

CITY OF EDMONDS
ECONOMIC DEVELOPMENT COMMISSION
March 20, 2013

The Citizens Economic Development Committee meeting was called to order at 6:02 p.m. by Chair Evan Pierce in the Brackett Room, 121 5th Avenue North, Edmonds.

COMMISSIONERS PRESENT

Evan Pierce, Chair
Bruce Witenberg, Vice Chair
John Dewhirst
Kevin Garrett
Marc Knauss
Debbie Matteson
Doug Purcell
John Rubenkönig
Gail Sarvis
Rich Senderoff
Darlene Stern
Evelyn Wellington
Teresa Whippel

COMMISSIONERS ABSENT

John Eckert
Darrol Haug
Nathan Proudfoot

PLANNING BOARD LIAISON

Kevin Clarke

PORT OF EDMONDS LIAISON

Bruce Faires

ELECTED OFFICIALS PRESENT

Councilmember Joan Bloom

STAFF PRESENT

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

PUBLIC PRESENT

Roger Hertrich

1. OPENING REMARKS

Chair Pierce advised Commissioners Eckert, Haug and Proudfoot have excused absences.

Chair Pierce reported Don Hall has resigned from the EDC. He recognized Mr. Hall's contributions to the EDC. Council President Petso will announce her appointment of Roger Hertrich to the EDC at next week's Council meeting.

Vice Chair Witenberg thanked Mr. Hall for his contributions, noting he brought a unique perspective to the EDC as a downtown business owner and a member of the Downtown Edmonds Merchants Association (DEMA).

2. AMENDMENTS TO AGENDA

Port Commissioner Faires asked to make a short report regarding the Port under Miscellaneous.

3. APPROVAL OF ECONOMIC DEVELOPMENT COMMISSION MINUTES OF FEBRUARY 20, 2013

The minutes were revised to add Commissioner Gail Sarvis to the list of excused absences in Agenda Item 1.

COMMISSIONER GARRETT MOVED, SECONDED BY COMMISSIONER SENDEROFF, TO APPROVE THE MINUTES OF FEBRUARY 20, 2013 AS AMENDED. MOTION CARRIED UNANIMOUSLY.

DISCUSSION:

4. LAND USE INCENTIVES

Commissioner Senderoff reported the subcommittee focused on the draft proposal for a Business Investment Program (BIP). They also discussed coal train mitigation and food trucks which are separate items on tonight's agenda. He provided an overview of the financial incentives in the draft Edmonds Business Investment Program Overview, explaining most of the incentives come from the Snohomish and Auburn's programs.

Commissioners' comments/questions/ suggestions on the incentives included:

Qualified Small Issue Bond Sponsorship

- What are the costs?
- Would the City guarantee the bonds?

Hotel/Motel Tax Waiver

- The loss in annual revenues is an importance piece of information
- The consumer is not aware of the lodging tax when making a reservation
- Hotel/Motel Tax waiver does little to attract visitors
- How would a hotel owner benefit from wavier?
- Waiver would reduce ability to market community as a tourism destination
- What tourism services could not be funded without those funds?
- How is Hotel/Motel Tax wavier an incentive for a new a hotel to locate in Edmonds?
- Concern with waiver for a new hotel and existing hotels still have to charge Hotel/Motel Tax
- Need more information from Snohomish regarding how the waiver worked and why
- Snohomish's intent via the waiver was to attract a new hotel, thereby promoting additional tourism
- Incorrect statement in Snohomish's regulations that the wavier offers a 2% boost to the hotel owners' bottom-line

Multi-unit housing Development Tax Credit

- Commonly used, Shoreline used in housing on Hwy 99
- What type of housing is targeted by the program?
- Has been used a lot in Seattle

Single-source LTGO Bonds for Infrastructure Improvements

- Infrastructure improvements require funding for many sources including new development, grants, LTGO bonds, etc.

Other Potential Incentives

- Expedited permitting or changing when fees are paid such as at issuance of certificate of occupancy
- SWAG; the City offering gift cards/ferry/parking vouchers that are distributed by the hotel
- Port's Destination Edmonds Program; a gift bag that includes coupon book from businesses, increased visits to the Port 10-25%, costs the Port very little.
- State Historic Preservation Programs can fix the valuation of a building for a period of time following renovation
- Snohomish provides a 10% bonus density to developers of low income and senior housing, but problems arise when returning to market housing

Impact and System Development Fee Deferral and Charge Credits/Waivers

- Need to determine portion of fees used to fund staff salaries

Commissioner Senderoff summarized the Land Use Subgroup will discuss the incentives again at their next meeting.

5. COMMUNICATIONS AND COMMUNITY OUTREACH

Commissioner Stern provided a proposed EDC Subcommittee Update form, explaining the purpose was to summarize activities and focus of EDC subcommittees occurring between monthly EDC meetings. The intent is to facilitate communication of ongoing progress of the several subcommittees in a format that can be shared with EDC Commissioners, City Council, Planning Board, Staff, etc. The updates will supplement the EDC monthly meeting minutes and provide greater detail of ensuing discussions.

Discussion followed regarding timing to complete the form, intent to capture subcommittee activities between EDC meetings, concern with duplicating efforts, intent to improve communication with Council and public, and the Planning Board's quarterly summary in the Edmonds Beacon and quarterly update to the City Council. Commissioner Whippel offered to have the summaries submitted to her.

It was agreed each subcommittee would create a summary of their discussion on the proposed form and submit it by a certain date. If anything is done at an EDC meeting as a result, it could be added to the report. A "draft" watermark will be included on each summary.

6. COAL TRAIN MITIGATION

Commissioner Rubenkönig reported in his opinion coal trains are bad for Edmonds but there probably is not a way to stop them. There may opportunity to make a case for mitigation for waterfront communities. He suggested Sustainable Edmonds make a presentation to the EDC on the economic issues associated with coal trains.

Discussion followed regarding the limited impact of cities taking a position opposing coal trains, preference to focus on incentives/mitigation of existing trains rather than coal trains, EDC's mission statement not allowing the EDC to take a position, preference for the EDC to spend time on other issues as there are many groups opposing coal trains, lost opportunity for mitigation by not including underpass at Dayton in the CIP, potential role for the EDC in evaluating available mitigation or incentives, and Whatcom County's support of coal trains.

It was agreed the EDC should not take a position opposing coal trains. The EDC could take a lead or support role regarding mitigation and that merits further research/discussion.

7. TOURISM UPDATE

- **Status of Gambling and Wedding Tourism**

Commissioner Garrett advised there was nothing new to report regarding gambling. With regard to wedding tourism, the Chamber declined to take a leadership role as they preferred the business community to take the lead. Commissioner Whippel reported the focus was making Edmonds a destination for gay weddings to take advantage of the change in State law; no one in the business community was interested in taking the lead. Commissioner Garrett reported the subcommittee is beginning work on marine tourism such as opportunities to work with the Port to attract boaters and residents/visitors. Discussion followed regarding the Port's Jazz on the Pier and progress on sports tourism initiatives.

9. STRATEGIC PLAN AND TECHNOLOGY UPDATE

Mr. Clifton reported Commissioner Haug and he met with representatives from Averetek, a business applications software company located in downtown Edmonds, to discuss marketing Edmonds to tech companies with 15-25 employees. They plan to meet with tech companies in Edmonds to discuss the availability of fiber. He also plans to meet with Brian Tully, the City's new IT Manager; Ron Cone, the City's Interim Finance Director; and Carl Nelson to map the existing fiber. He described efforts to connect two houses on 4th Avenue to fiber where Rick Steves plans to locate 22 employees. Averetek, located near Opus Bank, has agreed to connect to fiber. Discussions are underway with another building owner on 5th Avenue about connecting the building to fiber. Future plans include RFQs for the preparation of a business plan and to market the fiber. The 2013 budget included funding for both those projects.

With regard to the Strategic Plan, in response to comments that the document was difficult to read, edits/reformatting reduced the length of the document by 10 pages and made it more clear and understandable. Due to the length of the document, he provided a link to the document on the City's website.

Vice Chair Witenberg encouraged Commissioners to attend or watch the April 2 Council meeting where the consultant will present the Strategic Plan. The April EDC meeting will include discussion regarding the EDC taking a position on the Strategic Plan. He has requested Commissioner Haug draft a resolution in support of the Strategic Plan for consideration by the EDC at their April meeting. He anticipated the Council will schedule a public hearing before adopting the Plan.

8. FOOD TRUCKS

- **Ideal Locations, Grouping and Use**

Chair Pierce referred to an article in Sunset Magazine regarding food trucks. He suggested consideration be given to whether they generate activity, people, revenue and how they are regulated. He referred to areas in Portland where there are a large number of food trucks. Mr. Clifton cautioned big cities can handle food trucks, but they can have a big impact on restaurants in a small city.

Discussion followed regarding Hwy 99 as an appropriate area for food trucks, having the Hwy 99 Taskforce consider appropriate locations for food trucks, locating food trucks near the hospital, and incorporating food trucks into subarea plans.

COMMISSIONER GARRETT MOVED TO REFER BROAD CONSIDERATION OF FOOD TRUCKS TO THE LAND USE SUBGROUP, WHERE THEY MIGHT BE A GOOD IDEA, THE

**ISSUES, AND PARTICULAR REFERENCE TO THE HWY. 99 AND HOSPITAL AREAS.
COMMISSIONER SARVIS SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.**

MISCELLANEOUS:

10. TWISPWORKS - Delay until next meeting.

Mr. Clifton reported the Council is holding a public hearing on April 2 regarding the Planning Board's recommendation to adopt BD1 design standards for the BD2 – 4 zones.

Port Commissioner Bruce Faires reported there has been a significant change in the process regarding the Harbor Square Master Plan. The Council's decision at last night's meeting makes the plan under consideration a subarea plan versus the Port's Master Plan. The City's plan is a derivative of the Port's Plan but differs in significant ways. He described the history of the Harbor Square Master Plan; the Port spent 3½ years and \$200,000 of the public's funds to develop the Master Plan. The basic foundation of the Master Plan was that it be economically viable. Based on draft subarea plan, the Port does not believe the Plan in its current form is economically viable. The Port is open to alternatives but they must meet the economic viability standard. At this point the Port cannot spend any more public funds to investigate ideas but will do its best to operate Harbor Square.

11. AUDIENCE COMMENTS

Roger Hertrich, Edmonds, agreed the coal train issue could not be changed. He pointed out the City is cut in half by holding lanes. The mid-waterfront area is the only area downtown for imaginative development and property has already been identified for a new ferry terminal. He expressed concern that seeking funds for a tunnel takes the focus away from a new ferry terminal. He suggest the EDC support no expansion of the existing ferry dock; fearing if the ferry terminal remained in its current location, a second pier would be added.

12. ADJOURN

With no further business, the meeting was adjourned at 8:06 p.m.