

**CITY OF EDMONDS
CITIZENS ECONOMIC
DEVELOPMENT COMMISSION
August 13, 2009**

The Citizens Economic Development Committee meeting was called to order at 6:15 p.m. by Chair Yamamoto in the Brackett Room, 121 5th Avenue North, Edmonds.

COMMISSIONERS PRESENT

Frank Yamamoto, Chair
Michael Bowman
Marianne Burkhart
Bruce Faires
Stacy Gardea
Don Hall
Darrol Haug
Betty Larman
Beatrice O'Rourke
Evan Pierce
Kerry St. Clair Ayers
David Schaefer
Rich Senderoff
Bill Vance
Rob VanTassell
Bruce Witenberg
Rebecca Wolfe

STAFF PRESENT

Stephen Clifton, Community Services/Economic
Development Director
Cindi Cruz, Executive Assistant
Karin Noyes, Recorder

ELECTED OFFICIALS PRESENT

Councilmember Wambolt

COMMISSIONERS ABSENT

Bill Vance

INTRODUCTION AND COMMENTS BY CHAIR

Chair Yamamoto introduced himself and invited each of the Commissioners to do the same.

AMENDMENTS TO AGENDA

The agenda was amended to place Item 8 (Set Monthly Meeting Agenda) earlier on the agenda. The remainder of the agenda was approved as submitted.

MONTHLY MEETING SCHEDULE

The Commission agreed to hold their monthly meetings on the third Wednesday of each month. The meeting would be September 16th at 6:00 p.m. in the Brackett Room, 121 – 5th Avenue North, Edmonds.

MEETING WITH THE PLANNING BOARD

The Commission agreed to postpone their joint meeting with the Planning Board until October 28th. They would also meet on October 21st.

APPROVAL OF MINUTES

Commissioner Senderoff referred to the 6th bulleted item on Page 4 of the draft minutes, and asked that the first sentence be changed to read, "Rumors that it is difficult to get property leases in the City." Rather than referring to the City's permitting process, his comment was intended to suggest property management companies need to view themselves as partners and be more effective with leases.

COMMISSIONER O'ROURKE MOVED THE COMMISSION APPROVE THE MINUTES OF JULY 16, 2009 AS AMENDED. COMMISSIONER VANTASSELL SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

MISSION AND VISION STATEMENT

The Commission discussed how best to move their discussion forward and agreed that the next step should be to establish a mission and vision statement and identify supporting goals and strategies. They shared the following thoughts:

- **Commissioner Burkhart** – Whatever goals and strategies the Commission recommends, they must strongly advocate their position until the City Council has accepted and implemented the concepts.
- **Commissioner Faires** – The Commission has a responsibility to the citizens of Edmonds to ensure the goals and strategies are implemented.
- **Chair Yamamoto** – Once the Commission has provided a viable recommendation to the City Council, they need to follow through to make sure it is implemented.
- **Commissioner Senderoff** – The vision and mission statement should incorporate the needs of both the business and residential communities.
- **Commissioner Wolfe** – Economic sustainability should go hand in hand with environmental and cultural sustainability. Perhaps a survey could be done to obtain input from the community regarding their priorities.
- **Commissioner Gardea** – The Transportation Committee's survey was not successful, and the ideas shared by citizens are not always conducive to what the City Council would be willing or able to approve. The Commission's job is to represent the general public.
- **Commissioner Faires** – The Commission will not be able to make all citizens happy. Their job is to focus on the issues and come up with strategies for creating new opportunities for sales and property taxes.
- **Commissioner Witenberg** – The Commission is a diverse group appointed to represent the citizens of Edmonds. It is important that all members of the Commission are willing to compromise in order to solve the problems.
- **Commissioner Ayers** – Increasing revenue is only one aspect of economic development. It is important to align all of the powerful and disparate groups so they can work together to accomplish economic development.
- **Commissioner Haug** – There are four primary revenue sources for the City: sales tax, excise tax, property tax, and utility tax. It is important for the Commissioners to have a clear understanding of how each of these revenue sources impact the City.

Commissioner Senderoff suggested the following for the Commission's mission statement: "To identify a path to increase revenues through efficient economic development that reflects the concerns and finds synergy between the residential and business communities, as well as the Port." In addition, Commissioner Burkhart suggested the Commission's vision statement read, "A city that has revenue adequate to provide a high-quality of life for residents and supports business." The Commission

discussed and recommended changes to the proposed language for both the mission and vision statements. They emphasized the need to focus not only on the downtown, but on all areas of the City.

COMMISSIONER FAIRES MOVED THE COMMISSION ACCEPT THE VISION STATEMENT TO READ AS FOLLOWS: “A CITY THAT HAS REVENUE ADEQUATE TO PROVIDE A HIGH-QUALITY OF LIFE FOR RESIDENTS AND SUPPORTS BUSINESS.” COMMISSIONER GARDEA SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

THE COMMISSION AGREED TO THE FOLLOWING MISSION STATEMENT, “TO IDENTIFY AND ENSURE IMPLEMENTATION OF PATHS THAT INCREASE REVENUE THROUGH EFFECTIVE ECONOMIC DEVELOPMENT REFLECTING THE VALUES OF OUR COMMUNITY.”

GOAL DEVELOPMENT IN CONJUNCTION WITH THE CITY’S OVERALL COMPREHENSIVE PLAN

The Commissioners shared their thoughts regarding potential goals and strategies for implementing the vision and mission statements as follows:

- **Chair Yamamoto** – The Commission does not need to reinvent the wheel. They should start by identify the City’s existing revenue streams, such as promoting existing local businesses, and figuring out how to improve them.
- **Commissioner Pierce** – Promoting existing local businesses would not resolve the City’s \$4 million deficit. The Commission’s charge is to figure out ways to generate new and different revenue streams in addition to those that already exist.
- **Commissioner Haug** – One of the Commission’s first steps should be to identify how much revenue needs to be generated to cover future expenses.
- **Commissioner Hall** – The Commission should discuss ways to entice more business to Edmonds, such as changing building codes, zoning codes, etc. While sales tax would never generate enough to cover the \$4 million deficit, additional businesses would make the city a more desirable place to live. This would generate more property tax and other revenue streams would improve, as well.
- **Commissioner Gardea** – The process for establishing a new business in Edmonds is horrific. They need to consider how to eliminate some of the barriers.
- **Commissioner Faires** – The Growth Management Act indicates the City’s population would increase in the next 20 years, and they need to figure out how additional people can become part of the solution rather than the problem. There have been numerous efforts by the business community to market the City with little reward. They need more people to generate more buying power to attract more businesses.
- **Commissioner Burkhart** – There are areas in the City where a “big box” store could potentially locate. They should not only focus their recruitment efforts on small businesses.
- **Commissioner Bowman** – Development Code amendments have been proposed, which would streamline the permitting process and move towards a form-based code.
- **Commissioner Bowman** – While House Bill 1490 was not approved by the Legislature, it would have mandated densities of up to 50 residential units per acre for properties surrounding transit centers. This would have included the entire downtown bowl area. Change is inevitable. They all want to preserve the City’s charm, but if the City doesn’t come up with a plan for accommodating the growth, the State will decide for them and they might not like the results.

- **Commissioner Bowman** – Businesses want to locate in Edmonds, but as reported by the City's current and former Economic Development Directors, the existing building stock is inadequate to accommodate their needs.
- **Commissioner Schaefer** – The Commission should focus on the strengths of Edmonds (i.e. Stevens Hospital and Medical Center, Edmonds Community College, and women's clothing businesses). Advocating growth as a solution could bring additional costs, and the deficit could become larger. The Commission should focus some of their efforts on moving redevelopment of the Old Safeway property along. Other cities in the region would be envious to have a property of this type and size. They should focus their effort on things that will make the city sustainable long-term, and tourism should be part of the discussion.
- **Commissioner Larman** – Tourism would bring additional people to the City, but it would not cost anything because the people would go home. Rather than reducing the economic development budget, the City should increase funding for publicity to advertise the City in all types of venues.
- **Commissioner Witenberg** – The Commission should consider opportunities for developing the City's current assets, particularly the waterfront, so that the City becomes a destination for tourists. They should also consider opportunities to connect the downtown and waterfront businesses with those on Highway 99 and other areas of the City. The Chamber could do a better job of including the businesses on Highway 99 in their program. The City should also take advantage of their arts community, making it a destination for people to come to performances and then spend the night and dine in the City. It doesn't make sense to build more strip malls on Highway 99 or in the downtown/waterfront area.
- **Commissioner Pierce** – The businesses in the downtown do not appeal to the younger citizens of the City. Other business districts such as South Park, Capital Hill, Fremont, and Ballard have all managed to attract dynamic businesses that attract a younger crowd. They should focus some of their effort on creating a more vibrant business community.
- **Commissioner Senderoff** – In order to create a vibrant business district, there must be a balance of people who live in the City and people who come to visit. The 4th Avenue Arts Corridor Plan is one of the best development proposals he has seen recently.
- **Chair Yamamoto** – Edmonds does not have enough viable business space in good locations. If they were to provide more affordable housing opportunities, they would be able to attract more young people, and this would impact revenue, as well. The Chamber has tried to recruit businesses that are located outside of the downtown, but there have been significant barriers. The Commission must consider how to best take advantage of the big revenue streams that are available on Highway 99.
- **Commissioner Pierce** – The current proposal for Firdale Village includes retail on the ground floor with multiple stories of residential on top. The excise tax that is generated from the project would be a one-time deal. Perhaps a better development option would be all commercial space.
- **Commissioner Faires** – The Firdale Village proposal would increase the City's property tax revenue.
- **Commissioner Haug** – Perhaps it would be better to locate the residential units in Lynnwood and then provide public transportation to bring the people to Edmonds.
- **Commissioner Bowman** – Many citizens in the City are allergic to change. Unless there is a fundamental change in attitude, the City's economic situation would not improve.

The Commission agreed that the economic development plans and studies that have been completed previously would be a good place to start their discussion about goals and strategies. They also agreed it will be important to follow through to make sure their recommendations are adopted and implemented by the City Council. They emphasized that their report should not become just another study on the shelf.

The Commission discussed the idea of capitalizing on the yearly festivals to encourage visitors to return to Edmonds. They briefly discussed whether or not the festivals have a significant impact on local businesses. While it was suggested that it would be helpful to quantify the benefits, Mr. Clifton indicated

that would be nearly impossible to do. The Commission agreed that the festivals do bring people into Edmonds who might not otherwise come. Hopefully, at least some of these people like what they see and decide to return.

Mr. Clifton reported that the City has sponsored more advertisements in publications this year, but it is difficult to quantify whether people are coming to Edmonds as a result of the ads. In addition, staff has advertised the summer festivals on the back of QFC bags. They plan to place ads in Kitsap newspapers to remind people of the festivals that are coming up this fall.

Commissioner Wolfe asked if the City has considered the option of using the internet to advertise Edmonds. Mr. Clifton said the City's website includes a visitor page. Commissioner Faires referred to the "Everything Edmonds Program," which encourages residents to keep the tax revenue local. Commissioner Wolfe suggested that perhaps the City should consider the option of purchasing internet pop up advertisements. Mr. Clifton advised that City staff is currently working with Northwest Cable News to potentially place advertisements on their station.

Commissioner Senderoff observed that affordable housing in Edmonds would not be located in the bowl area. Therefore, good public transportation options are vital. One issue associated with the Old Safeway property is that it stops people movement between the downtown and waterfront. While the distance is not great, there must be viable development along the way to keep the people moving. He suggested it might be possible for the City to provide transportation service in the downtown/waterfront area. Commissioner Gardea recalled that the Transportation Committee considered this option, but there is no available funding. She suggested the City promote the existing transportation system, instead.

Commissioner Burkhart observed that the Commissioners have all raised good ideas and comments that need to be translated into goals and strategies. She suggested it would be helpful to form subcommittees to tackle the various issues and report back to the Commission as a whole. The majority of the Commission agreed that would be a good approach.

NEXT MONTH'S MEETING AGENDA

Chair Yamamoto agreed to develop a list of subcommittees to present to the Commission for discussion at their next meeting. Subcommittees could be formed to discuss and develop strategies to address issues such as revenue streams, festivals and events, housing, transportation, waterfront development, tourism, etc.

AUDIENCE COMMENTS

Council Member Wambolt suggested the Commission spend some time analyzing why the City Council never took action on previous economic development studies and plans. Perhaps this would help them identify a strategy for making sure the same doesn't happen to their proposal. He also suggested it would be helpful for staff to attempt to quantify the amount of sales tax revenue generated by the various businesses in Edmonds and how much revenue results from the festivals.

John McGibben, Edmonds, agreed that the Commission must establish goals, but he suggested they should first identify the issues related to business development and a process for coming up with a solution. Some of the issues will deal with land use policies, zoning, permitting, festival promotion, and how to encourage businesses that would be successful in Edmonds but are not here. The Commission's challenge is so great that they must develop a focus and organize in order to attempt to resolve issues.

They may have to break up into committees to work off line to accomplish the job that has to be done. A monthly meeting with a random discussion around the table will not get them where they want to be.

Natalie Shippen, Edmonds, said she reviewed the history of the City's economic development efforts since 1984. Citizen groups have met with consultants, etc., but there has been very little success. She suggested there are some chronic conditions that cannot be solved by a group such as the Commission. First, 80% of startup businesses fail in the first three years. Second, many areas in Edmonds are no longer good locations for businesses. She recalled that at one time, downtown Edmonds was a vital business district, but that was before Lynnwood fully developed and the ordinary businesses left Edmonds. Third, the average age of residents in downtown Edmonds is 50, and many residents are over 60. These people are not in the buying mode, and this will be a real hurdle for businesses to overcome. It is important for the Commission to understand that Edmonds is in a bad position, businesswise. She suggested that rather than focusing on bringing new businesses into Edmonds, they should focus on bringing more people to Edmonds to patronize the existing businesses. They have theaters, symphonies, etc. that could be popularized and subsidized to become wonderful programs for the citizens of Edmonds to enjoy, but also to attract people into their City. She encouraged the Commission to recommend the City invest more in the arts.

ADJOURN

With no further business, the meeting was adjourned at 8:20 p.m.