

CITY OF EDMONDS
ECONOMIC DEVELOPMENT COMMISSION
December 16, 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 Zagorski
Stacy Gardea
Don Hall
Darrol Haug
Beatrice O'Rourke
Evan Pierce
David Schaefer
Rich Senderoff
Kerry St. Clair Ayers
Bill Vance
Bruce Witenberg
Rebecca Wolfe
Frank Yamamoto

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
Betty Larman
Rob VanTassell

ELECTED OFFICIALS PRESENT

Councilmember Wambolt

OTHERS GUESTS

Phil Lovell, Planning Board Member

1. INTRODUCTION AND COMMENTS BY CHAIR

Chair Yamamoto introduced Planning Board Member Phil Lovell.

2. AMENDMENTS TO AGENDA – None

3. APPROVAL OF ECONOMIC DEVELOPMENT COMMISSION MINUTES OF NOVEMBER 18, 2009

COMMISSION O'ROURKE MOVED TO APPROVE THE MINUTES OF NOVEMBER 18, 2009. COMMISSION HALL SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

4. DISCUSS PRESENTATIONS BY LYNNWOOD, MOUNTLAKE TERRACE AND BOTHELL ON DECEMBER 9, 2009

Commissioners' comments/observations regarding the presentations included the following:

- Very positive meeting
- Their focus is creating a downtown/central location which Edmonds already has
- Edmonds is far behind, those cities are Edmonds' competitors, they have done zoning, building codes, etc. that allow businesses to move in
- Planning Board needs to look at codes, simplify them and make quick and easy
- Impressed with comprehensiveness of Lynnwood's document, had a timeline with dates to achieve things so government, community organizations and the public can follow
- Impressed with Lynnwood's community involvement and ideas taken into consideration before concepts were developed
- Lynnwood spending considerable effort on developing town center/downtown and creating an identity
- Edmonds has a downtown and an identity that needs to be retained
- Although want growth, important not to lose Edmonds' identity
- Lynnwood is trying to market themselves as an affordable alternative north of Seattle
- Edmonds has elements to capitalize on such as ferry, train to Vancouver with stops along the way
- One of Lynnwood's advantages is proximity to I-5 and Highway 99
- No sign on I-5 for Edmonds, only for the ferry.
- Mountlake Terrace is interested in providing affordable housing for the University of Washington with direct Metro access
- The EDC's discussions have focused primarily on identifying new sources of revenue and less on new strategies for economic development
- Common concepts in the presentations were city staff and Council work together in support of common goals, public policy is weighed against the impact to economic development, corporate culture encourages collaboration and innovation, process and regulations are aligned with goals, zoning is designed to proactively attract new business, economic development goals are kept highly visible and tracked for progress and completion, the city is present and participates in regional forums, the city partners with groups, businesses and organizations and compliments but does not compete with other cities.
- If City Council is not behind economic development, it doesn't matter what this group does. Council must be on board and be willing to upset some citizens. Mountlake Terrace, Lynnwood and Bothell's Councils provided leadership
- The EDC needs to present ideas in a positive light and get citizens behind the EDC
- There is a new Edmonds Council coming in, time to engage and invite them in
- Lynnwood's plan was seven years in the making, progress has been made in the past 18 months.
- Important to involve citizens early in the process
- Lynnwood Council was not excited about city center concept initially but the community got behind it and drew the Council in.
- Edmonds can learn from Lynnwood, Mountlake Terrace and Bothell's efforts to circumvent problems. Mountlake Terrace studied and learned from Lynnwood's effort
- Mountlake Terrace budgeted \$300,000 for a consultant team to move through the process quickly. The plan Lynnwood is presenting happened over a multi-year process, most actions ongoing. Those processes underscore the need to initiate and get something going soon to lay groundwork so the city is ready for redevelopment when the economy turns around.
- Incorporate the City Council into the process as much as possible.

- Need to make changes in the code to facilitate more rapid turnaround of zoning code changes to avoid frustrating developers
- Rezoning in Mountlake Terrace and Lynnwood initiated by the City to make redevelopment a reality
- Create a climate of initiation rather than reaction
- Important to have visuals

Commissioners discussed the privately initiated Comprehensive Plan and Zoning Code amendments for Firdale Village, whether that concept could be applied to Five Corners, differences in ownership in Firdale Village and Five Corners, the City initiating rezoning rather than waiting for property owners, and the Port's Master Plan effort that identified concepts for public comment.

5. DISCUSSION ON DEMA (DOWNTOWN EDMONDS MERCHANTS ASSOCIATION)

Chair Yamamoto, President of DEMA, explained DEMA was part of the Chamber of Commerce but operates separately and members do not have to belong to the Chamber. He described activities sponsored by DEMA including candy distribution on Halloween, Art Walk, co-op advertising, etc. as well as assisting the Chamber with the car show. DEMA is considering a Business Improvement District (BID), a self-tax that will assist with promoting downtown. He explained an area of the City would be identified and the properties self assessed based on square footage and use (retail or service) and the funds used for marketing. He explained currently approximately 20% of the businesses do all the work and fund everything. The BID assessment would require all businesses to participate. He commented on the importance of events to attract visitors to the city and the importance of marketing.

Discussion followed regarding who would participate in the BID, the process for forming a BID, collection and distribution of funds, use of the funds for marketing, DEMA's vision for the City, activities DEMA sponsors to attract visitors, estimated annual revenue from a BID, and potential for an electric tram or other transportation link to connect downtown and the waterfront.

6. REPORTS FROM SUBGROUPS 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 Wolfe reported they met with a leasing agent who offered to provide facts and figures. She planned to obtain visuals of other revitalized waterfront communities. Commission Schaefer relayed the leasing agent said a restaurant interested in Old Mill Town decided not to locate in Edmonds because the businesses did not stay open until 8:00 p.m. He recalled Commissioner Bowman said businesses needed restaurants in the area in order to stay open late. Commissioner Hall summarized it was the chicken or the egg dilemma: in order to stay open late, retail stores need people who visit restaurants but the restaurants are not here because the stores are not open late.

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

No report.

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

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

Commissioner O'Rourke reported their group discussed connectivity and providing public transportation and agreed the most important priority was an Economic Development Director whose tasks would include identifying locations for new businesses and types of business, recruiting businesses, simplifying procedures for permitting, branding the city effectively to increase tourism, identifying and promoting reasons for businesses to locate in Edmonds. They also discussed redevelopment of Harbor Square including whether the site was useful for economic activity or whether the highest and best use residential. If it was residential, it would be necessary for the Port sell to property but retain control over redevelopment. The subcommittee members had no concern with heights at Harbor Square and they agreed there was value in increasing heights. Members recognized the importance of identifying why businesses should come to Edmonds both conceptually and on the City's on website. The group supports improving the City's website to attract businesses. The subcommittee provided the following short term recommendations

- Modify zoning in parts of downtown to allow residential on first floor in buildings where the first floor has remained vacant such as the NE corner of 5th and Bell and 5th Avenue South beyond Walnut. City would realize a small but immediate increase in revenue. May be opportunity for live/work sites.
- Branding could result in near term increase in tourism revenues
- Increasing the number businesses that take advantage of the City's fiber optics capacity. Investigate and market fiber optics capacity and integrate it into business recruitment strategy
- Seek a commitment from the City Council to give priority to the City's economic development effort. Urge the Council to address the EDC's recommendations at their retreat
- Discuss the Edmonds Shopping Center property and review Mr. Snyder's comments regarding how the City can acquire property via eminent domain
- City should explore manufacturing to diversify revenues
- In addition to an Economic Development Director, budget funds for economic development

Commissioner Vance proposed funding an Economic Development Director by levying a \$1/month fee to owners of telephone poles in the City's right-of-way, pointing out Edmonds is one of the only cities that does not levy such a fee. He also suggested increasing the fees for right-of-way usage for construction setup. He remarked Seattle charges per square foot for construction setup in the right-of-way.

Discussion followed regarding expediting the permitting process for businesses, difficulties that arise between the property owner and the prospective tenant, difficulties associated with utilization of existing space and the need to bring spaces up to code, utilization of older spaces versus new buildings, 2004 permit audit that found Edmonds had a better process than most, Lynnwood overcoming perception by establishing a permitting "quick desk," the difference between obtaining a business permit and a business license, difficulty bringing downtown buildings up to code, availability of online permitting, inability for some downtown building to accommodate retail/restaurants due to low ceiling heights, Edmonds replacing street lighting with LED, the City's receipt of a \$160,000 energy efficiency Community Block Grant and marketing the City as green.

7. FOCUS GROUP REPORT

Chair Yamamoto explained members of each subgroup (Darrol Haug , Evan Pierce, Marianne Zagorski, Rob VanTassell and himself) met to focus on issues.

Commissioner Zagorski summarized at the first meeting, the group discussed the EDC/Planning Board report to the Council and acknowledged that the Planning Board's focus was on sustainability versus

priorities for economic development. The group discussed quantifying recommendations to the Council and staff recommended the structure of the report be improving the revenue stream, increasing tourism, and improving commercial viability. The group discussed reports that could be used to estimate revenues that the EDC's recommendations would bring to the City. Planning Manager Rob Chave pointed out redevelopment of Westgate was also possibility and cited the PCC in Fremont that has condominiums above as an example. They also discussed the City initiating rezone of neighborhood centers, emphasizing to the Council that the EDC prefers redevelopment over raising taxes or redevelopment, and population growth if zones redevelop.

The Focus Group's recommendations included:

- City Council must support rezone on Hwy. 99.
- General language about redevelopment neighborhood centers needs to become explicit zoning changes
- The City has an opportunity to position itself to attract businesses with fiber optics
- The Council needs to devote staff and time to long term strategic planning regarding budgeting and developing and implementing a long term plan
- Review the 2006 Economic Development recommendations
- Time is of the essence, need to ensure the City Council acts now
- Developers want three stories downtown outside retail core
- Importance of developing a long term plan

Commissioners discussed how the presentation to the Council would be developed, inevitability of one tax increase and the hope of avoiding/reducing future tax increases via increased economic development, difficult choices facing the Council, intent of the focus group to expedite the work of the subgroups, format of the Council presentation and information to be included, and the presentation to the Council being a progress report.

It was agreed to hold another EDC meeting on January 13 to refine the January 19 presentation to the Council.

8. JANUARY 19, 2010 CITY COUNCIL MEETING AGENDA TOPICS

a. Report from Economic Development Commission and Planning Board

9. FUTURE AGENDA TOPICS

January 6 – Joint EDC/Planning Board meeting

January 13 – Discuss presentation to Council

10. MISCELLANEOUS

Commissioner Wolfe offered Commissioners a book by Riki Ott, regarding the Exxon Valdez Oil Spill.

11. AUDIENCE COMMENTS

Councilmember Wambolt pointed out downtown is comprised of five BD zones, residential is not allowed on the first floor in only the core, the BD1 zone, to ensure retail is contiguous. Residential uses are allowed on the first floor in all other BD zones. He pointed out the State does not allow the use of eminent domain to acquire property for commercial. He recommended when the EDC presents their report to the Council, they request the Council appoint 1-2 Councilmembers to the EDC.

Natalie Shippen, Edmonds, circulated a map identifying a portion of the waterfront, commenting economic development would primarily occur on land zoned for commercial. She identified 34 acres on the waterfront beginning at Dayton that is publicly owned. She commented on the importance of public ownership because the public entity's primary responsibility is not to make profit but to consider what the public wants on the property. She pointed out when cleanup was complete, title to 22 of the 32 acres which is zoned mixed use, will transfer to Washington State Ferry. She cited WSF's financial problems and their interest in purchasing/developing property adjacent to ferry terminals to generate revenue. Although she was not a proponent of economic development, she suggested the EDC invite Bremerton's Mayor as well as representatives from LaConner, Port Angeles and Poulsbo to speak to this group.

12. ADJOURN

With no further business, the meeting was adjourned at 8:18 p.m.