

APPROVED SEPTEMBER 12TH

**CITY OF EDMONDS
PLANNING BOARD MINUTES**

August 22, 2012

Chair Lovell called the meeting of the Edmonds Planning Board to order at 7:00 p.m. in the Council Chambers, Public Safety Complex, 250 – 5th Avenue North.

BOARD MEMBERS PRESENT

Philip Lovell, Chair
Valerie Stewart, Vice Chair
Kevin Clarke
Todd Cloutier
Bill Ellis
John Reed
Neil Tibbott
Ian Duncan

STAFF PRESENT

Rob Chave, development Services Director
Kernen Lien, Planner
Karin Noyes, Recorder

OTHERS PRESENT

Bob McChesney, Executive Director, Port of Edmonds
Bill Trimm, MAKERs Architecture and Urban Design
John Owen, MAKERs Architecture and Urban Design
Bradford Cattle, Port Attorney, Anderson Hunter Law Firm

READING/APPROVAL OF MINUTES

BOARD MEMBER REED MOVED THAT THE MINUTES OF AUGUST 8, 2012 BE APPROVED AS SUBMITTED. BOARD MEMBER TIBBOTT SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

ANNOUNCEMENT OF AGENDA

Chair Lovell reported that he and Vice Chair Stewart met with City staff and Port representatives to discuss the best process for reviewing the Port's request to incorporate their Harbor Square Master Plan into the City's Comprehensive Plan. It was determined that a workshop discussion would be appropriate. He referred to the proposed agenda, noting that public comments would not be taken until after the workshop discussion. This will insure sufficient time to complete the workshop and give the public the advantage of the results of the discussion.

The Board accepted the agenda as presented.

AUDIENCE COMMENTS

No one in the audience indicated a desire to address the Board during this portion of the meeting.

WORKSHOP DISCUSSION WITH THE PLANNING BOARD, PORT OF EDMONDS AND CITY STAFF REGARDING THE PORT OF EDMONDS REQUEST TO INCORPORATE THE HARBOR SQUARE MASTER PLAN INTO THE CITY OF EDMONDS COMPREHENSIVE PLAN (FILE NUMBER AMD20110009)

Chair Lovell explained the following ground rules for the workshop:

- The charge of the Planning Board is to continue and complete a review of the Port's proposed master plan for the potential redevelopment of the Harbor Square area in accordance with the goals and provisions contained within the City's Comprehensive Plan.
- The primary purpose of the workshop is to allow the Port to answer a series of questions with regard to the plan as identified following their initial presentation to the Board on July 25th. The questions and the framework of the workshop agenda is contained in Attachment 1 on the City's website, which posts all documents and submittals regarding the Port's proposal.
- The Port has provided a supplement to its proposal (Attachment 2), answering many of the questions posed by the Planning Board on July 25th. The answers may need to be supplemented with items identified in the question outline within Attachment 1.
- The questions would be taken in order, via the Port's continuum presentation (Attachment 3). Some questions may not be answerable at this time because there is not enough information to properly do so. Participants should stick to one question at a time and try not to jump around.
- Please avoid redundancy.
- A lot of information has already been provided to answer many questions and participants should avail themselves to this data.
- Please give everyone a chance to participate. If the Chair believes the group is straying too far off track or beating a question to death, he will attempt to redirect the group or move on as appropriate.
- Try and follow Roberts Rules of Order, recognizing the Planning Board is less formal.
- Tonight is not for motions and action; only information gathering and sharing.
- Speak into the microphones. The meeting is being recorded and videotaped for replay on Channels 21 and 39.

Chair Lovell introduced Port representatives, Bob McChesney, Executive Director, Port of Edmonds; Bill Trimm, Chief Planner, MAKERs Architecture and Urban Design; John Owen, Design Architect, MAKERs Architecture and Urban Design; and Bradford Cattle, Port Attorney, Anderson Hunter Law Firm. He then invited Mr. McChesney to introduce the Port's purpose, history, mission and intent with regard to their Harbor Square Master Plan submittal for a Comprehensive Plan amendment.

Bob McChesney, Executive Director, Port of Edmonds, distributed a map identifying the current Port District boundaries, specifically pointing out that the Port District boundaries are different than the City of Edmonds boundaries. He noted the presence of Port Commissioner Jim Orvis in the audience. He advised that the Port is before the Planning Board asking for approval of an amendment to incorporate the Port's Harbor Square Master Plan into the City's Comprehensive Plan. He explained that this is a critical milestone achievement, without which the Port cannot move forward. As discussed previously, the planning process for future redevelopment at Harbor Square has been open, methodical and transparent at every step along the way. The Port has held numerous public meetings and engaged a community steering committee to shape the concept. As a first step, the Port believes the master plan is right, but there is much more in the process yet to follow before the plan is finished and ready for development.

Mr. McChesney advised that Port representatives are prepared to address issues and answer questions raised during their initial presentation to the Board on July 25th. Chief Planner, Bill Trimm, will discuss the planning process in order to generate some perspective on how and when various issues and questions come into focus; and John Owen, Design Architect, will discuss the design elements of the plan including the View Impact Study that was used to establish a base map for the conceptual site plan. He said that, as requested, the Port has provided additional documentation, including a copy of the Port's Mission Statement, the Harbor Square Loan Payoff Plan, the Year-to-Date Rent Role for Harbor Square, a graphic of the Process Compendium, and an elevation cross section diagram.

Before getting into the specifics of the proposed master plan, Mr. McChesney said it is important to talk about the Port, in general and touch briefly on the history of Harbor Square and how the Port came to own it. As a point of reference, he referred to a recent article in *THE EDMONDS BEACON*, titled, "*Port: Who? What? Why?*" He advised that while the original legislative action dates back to the Port District Act of 1911, the Port of Edmonds was formed by a vote of the people in 1948. The general idea was to maintain local control over future waterfront development and to provide a separate taxing district to finance capital improvements. The Port of Edmonds marina was constructed in 1962, and it has been perhaps the most obvious result of that vision for what a port district should.

Mr. McChesney advised that the Port of Edmonds is governed by five commissioners elected from within the Port District. The Port District boundaries were set at the time the Port was created and, to his knowledge, have not been expanded since that time. Roughly, the western perimeter is bounded by the Edmonds and Woodway shoreline along Puget Sound to the Snohomish County line; the eastern boundary is 92nd Avenue west, northerly until the street merges into the shoreline. A key point to note is that while the City has grown over the decades, the Port District boundaries have not. This has resulted in a discontinuity of governance areas that is sometimes inconvenient and difficult for people to comprehend. The Port of Edmonds is a municipal corporation also known as a special purpose jurisdiction and junior taxing authority. The Port is not a department of the City. However, just like any other land owner or developer, it is under the City's zoning and land use jurisdiction.

Mr. McChesney emphasized that there is no sunset provision to the Port's basic mission, and the Port's authority to participate in what is broadly defined as "economic development" programs can be found in Revised Code of Washington (RCW) 53.08.245: *"It shall be in the public purpose for all port districts to engage in economic development programs. In addition, port districts may contract with nonprofit corporations in furtherance of this and other acts relating to economic development."* Mr. McChesney explained that because the term "economic development" has no precise definition, a question arises as to whether or not the Port may seek to plan and develop non-transportation and non-harbor related uses such as residential and office development. The answer to that question is yes. However, he specifically noted that the Port is not seeking a development permit at this stage. Rather the Port is moving forward with an amendment to the City's Comprehensive Plan that adopts the Harbor Square Master Plan as an element.

Mr. McChesney explained that State law requires all ports to have on file a comprehensive scheme of harbor improvements that directs capital projects. This is generically called a "master plan." The Port Commission adopted an amendment to its Master Plan for Harbor Square on June 25th and is now seeking to amend the City's Comprehensive Plan to incorporate the goals, policies and directives of the master plan. To be clear, Mr. McChesney emphasized that the action before the City at this time is not to approve a permit for development. The City's Comprehensive Plan provides goals, guidelines and polices that identify and define the types of land uses, opportunities and constraints for future development; and these provisions are implemented through zoning and other tools such as development agreements that regulate physical development. Once adopted by the City, the Harbor Square Master Plan would become the basis for evaluating a development proposal, including the application of zoning and related conditions set forth in a development agreement.

Mr. McChesney stated that the Port is not limited to just transportation and harbor-related development. RCW 53.08.040 provides, among other things, that port districts may develop their properties for industrial and commercial purposes. The redevelopment contemplated by the Harbor Square Master Plan anticipates a typical mixed-use concept that includes ground floor retail, office, residential, hotel and athletic club, with off-street (structured) parking for businesses, patrons and the general public. He pointed out that the conventional wisdom in commercial development is that residential drives the retail component and is the most likely path to achieve highest and best use of the property. Therefore, it should be the Port's goal.

Mr. McChesney acknowledged that the Port will not be the primary developer seeking permits for the project. Their intent is to enter into a public/private partnership in order to effectuate the development. The Port will engage a developer in the form of a development agreement to insure that development is consistent with the requirements of the Port and the commitments under the master plan. More than likely, there will be another development agreement with the City for conformance and compliance with all aspects of the Comprehensive Plan and entitlements. This is a preferred arrangement and is very typical for ports. He pointed out that RCW 53.08.080 provides that a port district may lease real property owned and controlled by it for such purposes and upon such terms as the port commission deems proper as consistent with its basic mission. Further RCW 53.08.090 authorizes the sale of port real property. Thus, what the Port is proposing at Harbor Square is fundamentally consistent with the legal authority for port districts. He noted there are numerous examples of similar type developments by other ports including Bellingham, Everett and Seattle.

Mr. McChesney reviewed that the Port acquired the property known as Harbor Square (14.62 acres) in 1978 for \$350,000. In 1980 a contract rezone was obtained for a mixed-use development that included retail, office and light industrial, but not residential. The height was (and still is) 35 feet. In 1982 the Port entered into a ground lease with a private developer, and in 2006, the Port purchased the assets from the developer for \$13.5 million to settle environmental litigation and to regain control of the property.

Bill Trimm, Chief Planner, MAKERS, referred the Board to the process compendium, which outlines the various phases of the two processes: a Comprehensive Plan amendment to adopt the Harbor Square Master Plan and actual design review of a development application that would implement the master plan. He emphasized that, at this time, the Port does not know what the development action will be, and the current workshop discussion should focus on the proposed Comprehensive Plan amendment. He provided a compendium outlining the Comprehensive Plan and development review process for Harbor Square and reviewed each of the steps as follows:

- **Port prepares and adopts Harbor Square Master Plan.** The master plan process included numerous opportunities for public input, and a Harbor Square Steering Committee was formed to identify a vision that was used to create and revise the development schemes. This process concluded on June 25th when the Port Commission adopted the Harbor Square Master Plan into the Port of Edmonds Comprehensive Scheme of Harbor Improvements.
- **City reviews and adopts the Harbor Square Master Plan as a Comprehensive Plan amendment.** A lengthy Comprehensive Plan amendment review process is required by the Growth Management Act (GMA), and the Port submitted an application on July 10th. The City issued a letter of completeness on August 9th, and the Port's proposal to amend the City's Comprehensive Plan to incorporate the Harbor Square Master Plan was initially presented to the Planning Board on July 25th. If the Board feels comfortable moving forward, a public hearing has been tentatively scheduled for September 26th. After the public hearing, the Board would forward a recommendation to the City Council, and the City Council would conduct another public hearing before taking final action on the application. Adoption of the Harbor Square Master Plan would enable future redevelopment at Harbor Square.
- **City completes and adopts the Shoreline Master Program (SMP).** The SMP is part and party to the Comprehensive Plan amendment proposed by the Port, and a public hearing before the Planning Board on the draft SMP is tentatively scheduled for October 24th. Once the Planning Board's review has been completed, the document will be forwarded to the Department of Ecology (DOE) for a protracted review and comment process. The DOE will issue a letter of approval that will be presented to the City Council, and the City Council will take final action on the draft SMP by ordinance. The Comprehensive Plan amendment and adopted SMP will provide the framework and create opportunity for the next stages in the process.
- **City and Port enact conceptual development agreement.** This vital step involves the preparation of a conceptual development agreement to specify the conditions and standards that would be incorporated into a final development plan. The conceptual development agreement would be between the City and the Port and identify what would be part of a future development application submitted by a developer. This conceptual development agreement will occur prior to the Port issuing a Request for Proposals (RFP) for development and will inform potential developers of what will be required and provide the community an opportunity to see what the Port intends for redevelopment at Harbor Square. The conceptual development agreement will likely occur in 2013 or 2014.
- **Port prepares and issues developer Request for Proposals (RFP), reviews proposals and selects developer.** The RFP will include the conditions and requirements specified in the conceptual development agreement, such as a numerical range for the amount of commercial, residential and public uses required. It would also require prospective developers to define the impacts and mitigation requirements associated with a proposed project. The RFP would also define the applicable elements of the City's Comprehensive Plan and Development Code that all development proposals would be required to meet. The Port will review each proposal and select a developer.
- **Developer refines analysis, secures financing and prepares proposal and permit application.** The selected developer would put together a proposal that is consistent with the approved Harbor Square Master Plan and the City/Port conceptual development agreement. The developer will eventually go through due diligence to determine what the site configuration and general mixture of uses will be and secure financing for the project.
- **Developer applies to city for Final development agreement. City reviews and approves with conditions.** At this point, the developer would submit a formal application to the City for a final development agreement to redevelop Harbor Square. During this process the City, the Port and the developer would review the prescribed conditions and identify specific standards for inclusion in a final development agreement that would address issues such as bulk, floor

ratio, drainage and other details. This is the stage where the community will have a clear picture of how the development proposal will implement the adopted Harbor Square Master Plan. The City's review is a very extensive process and includes a State Environmental Policy Act (SEPA) review. The will City issue a Determination of Nonsignificance (DNS), a Determination of Significance (DS) or a Mitigated Determination of Nonsignificance (MDNS) for the proposal. If an DS or MDNS is issued for the proposal, the developer would be required to complete a draft Environmental Impact Statement (EIS), which would be submitted to the public for comment prior to issuance of a final EIS. Once the environmental review process has been completed, the proposed development agreement would be presented to the Planning Board for a public hearing and review. They will forward a recommendation to the City Council, who may conduct another public hearing before taking final action. Once a development agreement has been adopted by the City Council, the developer will have a clear understanding of what he/she is entitled to do and what will be required. The final development agreement will be a binding contractual agreement between the developer and the City about what will be required, who will be responsible for what, and how the project will be phased. This detailed agreement would represent a win/win for the City and the developer.

- **Developer completes construction documents and prepares building permit application.** Once a development agreement has been adopted, the developer will complete construction documents and submit a building permit application.
- **City reviews building permit application.** The application will be reviewed by various City Departments for compliance with applicable City codes and the approved development agreement.
- **Construction begins.** Construction could start as soon as the building permit application has been approved by the City.

Mr. Trimm once again emphasized that the current workshop is intended to focus on a proposed amendment to incorporate the Harbor Square Master Plan into the City's Comprehensive Plan.

Chair Lovell asked if a development proposal must conform to both the Port's Harbor Square Master Plan and the City's Comprehensive Plan policies. Mr. Trimm answered that the conceptual development agreement would specify standards and conditions to address issues such as the required infrastructure, mitigation to address potential impacts, project phasing, etc. The Comprehensive Plan policies would be amended with adoption of the Port's Harbor Square Master Plan, which includes recommended policies and a general development scheme. Development proposals would have to be consistent with policies and conditions identified in both the Comprehensive Plan and the development agreement.

Chair Lovell expressed concern that many citizens think about the Harbor Square Master Plan as just the conceptual drawings that are provided in the proposal. Mr. Trimm explained that the GMA requires master plans to contain three elements: maps, goals and policies. He suggested it might be helpful to refer to the conceptual drawings as illustrative diagrams, instead.

Board Member Reed observed that Mr. Trimm's presentation did not mention that the City is also conducting a State Environmental Policy Act (SEPA) review of the Port's proposal and will issue a determination before the Planning Board conducts a public hearing. Mr. Trimm explained that the Port submitted an application for a non-project action, and the City is currently going through the SEPA review process. They will make a declaration prior to the first public hearing. The City would also conduct a project-specific SEPA review if and when a development agreement application is submitted. If the City issues an MDNS or a DS, the developer would be required to complete a draft EIS. The City would identify the impacts they anticipate and ask the developer to respond with proposed mitigation. The draft EIS would be published for public comment and the developer would be required to address each comment in the final EIS.

Mr. Lien explained that when adopting the Harbor Square Master Plan, the Port acted as the SEPA review agency, and they issued a MDNS. The City will be the SEPA review agency for the Comprehensive Plan amendment. In the process of considering the SEPA portion of the application, the City has the same options for declaration as the Port had (DS, DNS and MDNS). The Port's current proposal to adopt the Harbor Square Master Plan into the City's Comprehensive Plan is a non-project action, but the development agreement will require a more detailed and in-depth review process. He summarized that the level of analysis required for the Comprehensive Plan amendment is less than what would be required for a development agreement.

Board Member Clarke noted that the Port's Application Narrative states that because the Washington State Growth Management Act (GMA) requires zoning and development regulations to be consistent with and enable the Comprehensive Plan, it is paramount that the City's Comprehensive Plan acknowledge and incorporate the Port's Harbor Square Master Plan into its relevant policies. Such incorporation will provide the basis for subsequent rezoning and development agreements to implement the Comprehensive Plan. Board Member Clarke disagreed with this statement. The reality is that the City must review the master plan proposal to determine if it is consistent with the Comprehensive Plan. Once this is done, they can incorporate specific standards related to a potential future rezone. He observed that no rezone would be necessary if the Port's proposed Harbor Square Master Plan did not identify a residential component and a height limit of up to 55 feet. However, if the proposed Harbor Square Master Plan is adopted as proposed, the City would be required to grant a rezone to allow for residential development and buildings to a height of 55 feet. Mr. Trimm explained that adoption of the Port's Harbor Square Master Plan into the City's Comprehensive Plan would result in a compilation of goals, policies and vision. Implementation would include a development agreement that specifies how the goals, policies and vision would be implemented.

Board Member Clarke stated that if the Harbor Square Master Plan, which identifies residential development and a 55-foot height limit, is adopted into the Comprehensive Plan, the City must allow a future rezone or development agreement that calls for residential development up to 55 feet. Mr. Trimm advised that adoption of the proposed master plan would not require the City to adopt 55-foot height limits for Harbor Square. A developer would use the goals and policies in the Comprehensive Plan to design a specific development proposal, which may or may not include 55-foot buildings. A developer may determine that 45-foot buildings are sufficient. However, a height limit greater than 55 feet would be inconsistent with the goals and policies of the Comprehensive Plan. Additional height and a residential component would only be allowed if approved as part of a future development agreement.

Board Member Clarke said his interpretation is that a rezone would be required to develop the property as per the master plan because the current zoning on the property has a 35-foot height limit. A rezone must be granted in order to make the zoning and the Comprehensive Plan consistent, which is required by State law. Mr. Lien clarified that adoption of the proposed master plan would not require a developer to propose a 55-foot height limit, but a 55-foot height limit would be consistent with the Comprehensive Plan.

Board Member Clarke emphasized that the City would be unable to deny a request for 55-feet in height if that is what developer requests. Mr. Lien referred to graphics showing where the different heights could be allowed, depending on location. For example, 55-foot buildings would not be allowed along Dayton Street, but 55-foot buildings could be allowed in the southwest corner of property.

Bradford Cattle, Port Attorney, explained that as per the proposed SMP, any building height in excess of 35 feet would require a view analysis which involves a certain amount of evaluation. When considering a rezone or development agreement proposal, the City must not only consider the Comprehensive Plan policies, but also the SMP requirements. The description that flows from the SMP is not automatic and the Comprehensive Plan does not vest a developer's rights like the zoning code does. To say that the Port and/or developer can put 55-foot buildings anywhere on the site based on the proposed Comprehensive Plan amendment is not the case.

Board Member Reed asked if it would be necessary to amend the draft SMP if a height greater than 35 feet is adopted into the Comprehensive Plan as proposed by the Port. He noted that the proposed Urban Mixed Use III Environment currently identifies a 35-foot height limit. Mr. Cattle pointed out that the SMP already provides the ability to go beyond 35 feet in height, but the additional height must be supported by a view analysis and structures must be designed to minimize impacts on public views. The Shoreline Management Act (SMA) also contains specific requirements to protect public views and requires an evaluation if more than 18% of the view corridor is changed. A development agreement might also require review by the Shoreline Hearings Board, where a more sophisticated view analysis would be required than the view study that was presented up to this point. He summarized that the existing rules are clearly defined to protect the interests of the people who are concerned about views. The acceptance to the answer by people may not all be the same, but the rules in the proposed Comprehensive Plan amendment, the SMA and the SMP create the opportunity for a developer to present a development agreement and development proposal.

Mr. Chave summarized that height is one factor in the proposed master plan, but there are many other policies and requirements that must be weighed for any given proposal. Just because the master plan identifies a potential height limit of 55 feet does not mean a developer would automatically be granted 55 feet. The height limit will depend on balancing the overall master plan provisions with various other factors. These details will be worked out at a later time. He said that while the 55-foot height limit identified in the proposed master plan is one factor, it is not the end of the story.

Board Member Clarke requested legal direction from the City Attorney relative to this issue so the public clearly understands what impact adoption of a master plan that calls out a 55-foot height limit would have on future redevelopment of Harbor Square and other properties located within the downtown/waterfront area. He said it appears counterintuitive for the Port to ask for a 55-foot height limit now unless it is very important for their future redevelopment.

Board Member Reed asked what flexibility the Board has to amend the Harbor Square Master Plan before forwarding a recommendation to the City Council. Mr. Lien said the Board could propose changes to the Harbor Square Master Plan and invite the Port to identify whether they would support the changes or not. Another option would be to simply include any changes in their recommendation to the City Council. If the Port does not agree with the changes, they could ask the City Council to vote against the Board's recommendation.

Mr. Cattle clarified that non-substantive changes would not require formal action by the Port Commission and could be authorized by Port representatives. However, more substantial changes should be evaluated by the Port Commission. Another option would be to forward the recommended changes to the City Council, and the Port Commission could evaluate the changes in the time frame between the Board and City Council deliberations. He emphasized that the circumstances of the master plan have been applied for the reasons articulated. However, if the Board thinks they can achieve the goals with modifications that do not do disservice to the goals identified in the proposed master plan, the Port Commission would likely be open to suggestions. However, it is not likely the Port Commission would consider an amendment that lowers the height limit to 40 feet. He summarized that it all depends on the nature of the proposed changes.

Board Member Reed asked if the Port Commission would be required to conduct a public process before accepting revisions to the plan. Mr. Cattle answered that the process for amending the Port's Comprehensive Scheme of Harbor Improvements simply requires a 10-day public notice. While he would be concerned about the receptivity of more substantive changes, a 10-day notice and a Port Commission meeting could accommodate the less substantial changes. A major change would likely reopen the public process if the Port Commission is interested in considering the revision.

Board Member Ellis pointed out that if a future developer presents a proposal that looks exactly like the conceptual drawing shown in the master plan, the City would have no basis for denying the request for a 55-foot height limit because it would have already been deemed appropriate at the time the master plan was adopted into the Comprehensive Plan. Mr. Cattle explained that a final development agreement, which requires a public process, must be completed before a building permit and rezone applications can be submitted. Issues related to height will be dealt with as part of a rezone or development agreement application, and a Shoreline Substantial Development Permit will be required for structures that exceed 35-feet in height. The increased height must be supported by a view analysis and structures must be designed to minimize impact to public views. The Comprehensive Plan amendment simply identifies opportunities. Rather than approving buildings, it identifies potential uses in the area.

Mr. Lien explained that Harbor Square is currently zoned General Commercial (CG), which was done through a contract rezone in 1980 with a 35-foot height limit. Mr. Cattle pointed out that a contract rezone amendment would be consistent with the Comprehensive Plan amendment that identifies up to 55 feet in some locations. However, the additional height would not be automatic. A developer must also meet the test for rezone applications and Shoreline Substantial Development Permits. The City still has the discretion to approve or deny the project based on these requirements.

Mr. Chave advised that as the Port continues along the process compendium, more and more detail will be provided and reviews will occur at each phase against more and more specific criteria. At this time, the Port is at the Comprehensive Plan amendment level and the parameters are general. As the Port moves forward, more details will be provided. At this time, the Port cannot say what the final project will look like.

Mr. Cattle emphasized that adopting the Port's Harbor Square Master Plan into the City's Comprehensive Plan would not guarantee a developer five stories. Chair Lovell agreed that approval of the master plan would not mean the Port is automatically entitled to residential uses and 55-foot height limits in the final development agreement. The Board agreed it would be helpful to obtain legal guidance from the City Attorney to clarify this issue.

Board Member Clarke noted that the Port of Edmonds is a member of the Washington Public Port Association (WPPA). He referred to the WPPA's website, which states that "Washington ports have a crucial mandate: job creation. A port district is uniquely capable of creating economic growth and increasing the number of family-wage jobs in a community, because of the specific authorities granted by the legislature." However, none of the Port's presentation materials identified the number of jobs the proposed redevelopment scenario would create. He said he would like the Port to supply this information. He noted that the Port's definition for economic development does not include job creation. Instead, it talks about increasing the tax base, real estate taxes, and developer fees that will come to the City.

Board Member Clarke questioned why a history of the Port was not part of the documents prepared by the consultant. He pointed out that the current master ground lease covers the nine lots within the contract rezone and has specific language that says only two uses are permitted on the property: commercial and industrial. He said Lots 1 through 3, which front along Dayton Street, are the only lots that permit commercial development. Lots 4 through 9 are required to have industrial uses and the lease specifically states what the industrials uses are to be: warehouse and light manufacturing. Mr. McChesney pointed out that when the Port acquired the Harbor Square assets from the private developer, the leasehold restrictions were nullified. Board Member Clarke noted that the ground lease is still in effect under the Harbor Inn.

Board Member Clarke said the Harbor Square Business Park was designed to be a mixed-use business park, with commercial and industrial uses. Harbor Square Associates, the land tenant, was not allowed to put in any other uses without the permission of the Port. The Harbor Square Athletic Club was constructed as an industrial building; but because they couldn't find a tenant, the athletic club was permitted to occupy the space as a commercial use. The athletic club owners leased the buildings from Harbor Square Associates and made substantial improvements over the years. These modifications recognize supply and demand to permit greater flexibility, but Harbor Square has always been a business park.

Mr. Cattle asked how this information bears on the Board's review of the Comprehensive Plan amendment. Board Member Clarke said he is trying to help the public understand the history of Harbor Square.

Board Member Clarke reviewed that a binding site plan was approved by the City last in 1989, after the lots were all developed with the inner looping circulation road. This binding site plan was integrated with the contract rezone to show how landscaping, buffer requirements, walkways, etc. would be laid out. The City required additional documentation to address parking, as well. A parking agreement was required to give each tenant who occupied a lot the right to park anywhere in the business park.

Board Member Clarke requested more information to understand the environmental contamination that was found on the Harbor Square site. He said that when the contamination was found, the level of required cleanup necessitated the Port's need to purchase the buildings. Mr. McChesney said he was not around during that time. However, prior to the buildings being constructed, it was known that the property was closely associated with the tank farm and railroad activities. After the buildings were constructed, residual contamination was discovered and the Port spent a considerable amount of money on the cleanup for excavation, soil removal, and foundation stabilization. The DOE was involved throughout the process. However, there was a dispute between the Port and the private developer about who was ultimately liable and if the cleanup was complete. This situation initiated the Port's negotiations with the private developer to settle the dispute and purchase the assets for \$13.5 million in 2006.

Board Member Clarke noted that cleanup under Buildings 1 through 4 was never done because it would have required the structures to be torn down. The DOE required a restrictive covenant that does not allow the Port to remove asphalt or tear down these buildings without a cleanup program in place that is authorized by the DOE. At this time, there is still contamination under Buildings 1 through 4. Mr. McChesney said there is no documentation to confirm Board Member Clarke's statement, but he assumes that is the case.

Board Member Clarke expressed concern that the LMN/Berk Study did not reference any of the legal issues. It did question whether the soils could handle development, but no study of the soils was done. Mr. McChesney confirmed that there has never been a full geotechnical study of the soils at Harbor Square. Board Member Clarke observed that, at this time, the Port does not know that five-story development is even possible at Harbor Square. Mr. McChesney explained that because of cleanup efforts elsewhere on the site, the Port has a good idea of the existing soil. He said it is important to understand where in the process a geotechnical study would be conducted and additional information would come into play. Board Member Clarke said he cannot find any history related to the soil conditions and contamination in any of the Port's documentation. He said it is important to understand this critical oversight of the LMN/Berk Study, which does not identify the highest and best use for the property. Mr. McChesney said the study was not intended to answer that question. It was intended to be a bulk study.

Board Member Clarke said the mapping study done by Berk Associates was intended to identify the size of improvements needed on the property in order to reach a threshold of economic feasibility. The economic feasibility threshold was based on buildings and land, which means the Port paid \$13.5 million for the buildings and an additional \$2 million to clean up the site. The purpose of the study was to identify the building mass required for the Port to sell the property and recoup what they paid for it and/or pay back the \$10 million loan. The land value threshold is referenced in each scenario, but no market-driven scenario was provided. The study was based on the economics required to get the land value high enough for the Port to pay back its loan. Mr. McChesney pointed out that the Port has never represented in any of the public meetings or reports that the underlying economic analysis was definitive or conclusive on how Harbor Square would ultimately be redeveloped. The issue of valuation cannot be fixed at this moment in time. The Port does not have perfect information, but the LMN/Berk Study told them what they thought they needed to know to develop a concept. In the final analysis, economic feasibility cannot be known until someone makes an investment decision.

Board Member Clarke pointed out that the Port's entire Harbor Square Master Plan process began with the Berk Study, which was first presented to the public on May 5, 2010 at a Port Commission meeting. At that meeting, Mr. McChesney reported that the Port owed more on the property than it was worth. In addition, a Port Commissioner stated that if the Harbor Square Master Plan is not approved, the business complex will turn "into a slum." Board Member Clarke recalled that at a previous meeting, Mr. McChesney presented the Planning Board with a series of slides showing different scenarios. He indicated that three to five-story buildings are necessary in order for redevelopment to be feasible. He said that is what the Port's conclusion has always been. Mr. McChesney clarified that the first public meeting at which the LMN/Berk Study was discussed was held in December of 2009. This was the first time the Commission had seen the report from the consultant. At that time, the Commission was still trying to come to grips with the economic realities. While comments could have been spoken better, it does not change in a material sense what the Port is proposing. Since that time, a series of public meetings and open houses were held to solicit feedback from citizens.

Board Member Clarke said the LMN/Berk Study presented a scenario that would upgrade the existing improvements. At that time, the consultant stated that the residual land value of a three to five-story scenario could potentially exceed the value of the property today in which case the Port could consider selling the property for redevelopment. However, with the improvements to the current buildings, the value of the property could increase to the point that selling the property for redevelopment does not make financial sense." Mr. McChesney said he is not sure the Port Commission fully agrees with that qualifier. The Port has been managing the property for a number of years, and market conditions have not been good. It is difficult for them to conceive of a meaningful redevelopment plan that simply puts new paint, windows, etc. on the existing buildings. It has been a challenge to maintain occupancy and find new tenants. They are not inspired or motivated to change the aesthetics of the existing configuration.

Board Member Clarke reviewed that the Port borrowed \$10 million from Cascade Bank in 2006 at a high interest rate, and things were tight at that time. The Port was able to obtain the loan based on the value of the buildings, not the land. In 2011, the Port refinanced the loan at a significantly lower interest rate, and they currently have a cash flow machine that will help them pay the debt early without doing anything to improve the buildings. By 2021 when the loan is due, the Port will have almost paid it off, which is good. He summarized that there is no longer a dire economic circumstance like what existed in 2006 and 2010.

The Board and Port representatives discussed each of the following topics that were raised by the Board at their July 25th meeting:

- **Edmonds Marsh – Compatibility/congruency with the SMP (buffers, drainage issues, setbacks, impervious surface, environmental considerations/accommodations.** Board Member Reed specifically asked for input from the Port regarding buffer expectations. He asked what the Port has in mind for buffers around the Marsh and how they relate to the 200-foot buffer stated in the SMP and the 25 to 35-foot setback requirement currently identified for the Urban Mixed Use III Environment. Mr. McChesney clarified that Board Member Reed’s reference to 200 feet actually applies to the shoreline jurisdiction and is not an actual setback requirement. He also noted that setbacks and buffers are distinctly different. Mr. Owen said Port representatives have met periodically with Mr. Lien and Mr. Chave to discuss the SMP and its potential impact to Port property. He said the Port intends to abide by the setbacks and buffers identified in the SMP. They will also comply with all shoreline restoration requirements. He said the conceptual drawing contained in the proposed Harbor Square Master Plan identifies a 50-foot setback and some type of vegetation enhancement. The Board has also indicated its willingness to construct a new boardwalk to replace the existing one, and the new boardwalk will meet the requirements of the SMP.

Chair Lovell said staff is currently working with the Board to insert actual setback numbers into the SMP, particularly for the Urban Mixed Use III Environment. Mr. Owen agreed to get back to the Board with a recommendation for an actual number that is acceptable to the DOE, but the conceptual drawings currently assume an approximately 50-foot setback. He said it is important not only to state the number, but to identify how the setback will be measured and whether other factors will be considered.

Chair Lovell said the Board has also expressed concern about setback requirements for parking. Mr. Owen said the proposed master plan does not specify parking setbacks because they know the SMP will dictate what the parking setbacks must be. Chair Lovell stressed how important it is to have consistency between the master plan and the SMP. It is also important that the provisions are accepted by the DOE and provide enough clearance for the marsh to be restored. The Board directed staff to work with Port representatives to address this issue further and report back.

Board Member Clarke said the binding site plan shows that the area south of Building 5 has been designated as a marsh protection area that must remain undeveloped. However, a gravel parking lot is currently located in this area. He said the binding site plan identifies two zoning designations: CG and Open Space (OS). He asked why the current use of the OS zoned properties, as well as the walkway located behind the open tennis courts, is inconsistent with the binding site plan and the contract rezone. Mr. Owen said one reason for updating the SMP is to improve upon the City’s currently regulations. The City staff and consultants have done a good deal of scientific study to look at what is important for the ecology of the marsh and this information will be integrated into the SMP. He suggested it is not very useful to look at previous requirements because they hope to change them and make them better and consistent with current science and DOE requirements.

Board Member Clarke asked if the legally recorded setbacks found in the binding site plan would stay in place or would the master plan change the setbacks. Mr. Trimm answered that setbacks will definitely be addressed as part of any development proposal, and they could be included in the development agreement as a specific condition. At the request of Board Member Clarke, Mr. Cattle agreed to review the terms of the binding site plan and report back to the Board.

Mr. McChesney said that, throughout the process, the Port has maintained that redevelopment of Harbor Square is not incompatible with restoring the marsh; and in fact, the two work together. It is not possible to talk about restoring the marsh habitat and improving stormwater controls and redevelopment at Harbor Square as separate projects. He reported that the Port has obtained a letter of support from Friends of the Edmonds Marsh and the DOE Shoreline Management Division. Both feel comfortable with the idea that redevelopment at Harbor Square will benefit the marsh overall. This reality helped shape the vision and inspired the Port’s site plan.

- **Where is the transition point and exact meeting and scenario when the Port Commission made the decision to do the Master Plan and redevelop Harbor Square?** Mr. McChesney clarified the answer he provided in Attachment 2, by pointing out that the master plan process was not actually instigated by the Group of 33. Before the Group of 33 was convened during the earlier planning process, there was a collaboration between the City administration, the Port and private property owners to begin a planning process. It is not clear when these discussions were made public, but it caught the attention of the Alliance of Citizens for Edmonds (ACE), after which the Group of 33 was formed.

- **Views from 2nd, 3rd, 4th and 5th in particular with respect to increased building heights proposed for part of potential redevelopment.** Mr. Owen explained that the viewshed analysis was done in two parts. The Port of Edmonds commissioned graduate students from the University of Washington to do an analysis of where the sensitive view sites are located. They provided a map to identify the specific points where potential view impacts might occur. A 65-foot building was superimposed onto the Harbor Square property, and a sophisticated analysis from each point was done to see what would be visible from the various sensitive areas. The study was primarily interested in public views, as required by the Comprehensive Plan. He reviewed the geometrically imposed models that illustrate what the view would be from several site that were felt to be the most sensitive. He noted that the students did not complete models for 3rd, 4th and 5th Avenues because the study did not indicate any potential public view blockage. He summarized that while the building was visible from a number of points, it did not block a significant amount of the water and mountain views.

Board Member Tibbott asked if a viewshed analysis was performed from third floor levels as opposed to just the ground floor. Mr. Owen said the study focused primarily on ground floor views. Mr. McChesney added that he knocked on doors and went on rooftops to take pictures. Mr. Tibbott noted that none of Mr. McChesney's work was represented in the mock ups prepared by the University of Washington students. Mr. Owen agreed that the students focused on ground level, public pedestrian view points. Mr. McChesney said some site visits were completed. However, because the Comprehensive Plan's mandate is to protect public viewpoints, that was the focus of the study.

Board Member Reed pointed out that the detailed viewshed study was part of the Port's application materials, and it is available via the City's website. He referred to a handout he provided prior to the meeting from Dave Buelow, which provides graphic illustrations of views from condominiums on 2nd, 3rd and 4th Avenues. Mr. Buelow intent is to show existing views and how they would be impacted if a 60-foot tall building covered the horizon. He said the document would be entered into the public record and made available on the City's website.

- **Makeup of residential component – condos versus rental.** It was noted that this question would be answered later in the redevelopment process.
- **Garage – Public? Part of program? Reality?** It was noted that while the conceptual design contained in the Harbor Square Master Plan includes a parking garage, it is too soon to know if a parking garage would be part of an actual development proposal.
- **Health Club – Future Status?** Vice Chair Stewart shared an overview of a recent conversation she had with Jack Tawney, Harbor Square Athletic Club owner and a member of the Harbor Square Master Plan Steering Committee. He indicated that some of his thoughts regarding the future of the club may not have been adequately conveyed to the Port, and he would like an opportunity to meet Port representatives to express his wishes and needs. He indicated that the dollar figure necessary for him to support relocation of the club is very high, and he pointed out that the club has approximately 7,000 local members that benefit from their programs. The club helps the community to remain healthy, which is a sustainability charge in the Comprehensive Plan. He specifically noted that more than 1,000 seniors use the club each week. Vice Chair Stewart summarized that the club owners do a lot for the community, including donating money to good causes. Again, she said Mr. Tawney would like an opportunity to speak about the Harbor Square Master Plan and how his club may or may not fit into the concept currently being presented. He has requested that a representative from the Port contact him directly. He also indicated that he previously submitted a letter voicing his support for the proposed concept, but he is interested in learning more about how the proposal could impact the club. He is also interested in how the plan would be impacted if he decides to stay in his current location instead of relocating as the plan suggests. Vice Chair Stewart questioned if the Port has a back-up plan.

Mr. McChesney agreed that Mr. Tawney has submitted a letter of support and he also participated on the Harbor Square Master Plan Steering Committee. He explained that the business decision about where or when the athletic club would move or how much it would cost is further down the line in the process. The Port fully expects to be engaged with Mr. Tawney, and they do not know at this stage how much it would cost to relocate the facility. Mr. Tawney has indicated he is familiar with the site constraints and the process; and if the consultant's assumptions are correct, he would support relocation of the club. Mr. McChesney said he also spoke with Mr. Tawney a few times during the past week regarding

the proposed Harbor Square Master Plan and its implications to the athletic club. He understands that Mr. Tawney has some numbers in mind, but the Port is not at a point to talk about the business particulars.

Vice Chair Stewart said the numbers associated with relocation of the club are very large. Recognizing that development would occur in phases if and when the plan starts to take shape, she asked if the residential units would be developed first. Mr. McChesney answered that the project phasing has not been established at this point. This information will be identified as part of the actual entitlement phase. Vice Chair Stewart pointed out that the residential units are proposed to be located in the athletic club's current location, which would necessitate relocation of the athletic club.

While it is difficult to determine based on the various iterations of the Harbor Square Master Plan, Board Member Clarke pointed out that only the existing Harbor Inn buildings would remain on the site as per the conceptual drawings. He questioned why the proposed master plan does not acknowledge that the Port does not have legal right to redevelop the property where the athletic club is currently located. The current athletic club lease does not expire for 29 years. He suggested the master plan should show what Harbor Square redevelopment could look like if the athletic club remains in its current location. The plan should also describe all the components that must be addressed in order for the conceptual designs to work. Mr. Owen emphasized that the conceptual drawing is just one example of what development could look like. He anticipates the actual development will be different based on future changes in market conditions. The conceptual drawing identifies a scenario that increases the size of the tennis club and athletic facility and moves it towards the railroad tracks. However, the master plan also provides for different options, depending on the agreement made between the athletic club and the Port. Mr. Owen also emphasized that the master plan does not identify a specific time line for completion, and redevelopment of the Harbor Square site may take decades to accomplish. The purpose of the conceptual drawing is to portray the major principles for future redevelopment such as a solid connection between the Dayton and SR-104, interaction with the marsh throughout the site, circulation that does not impact SR-104, public plazas, and public spaces. There is no guarantee that future development will be consistent with the conceptual drawing, and the concepts identified in the drawing can be implemented in a number of ways.

Board Member Clarke said he understands that only limited access would be allowed from SR-104, and that is why the existing access is right-turn only. The conceptual drawing identifies a major access point from SR-104. He asked if the Port has the necessary information to justify this access point. Mr. Owen said the conceptual drawing shows that the Port would like a full intersection on SR-104. While they believe there is some possibility this could take place, they recognize it may not be possible. They are only counting on a right-in and right-out at the current access point.

- **Drainage/flooding issues at Harbor Square and Dayton and soil conditions and liquefaction.** Chair Lovell commented that drainage and flooding issues would be addressed as part of a future development agreement. The development agreement process would also include a study to affirm the existing soil conditions. Mr. McChesney said the Port believes that redevelopment of Harbor Square would actually improve drainage and flooding problems. Redevelopment would also result in a reduction of impervious surface.

In answer to the Port's questioned about where the Board came up with the figure of 90% impervious surface (see Response 14 in Attachment 2), Vice Chair Stewart pointed out that Item G on Page 6 of the SEPA document submitted with the application states that "the redevelopment plan estimates approximately 90% of the site would be covered with impervious surfaces. She reminded the Board and the Port representative that Policy E-16 of the Comprehensive Plan (Page 53) provides for the gradual elimination of large and inadequately paved areas. She suggested it would behoove the Port to address this issue in some fashion given that impervious surface is also addressed in the Sustainability Element of the Comprehensive Plan.

- **Financial Analysis/feasibility.** Board Member Clarke acknowledged that redevelopment of Harbor Square is a hard project and it is difficult to include all the assumptions. He commended the Port on what they have tried to do. However, he noted that the Port has not provided a document that explains why they are asking for an additional 55 feet in height. While the Port has provided numerous examples of mixed-use development throughout the Puget Sound area that is more than three stories in height, they have not identified a market-driven reason for the additional height at Harbor Square other than the loan aspect. He said that based on the Port's current model, he could demonstrate that three-story buildings would pencil out economically. He asked the Port to provide justification for their requested 55-foot height limit.

Mr. McChesney said the Port's master plan was informed and guided by the LMN/Berk Study and the McCauley Report. However, he acknowledged the Port does not have perfect information. The process is iterative. Unlike a private developer, who might look at a property to figure out the maximum development that could occur, the Port actually tried to identify the minimum development necessary to achieve financial feasibility and attract developers. The Port believes that five stories is necessary in some areas in order to achieve economic feasibility. While it cannot be proven at this point in the process, the studies thus far support this conclusion. He summarized that economic feasibility cannot be proved or determined in any definitive sense until someone makes an investment decision. The Port's goal is to create an environment that would attract investors to redevelop a property that was developed in the 1980's. The Port believes they have presented a good case in support of their request.

Mr. Owen explained that from an architectural point of view, five-story development offers significant development efficiencies. A greater height makes projects more able to provide structure parking, which reduces impervious surfaces. It also allows space for more on-sight public amenities and open spaces, which is one of the specific commitments the Port has called out in their proposed master plan. In addition, it would allow a better configuration for the athletic club. He summarized that there are some real benefits to the City and the general public if taller buildings are allowed on a portion of the site.

Board Member Clarke observed that the Port is unique in that they have the opportunity to provide an economic engine with a level of flexibility that cannot be provided by the private sector. The Port can provide improvements on their property that enable public benefits that may not be available in the private sector. He said that although many members of the community have expressed a desire for a public market, none of the Port's studies identified this type of use as a potential option. He suggested the Port consider other opportunities for public amenities. Mr. Owen referred to Page 6 of the Harbor Square Master Plan which lists some of the public amenities the Port is committing to provide including a pedestrian entry and visual gateway at the SR-104/Dayton Street intersection, a pedestrian-friendly esplanade, direct pedestrian access to the marsh, pedestrian walkways to provide linkage around the marsh to citywide bicycle and pedestrian routes, a pedestrian focus such as a village green or plaza in the center of the site, and an interpretive element within the development. Mr. Owen emphasized that the Port is committed to a variety of public amenities and he invited the board to identify additional opportunities.

Board Member Clarke noted that a public market was not included in the master plan as a potential public amenity. Given the Port's unique jurisdiction of powers, this public amenity could be created at Harbor Square. Private property owners do not have the same authority to do things for public benefit. He asked if the Port ever studied the feasibility of having a public market on the site, either indoor or outdoor. Mr. McChesney said this option was never studied, but it was discussed. The Port's general assumption is that from an economic feasibility and evaluation point of view, a public market would not generate enough cash flow or revenues to pay the rent to capture the underlying investment. While the Port did not do a detailed analysis for a public market, he has been involved in small scale public markets in other locations that have been successful. A small-scale public market would be perfectly compatible with what the Port is proposing, but the concept has not been defined as a key component or an anchor tenant.

Board Member Ellis asked if the City would be responsible to provide the infrastructure necessary to support the redevelopment. He noted that the LMN/Berk Study assumed there would be no infrastructure costs to the City and the existing infrastructure was sufficient. Mr. McChesney said this assumption would need to be confirmed during the entitlement process. The Port is aware that some mitigation would be required to address impacts, but they are not far enough in the process to define what the mitigation would be. Board Member Ellis asked if the Port considered whether or not the sewer, gas, and water systems are adequate to accommodate the proposed number of residential units. Mr. McChesney said this is an engineering questions that has not been answered yet. Board Member Ellis summarized that the bottom line assumes a certain return to the City, but the return could be significantly less if infrastructure is needed. Mr. Trimm said this issue will be addressed as part of a future development agreement. He said he is not sure of the City's specific policy for infrastructure improvements, but most cities require developers to provide the necessary infrastructure. Mr. Chave added that the City's general principle is that developers must pay for additional infrastructure when a development exceeds the capacity of the existing infrastructure. The answer to this question will depend on the development proposal that is submitted.

Board Member Reed recalled that at the July 25th meeting, the Port's consultant provided a slide showing the residual land value based on existing conditions, three-story buildings (35-foot height), and five-story buildings (55-foot height). The consultant explained that there would be no incentive to redevelop the property under the existing 35-foot height limit, but there would be sufficient incentive if five-story development was allowed. He asked if the consultant identified the residual land value based on a 45-foot height limit. Mr. McChesney said the master plan contemplates a building configuration that is a combination of three, four and five-story buildings. This is consistent with the consultant's findings. No specific study was done for a 45-foot scenario.

- **Address sustainability elements within the Comprehensive Plan.** Vice Chair Stewart referred to the Sustainability Element, which is part of the Comprehensive Plan. Mr. McChesney said the proposed master plan does include some sustainability provisions. He invited the Board to help the Port focus on elements of sustainability that need to be better addressed. Vice Chair Stewart suggested it would be very helpful, especially when the master plan is forwarded to the City Council for review, for the Port to identify page numbers and sections for the Comprehensive Plan goals and policies that are referenced in the master plan. She suggested the Port specifically review the Sustainability Element in the Comprehensive Plan and identify the specific goals and policies the proposed master plan addresses. Board Member Cloutier reminded the Port that the master plan must be consistent with the City's Comprehensive Plan. The Sustainability Element has its own set of goals, and it would behoove the Port to tie their master plan to the sustainability goals found in this element. Mr. Owen said he understands that consistency with the Sustainability Element is an important priority for the Board.
- **Pedestrian scale with respect to some of the potential buildings.** Mr. Trimm explained that people typically walk down a street for two reasons: to reach a destination located on the street or because there is a terminal vista that draws a person down the street. He said the configuration of the buildings offers a terminal vista by providing step backs on Dayton, as well as a pedestrian plaza that could be used for a small-scale farmer's market. There must be a reason for people to use a street and there must be reasonable, attractive and safe routes for people to walk. The Port tried to incorporate these elements into their master plan. Harbor Square is located between the waterfront and downtown, so it will be important to make Dayton Street a special place so that the uses, landscaping, artwork, and building facades offer a safe and pleasant place for people to walk. He recognized that although it is always difficult to cross a state highway, it is important to provide some type of safe pedestrian access at this intersection to address the issue of walkability.

Mr. Owen specifically noted that the master plan indicates that the site frontage along SR-104 should feature either pedestrian-oriented facades or landscaping sufficient to screen the majority of the building facades and all parking areas. It further states that there should be a pedestrian path along the entire SR-104 frontage. He reminded the Board that most of the frontage along SR-104 is owned by the Washington State Department of Transportation (WSDOT), and there is a 40 to 60-foot landscaped area between the edge of the highway and the Port's property line. The Port believes there should be landscaping and a pedestrian oriented walkway along SR-104, mostly as a visual entry point. If the Board believes there should be something else along SR-104, the Port is open to ideas.

Vice Chair Stewart said the Port did a great job making sure there is opportunity for pedestrians to get around. She asked if the Port also plans to provide bikeways. She noted that Goal E10 on Page 52 of the Comprehensive Plan specifically references bikeways, and a lot of people in Edmonds use bicycles. She said she would like the Port's master plan to encourage this type of transportation, as well.

Board Member Clarke suggested that the Port work with WSDOT to possibly landscape the strip of property that is located between SR-104 and the Harbor Square property. He felt this would enhance the gateway entrance to the City. Mr. McChesney said the Port already has an arrangement in place with WSDOT to landscape and maintain this strip of land.

Board Member Reed said it would be helpful for the Port to provide examples of what a development agreement or memorandum of understanding would look like. Mr. Trimm agreed to forward to the Board a copy of one of the first development agreements done in the State of Washington for a mixed-use development project in Millcreek, which has been used as a model statewide.

Board Member Reed commented that the proposed Comprehensive Plan amendment is a complicated issue, and the Board will likely have many more questions as they move forward with their review. However, he reminded the Board of the tight timeline in order to take final action as part of the 2012 Comprehensive Plan amendment package. He asked what would happen if the City is unable to take final action on the proposed amendment before the end of 2012. He asked if the rule that limits comprehensive plan amendments to one time per year is hard and fast, or is there some leeway for the City to consider the amendment in early 2013. Mr. Chave said the City must abide by the once-a-year limit. However, he recalled that on a previous occasion, the City missed the end of the year deadline, and they actually adopted the Comprehensive Plan amendment in early spring of the next year. But that eliminated the City's ability to consider additional Comprehensive Plan amendments later in the year. If the City does not believe that additional amendments will come forward later in 2013 and the Port agrees to extend the deadline for approval, the City could postpone approval and consider the application in early spring as part of the 2013 amendment package. Again, Board Member Reed commented that although the City intends to do everything they can to move the proposed amendment forward, it is a complex issue that will take some time.

Vice Chair Stewart suggested the Port provide an opportunity for Board Members to tour the Harbor Square site. This would help them visualize the concepts that are outlined in the proposed master plan and gain a better understanding of what four and five-story buildings would look like on the site. She said she would also like the Port to describe the condition of the existing buildings. Mr. McChesney extended an open-ended invitation for Board Members to tour the Harbor Square property with a Port representative, either as individuals or in small groups. Chair Lovell suggested the Port identify times during both the day and early evening hours for when the tours could take place.

PUBLIC COMMENTS

No one in the audience indicated a desire to address the Board during this portion of the meeting.

REVIEW OF EXTENDED AGENDA

Chair Lovell reviewed that the Board is under pressure to complete their review of the Port's proposed amendment as part of the 2012 Comprehensive Plan amendment package. The Board is also working to complete their work on the Shoreline Master Program (SMP) update, as well as the Westgate Plan and form-based code. He noted that a public hearing on the Odgers Rezone application and a public hearing on the draft Westgate Plan and form-based zoning have been scheduled for September 12th. The Board agreed to move forward with the public hearing on the Port of Edmonds Harbor Square Master Plan on September 26th. Chair Lovell suggested the Board identify any additional materials and information they would like the Port to provide as quickly as possible so the items can be added to the agenda for discussion on September 12th in preparation for the public hearing. Vice Chair Stewart suggested the Port invite Jack Tawney to attend the September 12th meeting to share his thoughts about how the proposed master plan would impact the athletic club.

Mr. McChesney thanked the Board for the opportunity to continue the discussion related to the Harbor Square Master Plan. He acknowledged that the process will be difficult, but it is very important. He said the Port representatives have been enlightened by the many questions and issues raised by the Board, and they will do everything they can to address them properly.

PLANNING BOARD CHAIR COMMENTS

Chair Lovell thanked the Port representatives for their effort and the high-quality documentation they have provided thus far. He encouraged members of the public to avail themselves of the materials provided by the Port, which is available via the City's website. Many questions have been asked and there are concerns by many individuals on different matters and points. The public should use the available information to their advantage to understand what the Port is trying to accomplish.

PLANNING BOARD MEMBER COMMENTS

Board Member Reed welcomed Ian Duncan as the new alternate member of the Planning Board.

Board Member Clarke said he has received numerous personal comments about things he has said at meetings (both good and bad) and this is all part of the public process. He thanked the Port representatives and said he was impressed with how they responded to the Board's questions. They have provided everything the Board has asked for. The Port is a great asset to the community. A lot of people do not understand what the Port has been through since 2008, and Mr. McChesney has done an excellent job as financial steward of the Port assets. He said the Port's Harbor Square Master Plan team is top notch in the State of Washington, and they are fortunate to have these resources to draw from for this unique asset in the City.

Vice Chair Stewart thanked the Port's team and the audience for being so thorough and careful about the process. She said she is excited about the possibilities and the Board will do their best to move the Port's proposal forward in a timely fashion.

ADJOURNMENT

The Board meeting was adjourned at 10:06 p.m.