES	98,196	98	43	1	0.76
10	Farmer's Market	131,897	13	4	3	0.68
11	M + H HAIR SALON	10,165	2	9	1	0.79
12	1ST AUTO SERVICE	10,075	1	4	1	0.70
13	AUBURN MULTICARE CLINIC	83,675	61	32	1	0.84
14	AUBURN VALLEY CHEVRON	18,500	8	19	1	0.78
15	Lonnie Olsen Center	27,934	36	56	7	0.88

- Retail, childcare, and medical offices have higher job density
- Non-Profit medical office command large amount of this section's street frontage

Auburn Way South – Section 3



ID	BUSINESS NAME	LOT SIZE (SF)	NUMBER OF EMPLOYEES	NUMBER OF EMPLOYEES PER ACRE	NUMBER OF BUSINESSES	IMPROVEMENT RATIO
1	I-VAPE	19,023	1	2	1	0.82
2	AUBURN MOTEL	29,621	0	0	1	0.83
3	TECTON CORP/ 12TH STREET APARTMENTS	30,372	0	0	1	0.81
4	PIZZA HUT #013868	11,212	15	58	1	0.83
5	AUBURN MUFFLER & BRAKE LLC	9,765	3	13	1	0.72
6	Retail Strip	20,000	19	41	6	0.89
7	HABITAT FOR HUMANITY STORE	51,457	8	7	1	0.76
8	NEXUS YOUTH AND FAMILY	11,501	10	38	1	0.54
9	AUBURN CHIROPRACTIC CLINIC P S	14,907	5	15	1	0.52
10	EJ Square Townhomes	111,354	0	0	1	0.85
11	TIM EDWARDS & ASSOCIATES, PS	22,256	6	12	1	0.47
12	WHITE RIVER FAMILY HEALTH CLINIC	17,500	6	15	1	0.82
13	STARBUCKS COFFEE #11662	20,185	18	39	1	0.64
14	RITE AID #5172	43,560	16	16	1	0.82
15	PLAZA SEVENTEEN	38,278	20	23	1	Not Available
16	TACOMA GOODWILL INDUSTRIES	77,101	32	18	1	0.49
17	76 Food Mart	26,127	12	20	2	0.66
18	Zion Lutheran Church	89,433	4	2	1	0.56

- A property with long frontage on Auburn Way South is zoned as Institutional Use and currently used as a church and associated parking
- Retail, restaurant, and social service have higher job density

Auburn Way South – Section 4



ID	BUSINESS NAME	LOT SIZE (SF)	NUMBER OF EMPLOYEES	NUMBER OF EMPLOYEES PER ACRE	NUMBER OF BUSINESSES	IMPROVEMENT RATIO
1	ZION LUTHERAN CHURCH	90,605	4	2	1	0.56
2	JVM TRANSPORT	141,851	1	0	1	0.83
3	GARDENS APARTMENTS	39,909	2	2	1	0.90
4	Klein Auto Sales & Service	141,851	15	5	3	0.49
5	Walgreens	39,909	20	22	2	0.85
6	Auburn Shopping Center	129,143	78	26	10	0.86
7	PUBLIC STORAGE	141,851	0	0	1	0.84
8	AUBURN SKATE LLC	141,851	10	3	1	0.46
9	HILLSIDE GARDENS PARTNERS, LP ESTATES AT	69,614	3	2	1	0.00
10	VRFA FIRE STATION #32	39,909	27	29	1	Not Available
11	Multi Service Center Low Rise Apartments	141,851	0	0	2	0.89
12	7-Eleven	90,605	6	3	2	0.60

- Larger lot size and more regional establishments
- Convenient stores, shopping center, and fire station have higher job density

5. FINDINGS AND RECOMMENDATIONS

Findings

Land Use and Zoning

- M-1, C-3, M-2 zones make up **85.1%** of total commercial area
- Warehouse, vacant land, retail, manufacturing and single-family homes are the top five land use categories in commercial zones
- Single-family use is prevalent in several commercial zones including C-1, C-2, C-4, DUC, M-1, RO and RO-H
- 27% (904 acres) of commercial land is vacant, 33.79% (305 acres) of which is impacted by wetlands and floodplains
- Small non-profit and religious organizations only own a small amount of land in commercial zones (39.9 acres, 1.05%)

Findings

Economic Productivity

- The Muckleshoot Tribe, public agencies, railroad companies and utility companies own 81% of tax-exempted properties
- Service sector contributes to the largest number of employees in the City (9,612 jobs, 7 employees/acre, \$2,587 in Sales tax revenue/acre)
- Construction sector has the highest job density (29 employees/acre, 5,255 jobs, \$14,550 in sales tax revenue/acre)
- Manufacturing has the second highest job density (19 employees/acre, 3,661 jobs, \$3,499 in sales tax revenue/acre)
- Automotive ranks high in job density and sales tax revenue per acre (11 employees/acre, 1,351 jobs, \$31,677 sales tax revenue/acre)
- DUC zone has the highest employment density (35 employees/non-vacant acre)
- M-2 zone has a relatively high employment density for its large area (20 employee/non-vacant acre)

Recommendations

- City-wide business data collection system could be improved to ensure higher quality data being collected and analyzed in the following ways:
 - Require complete information including parcel number, NAICS code, employee number by location in business license data submission
 - Make GIS parcel data accessible and downloadable
 - Collaborate across departments on data collection, maintenance, analysis, and reporting
 - Expand categorization of parcel land use specific to Auburn and irrespective of County
 - Relate land use categories to NAICS codes to improve integration with the City's business license data
- Zoning around major arterials could be updated to encourage higher economic productivity, including:
 - Revisit Institutional Use zone in commercially viable places, and
 - Encourage the redevelopment of single-family uses to commercial uses