

**CITY OF EDMONDS**  
**ECONOMIC DEVELOPMENT COMMISSION**  
**February 16, 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**

Paul Anderson  
Bruce Faires  
Stacy Gardea  
Darrol Haug  
Betty Larman  
Mary Monfort  
Beatrice O'Rourke  
Rich Senderoff  
Kerry St. Clair Ayers  
Rebecca Wolfe  
Frank Yamamoto  
Marianne Zagorski  
Bruce Witenberg

**PLANNING BOARD LIAISON**

Kristiana Johnson

**ELECTED OFFICIALS PRESENT**

Councilmember Diane Buckshnis

**STAFF PRESENT**

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

**PUBLIC PRESENT**

Ron Wambolt

**COMMISSIONERS ABSENT**

Evan Pierce  
Don Hall  
David Schaefer  
Rob VanTassell

1. **INTRODUCTION AND COMMENTS BY CHAIR – NONE**
2. **AMENDMENTS TO AGENDA – NONE**
3. **APPROVAL OF ECONOMIC DEVELOPMENT COMMISSION MINUTES OF JANUARY 19, 2011**

**COMMISSIONER FAIRES MOVED TO APPROVE THE MINUTES OF JANUARY 19, 2011. COMMISSIONER GARDEA SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.**

4. **REPORTS FROM SUBGROUPS**
  - a. **Land Use (Westgate & Five Corners public meetings)**

Community Services/Economic Development Director Stephen Clifton reported Phase 1 has been completed. There has a good response to the surveys. The Special District Report, a link to the survey and the minutes of the two workshops have been posted to the EDC's webpage.

Mr. Clifton reported the people who signed in at the workshops will be added to the mailing list. In Phase 2 the radius from the commercial areas will be extended in an effort to get more people involved. Greg Easton, Property Counselors, is preparing a market analysis. Mr. Easton will meet with individual property owners in Five Corners and Westgate to discuss their future plans for their property, barriers that prevent them from redeveloping, etc. Mr. Easton is also sharing with the property owners what he see as feasible uses.

The next workshop, scheduled for Saturday, March 12 in the Library Plaza room, will include an overview from 10:00 – 12:00, followed by tabletop exercises lead by facilitators. Bill Trimm, Mill Creek's former Planning Director who was involved with Mill Creek Town Center and who is assisting the Port with the Harbor Square plan, has volunteered to be one of the facilitators. He encouraged Commissioners to attend the March 12 workshop.

Commissioner Paul Anderson relayed there seemed to be a lot of negative comments by people attending the Five Corners workshop. He asked whether the survey responses were similar. Mr. Clifton explained Ms. Chapin and he talked with some of the people that made negative comments after the presentations. Many of them were concerned that the roundabout would increase traffic speeds. He explained to them that was not the function of a roundabout; the intent of a roundabout is to make traffic flow more smoothly and safely, not faster. There were also concerns expressed with redevelopment resulting in additional traffic. He relayed that it was likely the properties would redevelop at some point; this effort allows the residents to have some input into how it redevelops. He summarized the one-on-one discussions were very helpful.

Ms. Chapin commented in the individual conversations it was possible to describe the purpose of the study; the purpose was not clear to some residents. When they considered that change was inevitable and what development could occur under the current code, they were interested in providing input regarding what they would prefer to have developed. She summarized after talking with some of most negative people, they left with a very different perspective than was reflected in their comments.

Mr. Clifton indicated he sent a clarification to the UW students regarding the height question in the survey. The survey asked whether respondents supported 1 and 2 stories, 3 and 4 stories, or 5 and 6 rather than 1-2, 2-3, 3-4, 4-5, etc. The responses to the survey in Five Corners were a lot of 1 and 2 stories; he anticipated if the question had been phrased differently, there would have been more 2-3 story responses. In Westgate a lot of the responses supported 3 and 4 stories.

Commissioner Rich Senderoff commented from reading minutes, he also got the sense there was negative input as well as questions about why this Strategic Plan would be different than plans done in the past. He viewed it as the EDC's responsibility to answer that question with maybe it was done before but the EDC exists now and the EDC is responsible for ensuring the outcome is a result of community input not just an exercise. The Strategic Plan was one of EDC's most important goals. Mr. Clifton agreed it was done before in 2006 with the former Economic Development Director Jennifer Gerend. However that process collapsed when she left the City. This process is picking up the pieces from that effort and starting over with the support of the EDC and the City Council.

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

Mr. Clifton reported a draft RFQ has been prepared and sent to EDC members, Council President Peterson, Council liaisons to the EDC, Mr. Chave, Ms. Chapin, and Planning Board Members Kristina Johnson and Phil Lovell. He requested comments be provided to him by February 22. He pointed out the RFQ states the Strategic Plan will be a recommendation to the City Council.

Commissioner Bruce Faires asked whether was an opportunity for the EDC to be involved in the recommendation to the City Council. Mr. Clifton explained there is reference in the RFQ to an evaluation committee that he hoped would include Economic Development Commissioners. In addition there will be an opportunity for the EDC to review the proposals and make a recommendation to the City Council. Tasks can be further refined via negotiations with the consultant, the information in the RFQ is not definitive because it is anticipated the consultants who submit proposals will bring some creativity to the process and ideas that staff and others have not thought of.

Commissioner Faires suggested the EDC have an opportunity to review the Plan and provide their approval. He commented on the importance of the EDC's support of the result.

Commissioner Senderoff commented the key is community buy-in of the process at the beginning. If the community buys in and accepts the result, the City Council is more likely to support it. It is the EDC's job to ensure the community perceives this as a good process. Ms. Chapin pointed out the importance of the EDC participating in the process. Mr. Clifton suggested the EDC review the Strategic Plan process outline in the RFQ and determine where the EDC could review and make recommendation regarding the Plan.

Commissioner Darrol Haug referred to the lengthy capital improvement project list that staff prepared and asked whether that list would be considered during this process. Mr. Clifton explained Phase 2 references an internal scale that includes an inventory of community resources and identifying deficiencies and assets. There is also a step in describing the overall strategy and identifying key challenges and opportunities, one of the challenges is underfunded capital needs and prioritizing those needs. He suggested the EDC review the scope of services in Phase 2 to ensure it was descriptive enough.

Mr. Clifton reported Mill Creek issued an RFP on January 21 for a Strategic Plan; they budgeted \$80,000 for the Plan. Ms. Chapin commented Mill Creek's Plan does include a visioning process but otherwise is very similar.

### **c. Technology**

Commissioner Haug reported discussions continue with the unnamed business and Rick Steves but the process has not yet been completed. The routing of the cable for Rick Steves is straight forward; routing for the unnamed business, the digging method to be used, etc. is still being discussed He was hopeful those discussions would be concluded shortly. Mr. Clifton recommended when Rick Steves is hooked up, the Edmonds Conference Center, Edmonds Center for the Arts and the Edmonds Theater also be connected as those venues are used for Mr. Steves' events and could also be beneficial to the film festival.

Commissioner Faires reported that in an effort to expand data capabilities for potential tenants at Harbor Square, the Port Commission discussed the installation of fiber optics at Harbor Square and authorized further discussions with the City. The goal would be to make fiber optics available at Harbor Square as a tool for attracting new businesses.

Mr. Clifton reported Phase 1 of the City's website redesign is underway. The template is built and the existing information is being migrated from the City's old website to the new website. Phase 2 will include review of all the information to remove redundant information, clean up web pages, etc. Each department has assigned a person to take part in that process. Ms. Chapin advised new pages will also be added as departments develop their pages. Mr. Clifton explained the new website will include rotating photographs on the first page, the right column will have the top ten links, and every webpage will include links on the bottom to resources, news, etc. The new template allows departments to post information themselves rather than sending it to the webmaster which will assist with keeping the website

current. There will be a visitor's guide within the website and the separate VisitEdmonds.com website will be retained.

Mr. Clifton offered to have CIO Carl Nelson demonstrate the new website at the next EDC meeting.

**d. Tourism.**

Chair Yamamoto reported Mr. Clifton and he met with Kerri Hite, the City's new Parks & Recreation Director, to discuss meeting with the School Board about the Civic Fields lease. Once that issue is resolved, field upgrades can be pursued. Ms. Hite plans to meet with Edmonds School District Superintendent first, and then with Marla Miller, Executive Director, Business and Operations. A past appropriations request to the Legislature to upgrade the old Woodway High School fields was unsuccessful; now there are definitely no State funds available for that project and more creative funding methods will need to be identified. He invited encouraged Commissioners to join the Tourism subgroup.

Councilmember Buckshnis reported Carl Zapora, an Edmonds resident formerly with United Way, has been named superintendent of the South Snohomish County Commission for Health. Mr. Yamamoto commented Swedish is interested in partnerships related to health.

Commissioner Rebecca Wolfe reported a bill has been proposed that would require anyone using public lands in the State to pay a \$30/year fee. This is estimated to generate \$71 million and provide funding for Department of Natural Resources, Fish and Wildlife and other State departments. There may be funds available from that source. She suggested Commissioners encourage their representatives to support that bill.

Ms. Chapin reported the Snohomish County Strategic Tourism Plan is complete and offered to forward Commissioners a link to the Plan. The Plan focuses on expanding tourism in Snohomish County and using County tourism funds for the initiatives in the Plan. Implementation of the Plan will be up to the Snohomish County Council.

Mr. Clifton reported Monroe may not support the creation of a Tourism Promotion Area (hotels with over 50 rooms charge \$1/room night to generate funds to market Snohomish County). If Monroe does not support the tourism promotion fee, the agreements with Snohomish County and cities will need to be rewritten and approved.

**5. YEAR END 2010 ANNUAL REPORT**

Chair Yamamoto reported he sent out an outline of the report late today. It is a summation of the four subgroups' accomplishments and the EDC's plans for the future.

**6. FUTURE AGENDA TOPICS**

Mr. Clifton reported Councilmember Bernheim, the Council liaison on the Highway 99 Task Force, is interested in the creation of a CG3 zone, a transition between commercial and resident properties that would allow more dense development. That effort will include a great deal of community outreach. He suggested Mr. Chave make a presentation at the next EDC meeting. An intern from Evergreen is assisting the City gather land use data. He suggested Commissioners may want to attend Highway 99 Task Force meetings and provide assistance. He advised a property owner adjacent to the Safeway property is interested in redeveloping but the zoning needs to be addressed first.

Commissioner Witenberg explained one of the challenges is transitioning development from the highway to the residential neighborhoods. The Task Force has talked about involving the neighbors in the areas

where the transition would occur. The quandary is getting the neighbors involved in the beginning but the transition zoning cannot be done for just one property. He agreed input from the EDC may be helpful.

Commissioner Senderoff asked if a development agreement would be appropriate for that project. Mr. Clifton agreed a development agreement could be appropriate for one property. The Task Force is interested in determining multiple locations for that zoning. Mr. Witenberg advised a CG3 zone is being touted for Transit Oriented Development (TOD). There are many issues related to that type of development such as restrictions on parking, whether it would apply to all the properties bordering the corridor or only properties developed with TOD, etc.

Planning Board Member Kristina Johnson advised that the Planning Board has also discussed zoning on Highway 99 including parking, boundaries of the Medical Activity Center and Transit Oriented land uses, and hope to get some guidance from the City Council regarding development on Highway 99.

Councilmember Buckschnis suggested the EDC investigate and support development agreements, specifically for the post office property. Chair Yamamoto agreed the EDC needed to be proactive with regard to the development of that property. Commissioner Witenberg suggested Mr. Spee make a presentation to the City Council to provide the public access to the information via Channel 21. Mr. Clifton relayed that Mr. Chave and he are discussing how to involve the Planning Board and the EDC in downtown design as it relates to height, setbacks, modulation, relationship between the building and the street, etc.

Chair Yamamoto reported at the Port's last meeting regarding Harbor Square they provided samples of architecture, buildings, and landscaping and allowed the audience to vote.

Mr. Clifton explained Mr. Spee would like to proceed with Phase 1 as soon as possible. There are two issues that need to be addressed in Phase 1; the requirement for commercial on the street front and the setback. He suggested to Mr. Spee that he work on the two issues in Phase 1 and address the additional height needed for Phase 2 at a later date.

Commissioner Haug recalled Mr. Spee wanted additional height in Phase 1 to allow him to build more apartments. Mr. Stephen explained Mr. Spee started with a 4 story project, after meeting with staff, he reduced it to 3 stories but that still requires a 15-foot setback above the 25-foot height limit. If Mr. Spee constructed the building according to the current code, he could not build a third floor and the project would not be financially feasible. That is a design issue that needs to be discussed. Chair Yamamoto pointed out it is also a financial issue for the City.

Commissioner Faires commented the EDC may want to increase the priority of development agreements in its list of priorities. Development agreements give developers confidence in their future, confidence that is currently lacking.

Commissioner Senderoff suggested the EDC be provided a presentation regarding development agreements. Mr. Clifton agreed, advising staff is researching another city that has used development agreements successfully. At their recent retreat, the majority of the City Council expressed support for investigating a development agreement process.

Commissioner Haug suggested public-private partnerships also be investigated. Bothell recently announced a second public private partnership; a team headed by Paul Allen's Vulcan Real Estate has been selected to redevelop a block now occupied by City Hall. Bothell's first public-private partnership was McMenamins purchasing a historic school building that they plan to turn into a hotel and entertainment complex. The EDC needs to be educated regarding that process and identifying scenarios

where it could be used. Planning Board Member Johnson suggested Bill Angle, Citizens Transportation Committee, would be a good resource on that topic.

Commissioner Senderoff suggested the EDC have a series of presentations regarding alternative approaches to development such as development agreements, public-private partnerships, form based zoning, etc. One of EDC's roles is advocate to the City Council regarding different approaches. Commissioner St. Clair Ayers suggested there be an educational component of each EDC meeting.

Mr. Clifton reported Mr. Chave and he met with the City Council Community Services/Development Services Committee, comprised of Councilmembers Petso and Peterson at the time, and recommended consideration be given to a more creative approach to downtown development. There are 2-3 property owners downtown who are interested in redeveloping but will not do so under the existing zoning. One property owner needs two additional feet. Staff proposed taking a public approach to development of specific parcels that are seeking exception to the code and ensuring that whatever is developed has a huge aesthetic impact on downtown. For example in exchange for granting some exceptions to setbacks, height, etc., they would be asked to build a green building, provide solar panels or energy efficient elements within the building, a public plaza, etc. Mr. Chave plans to present that to the Planning Board.

Chair Yamamoto summarized the following future agenda topics:

- Development of the post office property
- Harbor Square/Port process
- Webpage update
- Community outreach, need talking points
- Public-private partnership
- Educational presentations

## **7. MISCELLANEOUS**

Commissioner Faires reported there may be public meeting at the Port prior to the next EDC meeting to present redevelopment ideas. He encouraged Commissioners to attend.

Commissioner Haug remarked one of EDC's charges was to identify revenue sources. Councilmember Buckshnis and he are making a presentation to the Council on February 22 regarding the Citizen Levy Committee's work including models to evaluate different levy amounts.

Mr. Clifton reported the following:

- A 200 foot stormwater vault under the Dick's Drive-In site has complicated the process. He thanked the City's Building Official, Public Works and Planning Staff for figuring out a way to make it work. Dick's has applied for their permit.
- Gallagher's Where U Brew is now open
- American Brewing Company is opening February 26
- Panera Bread plans to demolish the Barlee's Restaurant on Ballinger Way and build a new restaurant
- Jack Murphy's Pub is opening on 4<sup>th</sup> Avenue next to Bill the Butcher
- Bill the Butcher is opening in late February
- An individual is interested in opening a high-end bakery downtown
- All the Best Pet Care, located next to PCC, is having their grand opening March 6

Commissioner St. Clair Ayers referred to comments that not much happens at night in Edmonds. Now that there is a more active group at night, she asked whether DEMA has discussed businesses staying open later or opening on Sundays. Chair Yamamoto commented it is a tough call for businesses to stay

open later; they may stay open later in the summer. He pointed out night life is totally different than retail. Mr. Clifton commented it will take a change in the dining experience; as more people start dining downtown, the retail sector may stay open later. Ms. Chapin commented more retail stores are open on Sundays and the third Thursdays for Art Walk. As more businesses are open on Sunday, more people visit downtown.

Mr. Clifton reported the City was successful in securing grants in the last five months totaling \$2.25 million. One of the grants, \$750,000, is to improve Main Street between 5<sup>th</sup> and 6<sup>th</sup> Avenue. Mayor Cooper is encouraging the Legislature to appropriate another \$600,000. If he is successful, Public Works Director Phil Williams has suggested widening the sidewalk two feet, burying overhead wires, planting new street trees, and putting in a mid-block connector which could allow that area to become a dining mecca and could be a template for the blocks leading to the ferry terminal. The proposal Mayor Cooper is presenting is a green project with charging stations pervious surfaces, etc. An RFQ/RFP to design the project will be issued soon with construction anticipated to begin in 2012. He acknowledged it would be disruptive to business but it will be phased to minimize impacts.

Councilmember Buckshnis reported on efforts to move the Edmonds Marsh clean up from WRIA 8's ten year plan to their three year plan.

## **8. AUDIENCE COMMENTS**

**Ron Wambolt, Edmonds**, encouraged the EDC to advocate for the post office project, noting it would be a shame if the City missed this opportunity and did not get three floors of apartments. The developer only needs four feet and is willing to include green elements in the project. It is a unique situation in that he is accommodating the post office on the first floor; the post office requires additional height for their trucks. The block where the stepback and commercial uses are required is not appropriate for commercial as there are residential uses across the street. The third floor of apartments would cost \$2 million to build and would generate \$200,000 in sales tax and approximately \$20,000/year in property taxes. He commented this was the best EDC meeting he had attended and he agreed with the suggestion for the EDC to educate themselves.

Commissioner Wolfe commented people may be more accepting if they were able to visualize the development. Commissioner Monfort remarked people are afraid of change and fear that allowing a small increase in height will lead to even taller buildings. People need to be assured there are safeguards in place to prevent that. Commissioner Wolfe responded that their fears are based upon their lack of ability to visualize how things would look under different conditions – upon a lack of understanding and knowledge. When people understand, their fears diminish.

Discussion followed regarding what the EDC could do with regard to redevelopment of the post office site. Mr. Clifton explained staff is supportive of addressing the commercial frontage requirement. The stepback issue needs to be considered by the Planning Board who will make a recommendation to the City Council. He suggested the EDC express their support to the Planning Board. Planning Board Member Johnson advised Mr. Spee plans to make a presentation to the Planning Board. There is an opportunity for public comment at Planning Board meeting. She offered to inform Commissioners when Mr. Spee's presentation is scheduled.

Councilmember Buckshnis suggested consideration also be given to allowing increased height on the post office site.

## **9. ADJOURN**

With no further business, the meeting was adjourned at 7:30 p.m.