

CITY OF EDMONDS
ECONOMIC DEVELOPMENT COMMISSION
November 18, 2009

The Citizens Economic Development Committee meeting was called to order at 6:00 p.m. by Chair Frank Yamamoto in the Brackett Room, 121 5th Avenue North, Edmonds.

COMMISSIONERS PRESENT

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

ELECTED OFFICIALS PRESENT

Councilmember Wambolt

STAFF PRESENT

Stephen Clifton, Community Services/Economic
Development Director
Cindi Cruz, Executive Assistant
Frances Chapin, Cultural Services Manager
Jeannie Dines, Recorder

COMMISSIONERS ABSENT

Michael Bowman
Bruce Faires

1. **INTRODUCTION AND COMMENTS BY CHAIR – NONE**
2. **AMENDMENTS TO AGENDA – NONE**
3. **APPROVAL OF ECONOMIC DEVELOPMENT COMMISSION MINUTES OF OCTOBER 21, 2009**

COMMISSIONER BURKHART MOVED TO APPROVE THE MINUTES OF OCTOBER 21, 2009. COMMISSIONER VANCE SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

4. **REPORTS FROM SUB GROUPS 1, 2 AND 3**

Group 1: Foster health business community that provides employment and other economic opportunities

Members: Michael Bowman, Rebecca Wolfe, Rob VanTassell, David Schaefer

Commissioner Schaefer reported the subcommittee further refined the four elements of their goal, 1) retaining existing businesses, 2) providing a vision for the future that is clear and communicated consistently, 3) encouraging an attitude and approach in city government that is welcoming to new businesses and residents, and 4) retaining other amenities to welcome businesses and residents. Their new ideas include supporting the Port's efforts to develop their property such as exploring enhancements to the athletic facility and exploring what the Port's role may be in development of the old Safeway property to enable Harbor Square and the old Safeway property to work together. Questions raised by the group included the following:

- How will double tracking impact the City?
- How can the City be more sustainable? Is LEED certification practical to pursue?
- How to pursue a recognizable, definable identity/brand for the city?

Commissioner Burkhart explained the Harbor Square Athletic Club is privately owned; the owner is planning some enhancements and the Port supports any enhancement of that facility. She suggested talking to one of the owners, Jack Tonny. Regarding the Port purchasing the Safeway with bonding capacity, she explained the Port did not have the bonding capacity now. The bonding capacity could be obtained via 1) selling the Harbor Square property if a Harbor Square Master Plan with the right zoning substantially increased the value, or 2) when the bonds for the new marina are paid off in 2017. She suggested working with the City on zoning to make Harbor Square salable and which would allow the Port to use those funds elsewhere in the City with greater economic development capacity.

Commissioner Burkhart reported double tracking does not impact Harbor Square; it may slightly affect the dry stack storage. Mr. Clifton reported double tracking would add a second track east of the existing rail line and shift the existing tracks to the west which will require moving the existing fence west, south of Dayton. The City has hired an engineering company to consider the impact of relocating the fence; it will impact parking on Admiral Way and Marina Beach Park. He anticipated 5-6 parking stalls would be eliminated and the entry to the dog park, the parking area and the Port may need to be reconfigured. Once that analysis is done, the City can request mitigation from BNSF to pay for the improvements. The double tracking will be done within the BNSF right-of-way. The double tracking is the result of an agreement between Sound Transit and BNSF where in exchange for \$250 million, BNSF will build a second rail line to address increased capacity for commuter rail and increased freight traffic and congestion on the single track that interferes with BNSF operations

Discussion followed regarding the importance of the Athletic Club to attract young people, Sound Transit's installation of a box culvert below the rail lines south of the gate into the off-leash area for the eventual daylighting of Willow Creek as part of BNSF installation of the second rail line and relocation of the existing rail line in 2011/2012, funds for daylighting the creek as part of the Edmonds Crossing project, staff's efforts to identify grant opportunities to pay for the daylighting, and restoration of the marsh a separate issue from the Port's drainage concerns.

Chair Yamamoto suggested staff distribute the study that was presented to Planning Board, The Biological Condition of the Edmonds Waterfront and Preliminary Feasibility Considerations of the Near Shore Ecosystem Restoration.

Commissioner Schaefer reported their subcommittee also discussed and agreed the issue of building heights downtown needs to be addressed.

With regard to branding, Commissioner Hall, reported he attended Rich Brooks' branding seminar. He explained branding had nothing to do with a quaint downtown, waterfront, etc. because those contribute nothing to economic development. What are needed are activities to attract people to Edmonds such as

the Dive Park. Mr. Brooks' seminar recommended keeping politicians out of any branding effort because they tend to listen only to vocal citizens who are opposed to change and not those who are interested in change. He commented although print advertising was necessary, most people use the web to obtain vacation information. The City needs a really good opening webpage to promote the City.

Discussion followed regarding brands/themes used by other Washington cities; past slogans used by the City such as Friendliest Town on Puget, Edmonds Kind of Day and Find Yourself in Edmonds; Renton's "Ahead of Curve" brand that promotes progressiveness; the difference between a brand and a slogan; festivals as a draw; staff's efforts to market the City by highlighting activities; importance of a vision in developing a brand; including costs when presenting ideas to the Council; tourism as a way of creating a revenue stream; and staff's consideration of a separate tourism website.

Commissioner Wolfe offered to have Group 1 work on how to develop a brand. Mr. Clifton commented information regarding Lynnwood's branding project was available on their website. The presentations on December 9 by Bothell, Lynnwood and Mountlake Terrace will include Lynnwood's branding project and redevelopment in Bothell and Mountlake Terrace. It was suggested Shoreline also be invited to speak to the Commission regarding redevelopment in their city.

Group 2: Revitalize the City's Business Districts, Balancing Redevelopment, Preservation and the Need for Consumer Amenities

Members: Rich Senderoff, Stacy Gardea, Bruce Faires, Don Hall and Darrol Haug

Commissioner Senderoff reviewed what their subcommittee had developed previously explained they had been framed into action items:

- 1) Focus on developing Five Corners as a deliverable. Establish a process that involves resident and current business owners to facilitate acceptance and reduce time from concept initiation to development approval and implementation. If this was successful, it could be applied to other business districts.
- 2) Facilitate and establish a timeline for implementation of the 4th Avenue Arts Corridor that identifies code issues to ensure a smooth and efficient construction process. There are a number of code issues not related to heights.
- 3) Establish a budget for promoting the City as an essential budget element. The budget should be based on specific, identified tasks such as establishing a separate website rather than just an amount of money for economic development. Consider a trust fund that requires Council approval for transfers.
- 4) Follow up on revisiting codes that may deter remodeling and leasing of current retail space and possibly develop incentives for remodeling/leases.

Mr. Clifton explained previous Economic Development Director, Jennifer Gerand focused on Five Corners and Firdale and initiated a change in the Comprehensive Plan designation for Five Corners. The zoning has not been modified to reflect the change in the Comprehensive Plan designation. One of this Commission's deliverables could be to request the City Council budget funds for the City to initiate rezoning Five Corners to allow redevelopment envisioned by the Comprehensive Plan amendment for that area. He explained Ms. Gerand met with neighbors, businesses, etc. in that effort versus Firdale Village where the developer initiated the zoning changes.

Discussion followed regarding how redeveloping Five Corners provided a revenue stream, revenue anticipated by redevelopment of Harbor Square from enhanced property taxes and one-time construction dollars, revenue assumptions via redevelopment of Five Corners and Fire Dale Village, unique aspects of Five Corners such as traffic flow and the surrounding neighborhood, current success of Five Corners

businesses compared to Firdale Village, laying the groundwork for future redevelopment via zoning, and differences between Five Corners and Firdale Village.

Group 3: Diversify the Tax Base and Increase Revenues to Support Local Services

Members: Bea O'Rourke, Evan Pierce, Betty Larman and Marianne Burkhart

Commissioner O'Rourke relayed their subcommittee's recommendations:

- Adopt the mission in the recent report from the Washington State Department of Commerce to grow and improve jobs and partner with both the private sector and other government entities. Edmonds needs to stop considering itself a bedroom community because of the significant limitations that has on tax revenues other than property taxes. Keys to this goal are people and infrastructure. Infrastructure should include fiber optics, hotels, a convention center, wider sidewalks, restaurants, and improved accessibility.
- Reestablish the full-time Economic Development Director position as an immediate and primary goal. The estimated cost of the position is \$92,000 - 138,000 plus benefits.
- Their vision of Edmonds is a densely populated downtown with smaller commercial areas that serve a larger number of people, several smaller areas that serve neighborhoods, and retail areas around Hwy. 99. Each area of the City – downtown, Firdale Village, Five Corners, Perrinville, Hwy. 99, Westgate and the ESCA properties – are different and require different strategies.

Their subcommittee also agreed the following recommendations presented to the Council from prior studies are important:

- Improve left turns from Hwy. 99 and improve highway crossings including pedestrian crossings
- Expedite permitting that meets primary objectives and one stop permit guidance for new locating businesses
- Focus recruitment efforts on larger sites: family oriented restaurants, commercial center retail and one or two larger retailers (big box)
- Foster high quality mixed use development in the Hwy. 99 corridor (emphasis on high quality)
- Review restrictions on sidewalk activity to provide flexibility
- Review the City's light industrial zoning and capacity
- Form a business recruitment team
- Formalize an economic development entity

She reiterated recommendations they provided in their first report:

- 1) Identify and recruit a specific business, one area is Hwy. 99
- 2) Improve existing downtown buildings to attract business
- 3) Make Edmonds the art capital of the Northwest

To these ideas, they added

- Shrink the downtown business area and allow ground floors in nearby areas to be converted to residential thus increasing the number of residents downtown
- Institute a small public transport that would circulate within key parts of the City
- Reevaluate code requirements downtown and consider parking garage

She reiterated the recommendations provided by the group in their first presentation for downtown, Firdale Village, Hwy. 99, Port and Edmonds Shopping Center and miscellaneous recommendations in group's October 21 presentation. These areas need to generate revenue and should be complimentary to each other and downtown. They recommended specific suggestions be submitted by the Commission to the Council and request a commitment from the Council for immediate action.

Discussion followed regarding negative impacts of ground floor residential in a retail area, allowing ground floor residential in buildings beyond downtown, concern that the requirement for ground floor retail extended further from downtown than most people would walk, qualities of available spaces that make them unattractive to tenants, ground floor residential providing people who would frequent downtown stores and restaurants, assortment of stores downtown, encouraging Edmonds residents to shop downtown, creating a need/reason/synergy for people to shop and live in Edmonds, vision for big box stores on Hwy. 99, constructing a parking garage, locating parking garages at each end of downtown with a pedestrian corridor between, ability via a parking garage to reduce on-street parking on Main and widening the sidewalks and encourage development, designing downtown in a manner that would allow Main Street to be closed to traffic for festivals, and the need for a full-time Economic Development Director and an economic development budget.

It was suggested DEMA make a presentation to this group regarding what they are doing and what they would like to see happen.

5. UPDATE FROM BILL VANCE & KERRY ST. CLAIR AYERS ON PREVIOUS STUDIES AND REPORTS

Commissioner St. Clair Ayers referred to the information they provided, A Consolidation of Prior Commissioned Studies and Reports, and invited Commissioners to identify any aspects they wanted further information on. After reading over 200 pages of Council minutes, Commissioner Vance concluded there were a variety of reasons the Council did not act on previous studies. It more important to figure out what to do now rather than determine why the Council did not implement the recommendations from previous studies. Mr. Clifton suggested staff meet with Commissioners Vance and St. Clair Ayers to identify what items in the studies had been accomplished.

Discussion followed regarding Harbor Square development proposals that were heavily weighted toward residential, comparing the success of a retail/commercial development to a residential development, assumptions in the Harbor Square proposals that there is an over saturation of commercial and retail, considering current and future trends, limited ability to attract visitors to Edmonds due to the distance from the freeway and because there was not a complete circle to draw from due to waterfront, concern that less than 10% of the land use in the Harbor Square proposals would generate ongoing revenue, urban core developments that combine residential and commercial/retail uses, and neighborhood centers in Scottsdale that each have a grocery store, drug store, etc.

6. DECEMBER 9 & 16, 2009; JANUARY 6, 2010 JOINT MEETINGS WITH PLANNING BOARD

Chair Yamamoto explained the December 9 joint meeting will include presentations from Lynwood, Bothell and Mountlake Terrace regarding their economic development efforts. December 16 is the joint meeting with the Planning Board where each group will make a presentation.

7. JANUARY 19, 2010 CITY COUNCIL MEETING

A. REPORT FROM ECONOMIC DEVELOPMENT COMMISSION AND PLANNING BOARD

8. FUTURE AGENDA TOPICS

9. MISCELLANEOUS

St. Clair Ayers commented the mini events that the C'est la Vie, Arista Wine Sellers, and Paint Your Plate were advertising via social media were creative and great for everyone.

10. AUDIENCE COMMENTS

Bob Rinehart, Chamber of Commerce Board Member and representative on the Board's Economic Development Committee, expressed his gratitude for the formation of this Commission. He was hopeful the Chamber could reinforce the synergy created by this group's efforts. He described his background in an Economic Development Committee for nine counties in southwest Pennsylvania, and cautioned although it would be preferable not to have offices in the retail area, that was nearly impossible for a City to regulate as those decision were made by building owner.

In regard to the suggestion for the City to hire a full-time Economic Development Director and establish an economic development budget, Councilmember Wambolt commented when times were tough, advertising was the first thing to be cut. He suggested the Commission urge the Council seek a property tax increase in order to fund an Economic Development Director. He recognized there were no short term solutions to increase revenue; all this group's recommendations will take years to generate revenue. He also emphasized offices did not generate the same amount of property taxes that residential development did; he paid more property taxes for his condominium than the nearby office building.

11. ADJOURN

With no further business, the meeting was adjourned at 8:14 p.m.