

**CITY OF EDMONDS**  
**ECONOMIC DEVELOPMENT COMMISSION**  
**February 17, 2010**

The Citizens Economic Development Committee meeting was called to order at 6:05 p.m. by Chair Frank Yamamoto in the Brackett Room, 121 5th Avenue North, Edmonds.

**COMMISSIONERS PRESENT**

Bruce Faires  
Stacy Gardea  
Don Hall  
Darrol Haug  
Betty Larman  
Mary Monfort  
Evan Pierce  
David Schaefer  
Rich Senderoff  
Kerry St. Clair Ayers  
Bill Vance  
Rob VanTassell  
Bruce Witenberg  
Rebecca Wolfe  
Frank Yamamoto  
Marianne Zagorski

**COMMISSIONERS ABSENT**

Beatrice O'Rourke

**ELECTED OFFICIALS PRESENT**

Councilmember Buckshnis  
Councilmember Peterson  
Councilmember Orvis  
Councilmember Plunkett  
Councilmember Wilson  
Councilmember Fraley-Monillas

**STAFF PRESENT**

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

**PUBLIC PRESENT**

John Quast  
Tony Shapiro  
Ron Wambolt  
Roger Hertrich  
Stan Piha

**1. INTRODUCTION AND COMMENTS BY CHAIR**

Commissioners and staff introduced themselves. Chair Yamamoto welcomed new Commissioner Mary Monfort.

**2. AMENDMENTS TO AGENDA – NONE**

**3. APPROVAL OF ECONOMIC DEVELOPMENT COMMISSION MINUTES OF JANUARY 6 AND JANUARY 13, 2010**

**COMMISSIONER ST. CLAIR-AYERS MOVED TO APPROVE THE MINUTES OF JANUARY 6 AND JANUARY 13, 2010. COMMISSIONER PIERCE SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.**

**4. DISCUSSION OF COMMISSION RECOMMENDATIONS WITH ATTENDING CITY COUNCIL MEMBERS**

**Councilmember Wilson** explained his view of economic development was in terms of attracting people to Edmonds to shop and live and doing that requires a vision. To reach that vision, it is necessary to answer the questions about who are we as a community, what are our assets and how can they be promoted, what are the liabilities and how can they be limited and can how all those things be tied together.

With regard to the kind of community, Edmonds has three dominant characteristics, 1) frugal, will spend money for a good deal that makes sense and is a wise investment; 2) family centered, if it's good for families it's probably good for the community; and 3) modest, not out to be the biggest or best. With regard to assets and things to promote, he suggested the strongest asset was the waterfront area because it brought in tourists, followed by downtown, the historic district, the school district which attracts families, and Stevens Hospital. He commented on the importance of Stevens Hospital, envisioning it would be critical to the City's future. The second most important asset is the fiber optic capacity and potential.

The City's biggest liabilities are, 1) it is long way from any place; it takes commitment to come to Edmonds, 2) there is a high degree of leakage of commercial dollars, and 3) the retail stock is severely under capitalized; there needs to be contiguous retail downtown. The community can get around those three liabilities by focusing on Transit Oriented Development, moving people rather than just cars, such as ensuring growth on SR 104 fosters bus service. With regard to leakage, he commented that was fundamentally internal/stakeholder marketing. With regard to retail stock, buildings downtown need to be redeveloped.

With regard to how to tie everything together, his vision includes another fountain/roundabout at Sunset & Main with retail throughout that corridor to provide a pedestrian experience for that five block area. He envisioned that would begin to change the dynamics and economics of how the waterfront, the Skippers, Antique Mall and Harbor Square connect to downtown. Even if a property owner could redevelop under the current code, it was unlikely because they could go elsewhere and make more profit. He concluded as a result, the community was under-developed. A critical question for the EDC is how to change the economics to support development when the Council is not willing to change height limits. He suggested it could be done by adding public assets to incentivize redevelopment such as a fountain/roundabout at Sunset & Main, a sculpture garden anchored at Sunset & Main, etc.

For the neighborhoods, Councilmember Wilson suggested not much needed to be done other than to continue to invest in things that draw people such as sidewalk construction, traffic speed mitigation, etc. which in turn increases property values and provides funds for basic services.

Councilmember Wilson commented that an easy question for the EDC to address is how to make the Stevens Hospital area a hub for healthcare activity in Snohomish County. Solving that issue would improve the City's future. Transit Oriented Development is another important element. With regard to the process, the Council is counting on the EDC to bring them solutions, something that can be implemented right away. He urged the EDC to tackle the hard questions themselves rather than bringing them to the Council. He encouraged the EDC to ask the Council for additional resources and to do more work, to work harder and to work faster. He questioned how the EDC could provide a solution by December 1, 2010 meeting only once a month. He encouraged the EDC to inform the Council what they needed in terms of money, staff, consultants, etc. He summarized he was willing to do anything he can to support the EDC's effort.

Commissioner Hall commented it all came down to the Council as the City would need to invest money via a levy, bond, etc. for improvements such as Councilmember Wilson's suggestion for a fountain/roundabout at Sunset & Main. Councilmember Wilson agreed funding will definitely be an issue. He suggested the EDC reach an agreement on a project such as how to connect the 5<sup>th</sup> to Sunset

corridor on Main. He acknowledged a levy will be necessary and he envisioned it would pass as soon as April if the Council placed it on the April ballot because Edmonds citizens support a good deal. Commissioner Hall suggested the EDC provide the Council a recommended priority for projects to include in a levy.

Commissioner St. Clair-Ayers asked if there were any contingency funds available to support implementation of something or did the EDC first have to identify something to cut from the budget. Councilmember Wilson responded the Council wanted to hear the EDC's proposals even if they required financial resources. He was willing to work on identifying extra money to implement a good proposal.

Commissioner Faires explained the EDC was seeking guidance from the Council regarding strategies that would ultimately be successful. The EDC has assumed the Council is not supportive of increasing building heights in the BC zone. Councilmember Wilson suggested the EDC begin without increasing height limits. He relayed there was no support on the Council for a height increase at 5<sup>th</sup> & Main, there may be some openness to height increases at Sunset & Main although it was unlikely a majority of the Council would support it, and he was open to hearing the Port's case for an increase in the height limits at Harbor Square.

Commissioner Witenberg commented the EDC takes its responsibility seriously; they presented the Council six unanimous recommendations and asked for the Council's feedback. He recognized each Councilmember had his/her opinion about specific issues; the EDC is seeking guidance from the Council as whole with regard to the six recommendations. He suggested the Council adopt a resolution supporting the EDC's recommendation which would send a message to the community that the Council supported the EDC.

**Councilmember Fraley-Monillas** commented she was very impressed with the diversity of the EDC. She explained when she was elected, it was suggested she may want to change the EDC appointments made by the Councilmember she replaced. She chose not to due to the importance of maintaining consistency and diversity. With regard to the EDC's six recommendations, first, she supported an Economic Development Director position, but acknowledged it depended on the City's finances. She also expressed support for developing a Strategic Plan and updating it annually. She supported development of Neighborhood Business Center Plans, pointing out her interest in developing other areas of the City in addition to the downtown core. Firdale Village was a great start. With regard to Harbor Square, she was interested to see what comes out of that process; envisioning redevelopment of Harbor Square would demonstrate the impact of the economy on the City.

With regard to the fiber optic network, she recognized it would generate revenue but the question remains whether the City can afford to pursue it. With regard to green initiatives, she supported bringing green development/businesses to the City. Edmonds is a transportation hub; Highway 99 is a great location for green businesses due to the variety of transportation modes. She encouraged the EDC to look hard at development throughout the City and not get sidetracked on the old Safeway property. She suggested the EDC work on areas where they could make changes such as Harbor Square or Five Corners.

Councilmember Fraley-Monillas reiterated her appreciation for the EDC efforts and encouraged the EDC to come to Council with a solid plan, noting if EDC could not agree it was unlikely the Council would agree. She summarized the current Council was progressive and was willing to take steps to improve the future. She encouraged the EDC not to throw the hard questions at Council expecting an easy solution.

**Councilmember Plunkett** commented he receives the EDC's minutes and listens to recordings of the meetings, remarking the EDC did a great job discussing and interacting. He was encouraged with the future of economic development in Edmonds due to the EDC's presentation of a work product. His

understanding was the EDC was looking for direction from the Council whether they were on the right track. With regard to a full-time Economic Development Director, he explained the Council has adopted an Economic Development Plan, specifically Section C speaks to that issue and he believed the Council would like to move forward in that direction. With regard to developing, reviewing and annually updating a Strategic Plan, he pointed out the adopted Economic Development Plan refers to an annual update. The Planning Board has a placeholder on their agenda for updating the Economic Development Plan.

With regard to initiating Neighborhood Business Center Plans, Councilmember Plunkett advised Sections 2B and 2H of the Economic Development Plan address that. With regard to supporting the process for redevelopment of Harbor Square, he pointed out Sections 2A, 2D, 3A addressed redevelopment opportunities such as Harbor Square. Regarding fiber optics, he pointed out this was addressed in Section 3B of the existing Economic Development Plan. He provided a brief update regarding the fiber project, explaining the issue has been in court for the past year. Improvements the City has realized due to the availability of fiber optics include the ability for the Municipal Court to conduct video arraignments. The original intent was to get five non-profit, governmental and educational institutions online which would provide a net profit. After three were online, the costs investment requirements increased. Finance Director Lorenzo Hines is in the process of reanalyzing costs/investments before the City moves forward. If fiber optics makes economic sense, there is tremendous revenue potential.

With regard to developing a community vision, Councilmember Plunkett pointed out that was addressed in Section 4B of the Economic Development Plan. He concluded the Council endorsed the EDC's six proposals, the EDC had captured what was already reflected in Council policy and was headed in the right direction and he encouraged them to move forward.

Commissioner Pierce referred to Councilmember Plunkett's indication that Section 2B and 2H of the Economic Development Plan address Neighborhood Business Centers, explaining the EDC wants to implement plans for Neighborhood Business Centers. Councilmember Plunkett commented the Comprehensive Plan was changed in some areas such as Five Corners; now the zoning needs to be changed. He supported having the property owners at Five Corners participate in that cost. Commissioner Pierce pointed it may be preferable to have a City-driven rather than property owner-driven process so that the zoning, etc. would be ready when the economy rebounds as well as to accommodate a community outreach effort.

**Councilmember Peterson** asked when the Economic Development Plan was adopted. Community Services/Economic Development Director Stephen Clifton answered December 2006. Councilmember Peterson pointed out in December 2006 the economy was on fire, yet nothing was done. The City now has an opportunity to lay the groundwork for when the economy rebounds. He disagreed that the EDC needed to make the hard decisions; Councilmembers are the elected officials, they need to make the hard decisions, lead the charge and find the money.

He expressed his support for an Economic Development Director, commenting the City needed to make that investment to be able to compete with surrounding communities when the economy rebounds. He was uncertain how the position would be funded but felt it was up to the Council and the Mayor to comb through the budget to identify funds. He also supported funding a grant writer position, noting many grant processes require a great deal of follow-up. In the new economy, grants will be an important part of municipal funding and in the long term, a grant writer position would pay for itself.

With regard to annual review of a Strategic Plan, he was unaware that the City had a Strategic Plan. The Comprehensive Plan provides a long range view but a Strategic Plan could provide a short term action plan that includes priorities and estimates. He noted a Strategic Plan was not just a wish list; it also

included ways to achieve the items in the plan. He summarized the importance of the City Council taking a leadership role in incorporating information from the EDC, Planning Board, organizations outside City government etc. into action items.

Regarding Neighborhood Center Plans, he explained the City already changed the Comprehensive Plan designation for Five Corners, now the zoning needs to be changed. He suggested the City take advantage of the down economy to work on code and zoning changes to put Edmonds on the leading edge with regard to green buildings. Firdale Village was a great first step but that was owner-driven. He preferred zoning and redevelopment opportunities be citizen-driven. He was concerned that asking property owners to contribute financially may taint the process such as happened with the Work Group of 33. Although that group had many great ideas, their ideas were suspect because they were viewed as developer manipulation. He suggested creating a vision by asking for input from neighborhoods.

With regard to Harbor Square, he recognized that as an excellent opportunity and an example of how the City could better partner with the Port and environmental groups such as Friends of the Edmonds Marsh. The Port has done a great job and he did not want to hamper that process and he wanted the Council to be willing to have tough discussions such as about building heights. If the Council was not interested in considering increased building heights for Harbor Square, he suggested Council state that now. He supported all six recommendations; if the Council as a whole did not, he recommended they make that clear so that the EDC can concentrate on the recommendations the Council does support.

Regarding fiber optics, he deferred to Councilmember Plunkett's comments. He acknowledged fiber optics was changing fast and he was hopefully there would be opportunity to generate revenue and possibly an opportunity to leverage new development.

With regard to community vision, he commented the organization Imagine Edmonds wants to bring in a professional who would gather stakeholders and citizens together to develop a community vision. The Edmonds Bowl has been the center of attention in many years but there is a lack of connection to the remainder of the City which results in commercial leakage. He summarized that the EDC provided an action plan, it is up to the Council to implement it. He understood the EDC needed the Council to voice their support for the EDC's efforts and be willing to make what may be unpopular decisions to the minority but the right decision for the majority.

Commissioner Zagorski commented the EDC was aware the City has an adopted Economic Development Plan; the EDC is interested in an action plan. The EDC's recommendations were what could be worked on and accomplished during 2010. Councilmember Peterson urged the EDC to keep the Council on task with regard to the action items.

Mr. Clifton pointed out Appendix 1 contains five pages of additional ideas/proposals for economic development. Out of all those ideas, these are the six that the EDC wanted action taken on this year. If any of the six are a lesser priority than those in Appendix 1, he requested the Council inform the EDC. The EDC is seeking the Council's assistance in implementing these six items.

Commissioner Wolfe referred to Council President Bernheim's letter to the EDC that references plans for community meetings and asked if the Council was supportive of that idea. Councilmember Peterson provided an example of community meetings held by Shoreline regarding development on Hwy. 99 that involved a UW graduate student program. Commissioner Wolfe suggested the Economic Development Commissioners be involved in those meetings. Councilmember Buckshnis announced Councilmember Fraley-Monillas and she plan to hold Town Meetings the last Friday of each month from 6:00 – 8:00 p.m. at various locations throughout the community for the purpose of engaging the community.

Commissioner Vance suggested that could be a venue for gathering community feedback on the EDC's specific efforts.

Commissioner Larman commented the EDC was asking the City Council for clear, simple direction but Councilmembers were dancing around the question and not providing clear direction.

**Councilmember Buckshnis** commented she was impressed with the EDC's efforts. She agreed with Commissioner Larman's comment, advising she asked to be the Council representative to this Commission and believed all six recommendations were doable. She agreed the City needed a full-time Economic Development Director; the budget is tight and the Council is working on implementation of a fiscal policy. In the interim, she suggested utilizing Imagine Edmonds volunteers. The most important task is to develop a brand for the City, whether it is an art community, a festival city, the city by the shore, a runners' paradise, etc.

With regard to developing and annually updating a Strategic Plan, she planned to hold monthly community meetings to gather public input. The Comprehensive Plan designation was changed for Five Corners, now the zoning needs to be changed. The Council also needs to develop a fiscal policy because if the budget is controlled, there are funds for these efforts. She agreed the City needed to develop a Strategic Plan. With regard to initiating Neighborhood Plans, she expressed support for a roundabout at Five Corners. She suggested the EDC make a proposal regarding what they wanted at Five Corners. She stressed the importance of soliciting businesses who want to move into the City such as McMenamins, Fred Meyer, Walgreens, Traders Joes, etc. and ask them what they need before buildings are constructed. She commented on the need to encourage retail traffic throughout the entire corridor and the value of the Skippers property to the community. The Town Hall meetings are intended to gather input from residents outside downtown.

With regard to Harbor Square, Councilmember Buckshnis suggested being imaginative. She agreed Harbor Square was a good first step. She agreed with Councilmember Plunkett that the fiber optics project needs to be reanalyzed. With regard to being a green community, she recommended moving forward with that because it is the future. She assured the Council will work with the EDC to get things done this year.

**Councilmember Orvis** suggested utilizing the City's strengths such as its history, arts, and the environment to bring visitors to the City and to formulate a brand. He expressed support for planning that involved the public. He was supportive of moving forward with Neighborhood Center Plans, acknowledging he has not always been supportive of Neighborhood Plans primarily due to the degree. He suggested working with the areas around the Neighborhood Centers to ensure they achieved what they wanted. He commented on the importance of stepbacks which he viewed as the key to making development in Neighborhood Centers work.

With regard to development on the waterfront; he was satisfied with the current heights and would not support an increase. He explained only a portion of the waterfront was 25+5 feet; south of Dayton the height limit was 35 feet, the height limit in the Marsh with a CUP is 60 feet, south of the Marsh the height limit is 45 feet and up on the hill up to 48 feet is allowed. There is also a high rise node in the CG1 and CG2 zones that allow heights as high as a developer wanted with CUP. He supported moving forward with fiber optics and he supported green development, noting that was one of the City's strengths.

Commissioner Vance asked how Councilmembers defined "tourist." Councilmember Buckshnis answered she and her husband are perfect tourists; they take numerous day trips to places such as Port Townsend, Leavenworth, Poulsbo, go to brew pubs, enjoy the scenery, shop, etc. A bigger hotel in Edmonds would bring in more tourism. She remarked the Edmonds Center for the Arts and development

of the 4<sup>th</sup> Avenue Corridor could make Edmonds a huge art community combined with its history and green initiatives. Commissioner Vance commented his definition of a tourist was to attract them and take their money.

Councilmember Plunkett commented the key to tourism is having things that attracts visitors and brings them back such as Rick Steves Day.

Councilmember Peterson commented tourism was important to him as a downtown business owner. However, is not the answer, it is important part of the answer but the City needs to concentrate on economic development that builds a stronger foundation, brings in jobs, addresses leakage, etc. The City needed to offer things that bring visitors to the City on a consistent basis.

Councilmember Orvis explained his definition of a tourist was someone who comes to the City, spends money, and possibly moves here. There are opportunities for increased density which also helps businesses. He referred to an article on his blog regarding areas with taller buildings that have higher property taxes than Edmonds.

Commissioner Senderoff commented a tourist was also someone who lives in Edmonds but does not generally go downtown, to Hwy. 99, or the waterfront but something attracts them and they begin going to those areas on a regular basis. The answer is not necessarily major density in Neighborhood Centers but the City needs to do a better job of marketing to residents and local tourists.

Commissioner Gardea asked why Councilmember Orvis was not always supportive of Neighborhood Plans. Councilmember Orvis answered it has been an issue of degree – whether it was necessary to have commercial on the first floor with two stories or three stories of residential. For example in Five Corners he felt it should have only been two stories of residential. He noted with stepbacks a building could look like a three story building in the front with four stories in the back. He did not support the Firdale Village plan because he felt there were not enough building stepbacks.

Mr. Clifton summarized five of the six Councilmembers expressed general support for addressing these six items this year. If so, from an implementation perspective, the issue was identifying funding and staff resources. Councilmember Buckshnis advised Councilmember Plunkett and she were working on financial policies at the Council Finance Committee.

In response to a question, Mr. Clifton explained approximately 40% of his time is devoted to Community Services, 40% to economic development and 20% to engineering and planning issues.

Councilmember Orvis commented his concern regarding development in Neighborhood Centers was less about height and more about how it would look to the immediate neighbors. He offered to present information regarding building heights and stepbacks at a future EDC meeting.

With regard to funding, Commissioner St. Clair-Ayers relayed that Council President Bernheim suggested the EDC identify budget cuts to fund the Economic Development Director position. Councilmember Plunkett responded the EDC could make suggestions but agreed that was the Council's responsibility. Councilmember Buckshnis suggested utilizing Imagine Edmonds.

With regard to the sections of the Economic Development Plan cited by Councilmember Plunkett that align with the EDC's recommendations, Commissioner St. Clair-Ayers suggested posting quarterly status reports on the goals in the Economic Development Plan. She recalled one of cities who made a presentation to the EDC said that was the most power tool for keeping progress/lack of progress visible

and ensuring decisions were in line with those goals. Councilmember Peterson commented EDC will need to ensure issues are discussed and acted upon by the Council.

Commissioner Faires commented on the importance of establishing reasonable expectations. The EDC developed six initiatives; the heavy lifting has not yet started. The EDC is seeking the Council concurrence that they will move forward with the EDC.

Commissioner Witenberg explained the EDC's and Council's expectation is transparency and community involvement. He suggested the Council pass a resolution expressing support for the six initiatives and urge the community to support them. Quarterly progress reports will reflect implementation of initiatives so they do not get overlooked. He assured Mr. Clifton has identified businesses; other cities have a full-time Economic Development Director and the budget to identify businesses and entice them to their community with shovel-ready zoned properties. Councilmember Buckshtnis assured the Finance Committee was in the process of developing a fiscal policy; there are financial issues that need to be addressed. Chair Yamamoto commented there are other options such as restructuring. It will take money to make money.

Commissioner Wolfe agreed with Commissioner Witenberg's suggestion regarding a resolution. She suggested establishing citizen groups comprised of three members to talk to prospective businesses to learn what they need.

Commissioner Senderoff agreed that it appeared the Council supports the six points. He clarified the Strategic Plan was an Action Plan for the current year. He envisioned a Strategic Plan that would establish goals with measurable elements for each and suggested formulating an Action Plan be one of the EDC's action items; goals could include developing a brand, increasing hotel stays by a certain percentage, etc.

Chair Yamamoto cautioned against this effort meeting the same fate as other economic development plans where nothing is done.

Commissioner St. Clair-Ayers commented it would send a more powerful message to the community if the Council expressed support for the six recommendations with one voice. Chair Yamamoto offered to contact Council President regarding developing and scheduling a resolution of support on the Council's agenda. Commissioner Vance offered to do a business case on fiber optics, not whether the City could make money but its use as an economic development tool.

Mr. Clifton commented when the EDC met only on a monthly basis, it was difficult to move in an expeditious manner. Consideration is being given to creating a focus group to develop a draft framework of implementation measures that could be presented to EDC.

Councilmember Peterson suggested creating an Action Plan for this year and a Strategic Plan for the next 3-5 years.

## **5. FUTURE AGENDA TOPICS**

Future agenda topics include Survey Monkey and Councilmember Orvis' height and stepback PowerPoint presentations.

## **6. MISCELLANEOUS – None**

## **7. AUDIENCE COMMENTS**

**Tony Shapiro, Edmonds**, referred to a comment regarding shovel-ready zoned projects, explaining he was working with a doctor's group on a development near Stevens Hospital. There is property on 220<sup>th</sup> that is zoned single family but is within the boundary of the hospital zone, yet the Comprehensive Plan does not permit medical offices. To change the Comprehensive Plan and a rezone process would put the development on hold for two years. He suggested proactive involvement by staff to change Comprehensive Plan designations and zoning to allow the hospital zone to expand and accommodate growth that affiliation with Swedish Hospital will bring. He suggested the City also look at under-developed parcels in the hospital area and proactively change the Comprehensive Plan designation and zoning.

**Stan Piha, Hwy. 99 Task Force**, explained he owned a transitional property that was burdened with existing zoning that was inconsistent with the goals and objectives of the Comprehensive Plan and the Highway 99 Plan. He suggested looking at what other cities have done and are doing. He suggested the City could implement policies and programs in 2010 to get the economic engine moving without spending a great deal of money.

**Donna Breske**, distributed materials regarding a site they purchased at 9330 218<sup>th</sup> Place SW and described their inability to obtain a building permit for the past three years and staff informing them that their lot needed to be the stormwater repository for surrounding 2.5 acres.

## **8. ADJOURN**

With no further business, the meeting was adjourned at 8:13 p.m.