

**CITY OF EDMONDS
ECONOMIC DEVELOPMENT COMMISSION
JANUARY 19, 2011**

The Citizens Economic Development Committee meeting was called to order at 6:04 p.m. by Chair Frank Yamamoto in the Brackett Room, 121 5th Avenue North, Edmonds.

COMMISSIONERS PRESENT

Stacy Gardea
Don Hall
Darrol Haug
Betty Larman
Mary Monfort
Beatrice O'Rourke
Evan Pierce
David Schaefer
Rich Senderoff
Bruce Witenberg
Rebecca Wolfe
Frank Yamamoto
Marianne Zagorski

COMMISSIONERS ABSENT

Paul Anderson
Bruce Faires
Kerry St. Clair Ayers
Rob VanTassell

PLANNING BOARD LIAISON

Kristiana Johnson

ELECTED OFFICIALS PRESENT

Councilmember Diane Buckshnis
Council President Peterson

STAFF PRESENT

Stephen Clifton, Community Services/Economic
Development Director
Cindi Cruz, Executive Assistant
Lorenzo Hines, Finance Director
Rob Chave, Planning Manager
Frances Chapin, Cultural Services Manager
Jeannie Dines, Recorder

PUBLIC PRESENT

Planning Board Phil Lovell
Ron Wambolt
John Reed
Roger Hertrich

1. **INTRODUCTION AND COMMENTS BY CHAIR - NONE**
2. **AMENDMENTS TO AGENDA - NONE**
3. **APPROVAL OF ECONOMIC DEVELOPMENT COMMISSION MINUTES OF DECEMBER 15, 2010**

COMMISSIONER ZAGORSKI MOVED TO APPROVE THE MINUTES. COMMISSIONER WITENBERG SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

4. **REPORTS FROM SUBGROUPS**
 - a. **Land Use (Westgate & Five Corners Update on Phase 2)**

Mr. Clifton reported the survey and the students' final Phase 1 Special District had been posted to the EDC's webpage.

Nancy Rottle, Director, UW Green Futures Lab, introduced students Jeannine Mathews and Brad Shipley, advising there are four other graduate students in planning, landscape architecture and an architecture PhD student participating in Phase 2. Three public events will be held in the next phase, the first two are a listening sessions to learn from the public about the two commercial centers with regard to existing conditions, how people use the space and their wishes for the center. The third public event will be an interactive workshop with regard to what could be there. The UW students will then develop alternatives that will be presented in April. She explained the first hour of the listening sessions will be a group setting with Cascade Land Conservancy to present examples of other commercial centers that have been improved via redevelopment followed by Mr. Shipley leading the audience in a polling process.

The listening session regarding Westgate will be held Tuesday, January 25 in the Brackett Room and the second regarding Five Corners will be held Wednesday, January 26 in the Library Plaza Room.

The second half of the listening sessions will include 5-6 stations where people can write what they would like to see, how they use spaces, what they would like to see, opportunities for pedestrian connections, what type of businesses could be located there, etc. Mr. Clifton advised a press release was issued regarding the event and postcards were mailed to residents within a 2000 foot radius of the centers (approximately a 10 minute walking distance) as well as posted on Channel 21 and the City's website. Ms. Rottle was hopefully 50-100 people would attend the meetings and encouraged Commissioners to attend.

Mr. Clifton advised Jeff Aken, Cascade Land Conservancy, was encouraged to provide examples of suburban neighborhood centers that were appropriately scaled for these types of neighborhoods.

Commissioner Pierce suggested the workshops be held in the neighborhoods. Mr. Clifton and Mr. Chave commented on potential locations, noting one of the goals is to avoid room rental fees. Ms. Rottle advised the workshop would include both centers.

Mr. Shipley reported they have doubled their efforts regarding the survey and have received approximately 300 responses. The survey includes an opportunity for comments, he is in the process of coding the responses and building charts.

b. Strategic Planning and Visioning (Approved Funding – EDC Involvement)

Mr. Clifton reported the City Council adopted the 2011 budget which includes \$100,000 for Strategic Planning. He and staff are working on a draft Request for Qualifications (RFQ) that will be distributed to the EDC for feedback. The EDC will provide a recommendation to the City Council regarding the RFQ and City Council approval of the RFQ is required before it is issued.

c. Technology

Commissioner Haug reported the Technology subgroup is coordinating their efforts with CTAC to complete the report to the City Council that is required at the end of the quarter. The update to the City Council illustrates that fiber is on target with regard to budget, revenue generation and the originally projected break even point. They continue to work with Rick Steves to finalize a trial and plan to meet tomorrow to discuss how to get cable to their location, who pays for it, etc.

Commissioner Haug reported Council President Peterson has referred another local business to them. CIO Carl Nelson and he contacted the business and have a handshake agreement to proceed. The customer understands the approximate cost of cabling to their location, approximately 1,000 feet from an existing connection point. The customer is willing to pay the cost of installation and will then be billed monthly for services. Details regarding that customer are still being worked out.

Commissioner Zagorski asked whether they have talked with Landau, envisioning that an engineering firm would be the type of business interested in fiber optics. Commissioner Haug answered they will be contacted as part of the delivery to an existing customer. When cable is extended, there is a natural opportunity to discuss connection with the customers/building owners in between.

Commissioner Senderoff inquired how subsequent businesses would pay for the cable extension after it was funded by the original customer. Commissioner Haug explained this business owner is contacting nearby businesses in an effort to share the cost. If the business pays the entire cost of extension, there will need to be a financial arrangement between that business and any businesses that connect in the future. The cost of a 1,000 foot extension is approximately \$10,000.

d. Tourism.

Commissioner Monfort reported she has been researching outdoor recreation tourism, inventorying existing events in comparable locations with regard to how they are financed, sponsorships, etc.

Chair Yamamoto reported the subgroup is also looking at fields as part of sports tourism. They plan to conduct further research regarding the former Woodway High School fields as well as the Civic Fields. Because the Civic Fields are owned by the Edmonds School District and leased to the City, they plan to meet with the School District to discuss extending the lease.

Mr. Clifton reported Frances Chapin, Cindi Cruz, Chamber staff Jan Vance and Carolyn LaFave and he met with a local marketer who has offered to assist free of charge with developing an overall tourism marketing framework.

Mr. Yamamoto referred to the Comcast video regarding Mukilteo. Mr. Clifton advised Comcast plans to film a similar video in Edmonds next Tuesday.

5. EXISTING POST OFFICE SITE – PRESENTATION OF REDEVELOPMENT CONCEPTS BY LAND OWNER

Mr. Clifton introduced Doug Spee and Scott Boyer, Spee West Construction, explaining Mr. Spee is the new owner of the post office site. Mr. Spee is interested in redeveloping the site and incorporating the post office into the development. He has had a number of meetings with staff related to code compliance, façade etc. Tonight he will present concepts related to potential development of the site to gauge the EDC's reaction and respond to questions. Mr. Clifton emphasized these are only concepts; Mr. Spee has not submitted for building permits.

Mr. Spee described his background and prior development of a mixed use building at 3rd and Bell. His office is located in the building and his mother lives in the building. He commented development is not his profession, he typically builds schools. He had not planned to develop another building but after seeing a flyer regarding the sale of the Edmonds post office, he purchased the building in April. The post office's lease expires in August. The post office has indicated they only need half their current space, a reduction from approximately 8,000 to 4,000 square feet. He commented on the difficulty leasing commercial space that is not in the prime area of 5th & Main. The post office, which will be a retail location, has indicated their interest in being a tenant in a mixed use project.

His objectives for the site are a mixed use building that incorporates the post office, offers reasonably priced apartments with nice features, and maximizes the appearance of this prime location. The first phase will be the post office and phase 2 is still being worked out; one use being considered is a hotel. He assured there was no commitment from a hotel operator but a hotel could compliment the area as well as bring people to the City. He commented on financial challenges and design challenges due to the City's codes regarding height limits, massing, modulation, etc.

Mr. Spee commented on the four sides of the site, explaining Bell Street has a residential feel, Main Street is commercial with high visibility, the alley, and 2nd Avenue. The post office generates a lot of people along with a great deal of traffic. He described the slope on the site, falling 6 feet on 2nd Avenue and climbing 5 feet on Bell Street, which equates to approximately a full building story. They made a presentation to staff at a pre-application meeting and received a great deal of feedback regarding code compliance. With confirmation of the post office lease was in December, they are moving forward with a building design. He remarked on the importance of redevelopment to revitalize Edmonds.

Mr. Spee displayed a concept looking from 2nd Avenue and Bell Street that was designed using templates of other hotels. This concept includes the 4,000 square foot post office, ramp to parking from 2nd Avenue, commercial parking accessed from Bell Street, two levels of residential (34 units, 17 per floor) over commercial, open courtyard/garden atrium, northwest style roof design, broad overhangs to protect from summer sun and wind-driven rain, 15-foot setback on Bell and zero lot line on 2nd Avenue, and a post office loading dock.

Their goal is to obtain a permit for Phase 1 and keep the post office in operation during the anticipated 18-month construction process. They are talking with hotels for Phase 2; if there is no interest, they will rethink the Phase 2 concept. They displayed and described several conceptual views of development on the site, identifying various components such as solar panels and green roofs, and LEED-type elements. He displayed floor plans for Phase 1 that include the post office, post office loading dock, 28 parking stalls, isolated parking for commercial customers, residential parking below, residential lobby and residential floor plan. The residential units are envisioned be a combination of 840 – 1200 square foot 2 bedroom/1 bath, 2 bedroom/den and 1 bedroom/1 bath apartments with fireplaces in each unit and an open atrium.

He illustrated the average grade on the site that is used to determine height limit, identifying a power line on 2nd Avenue that is the approximate height of the conceptual building. He explained their original concept was a 34-foot building, 4 floors with 3 levels of residential. If the building had another floor, the rents could be decreased an average of \$200/month. The code allows them to request a variance but variances cannot be granted for an economic reason. They intend to pursue a 30-foot building height for Phase 1 and introduce a 34-foot building height in Phase 2 for a specific use such as a hotel. He remarked Bainbridge Island recently made a decision that a hotel was a use that warranted additional height.

Mr. Boyer demonstrated a fly-through of earlier 34-foot concept that also illustrated existing buildings in the area. Mr. Clifton explained rather than beginning by presenting an application, the intent of this process was to engage the EDC in a conversation about concepts in order to provide early feedback.

Mr. Spee displayed and reviewed a conceptual hotel for Phase 2, describing outdoor seating, corner entry, pull-through check-in, night lighting of the building, 10-foot setback on Main and 15-foot setback on upper floors. This conceptual design is 25 rooms per floor for a total of 75 units; he anticipated that was the minimum to attract a hotel operator.

Discussion followed regarding solar or other energy efficient installations, opportunity for outside spaces, creating a 5th Avenue type retail art corridor from the terminal to the fountain, current retail void in that location, areas on the site where commercial development is not appropriate, potential for live/work space, commercial on the first floor being a catalyst for redevelopment in the area, first floor commercial heights, and parking for the post office.

Commissioner comments included the following:

- The design is very innovative design, looking up you don't just see a plain roof. Sell the City on that.
- Looks great as you walk on the street.
- Many people who want to move to the downtown area want 1000-1200 square foot units so the units are more affordable/manageable.
- Economic development is difficult without a boutique inn/hotel. Wish a hotel could be in the first phase.
- Like the focus on the view looking up from the ferry.

Chair Yamamoto invited Mr. Spee to keep the EDC apprised as they move forward. Mr. Spee summarized they plan to continue with design and submit an application. He encouraged the Commission to provide input. He anticipated design of Phase 2 will not begin for a year unless there is an interested party.

6. NEXT STEPS

Chair Yamamoto encouraged the EDC to think about what they want to pursue next. Mr. Clifton suggested Commissioners to review the appendix attached to first report. There were a number of economic development ideas/proposals developed that were not included in the resolution to the Council.

Commissioner Zagorski asked about the role of the EDC and/or subgroup in the Strategic Plan. Mr. Clifton explained the draft RFQ refers to a Citizens Advisory Committee and a Strategic Planning Taskforce that could include Commission members. Ms. Chapin commented information will need to be gathered to assist the consultant; that will be another way Commissioners can assist with the process.

Councilmember Buckshnis asked whether the Strategic Plan will include polling. Mr. Clifton advised it would include statistically valid polling.

7. YEAR END 2010 ANNUAL REPORT

Chair Yamamoto offered to forward Commissioners a draft year end report recapping the four main items. The year end report will be scheduled on future City Council agenda.

8. FUTURE AGENDA TOPICS

Chair Yamamoto requested Commissioners advise him of any future agenda topics.

9. MISCELLANEOUS

Planning Board Member Kristiana Johnson reported the Planning Board recently discussed accomplishments related to economic development, areas of interest that members have been researching and plans for 2011 related to economic development. The Planning Board retreat is February 2; EDC members are welcome to attend. The Planning Board is considering green building initiatives and an appropriate process, whether to offer developers incentives, etc. The Planning Board also plans to review

the Sustainability Element with regard to measurable indicators for economic growth. When that process is complete, the Planning Board would like to schedule a joint meeting with City Council to discuss mutual goals.

Mr. Clifton explained that at Planning Manager Rob Chave's request he prepared a list of economic indicators related to sustainability. He offered to send the list to Ms. Johnson.

Commissioner Wolfe suggested developers be required to provide bike racks.

Commissioner Senderoff referred to his report at last month's meeting regarding the PUD's wind energy demonstration project and asked whether the Port was interested in a similar project. Commissioner Zagorski reported the Port is looking into the possibility of installing a windmill. PUD offers incentives for windmills in an educational setting such as the Port's weather center.

Mr. Clifton reminded of the City Council retreat on February 4 & 5 in the Brackett Room.

Council President Peterson reminded of the New Energy Cities workshop on January 27 & 28. One of the things New Energy Cities is considering is wind turbines.

10. AUDIENCE COMMENTS

Ron Wambolt, Edmonds, referred to Mr. Spee's indication that an additional four feet of height would not block any views and would allow an additional floor of residential. By not allowing the additional units, the City loses sales tax on building construction, annual property tax and the opportunity to make the apartments more affordable by reducing rents by \$200/month. He suggested that the EDC advocate for changes to allow that to happen.

11. ADJOURN

With no further business, the meeting was adjourned at 7:39 p.m.