

CITY OF EDMONDS
ECONOMIC DEVELOPMENT COMMISSION
June 18, 2014

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

COMMISSIONERS PRESENT

Bruce Witenberg, Chair
Kevin Garrett, Vice Chair
John Dewhirst
Roger Hertrich (arrived 6:07 p.m.)
Debbie Matteson
Doug Purcell
John Rubenkönig
Gail Sarvis
Michael Schindler
Rich Senderoff
Darlene Stern
Douglas Swartz

COMMISSIONERS ABSENT

Darrol Haug
Nicole Hughes
Nathan Proudfoot
Teresa Wippel

PLANNING BOARD LIAISON

Phil Lovell

ELECTED OFFICIALS PRESENT

Councilmember Kristiana Johnson

STAFF PRESENT

Frances Chapin, Arts & Culture Program Mgr.
Jeannie Dines, Recorder

PUBLIC PRESENT

Ron Wambolt
Don Hall

1. OPENING REMARKS

Chair Witenberg introduced Mike Schindler who was appointed by Councilmember Mesaros. Commissioner Schindler described his background and his interest in the EDC.

2. AMENDMENTS TO AGENDA

Chair Witenberg amended the agenda to add a report from Commissioner Stern regarding her meeting with the Edmonds Center for the Arts under Item 8.

3. APPROVAL OF MAY 21, 2014 ECONOMIC DEVELOPMENT COMMISSION MINUTES

COMMISSIONER DEWHIRST MOVED, SECONDED BY COMMISSIONER PURCELL, TO APPROVE THE MAY 21, 2014 EDC MINUTES. MOTION CARRIED UNANIMOUSLY.
(Commissioner Hertrich was not present for the vote.)

4. UPDATE ON MAY 28, 2014 PLANNING BOARD PUBLIC HEARING ON WESTGATE AND JUNE 11, 2014 PLANNING BOARD RECOMMENDATION TO CITY COUNCIL

Planning Commissioner Liaison Phil Lovell said at their last meeting, the Planning Board voted 4-0-2, (two board members absent and two new board members abstained) to forward the proposed amendments

to the City Council with a recommendation for approval. He reviewed the Planning Board's recommendation:

1. Amend the Comprehensive Plan to introduce the concept of mixed commercial in Westgate and the concept of formed based zoning
2. Amend ECDC 16.110 to create the Westgate Mixed Use (WMU) Zone and amend ECDC 22.110 to add design guidelines for Westgate (form based code)
3. Amend the Zoning Map to change the current designation in Westgate from BN and CG-EW to WMU.

He relayed the three major topics discussed by the Planning Board's and that had a great deal of public input during past three years:

1. Walkability/traffic issues: busy intersection, State highway that the City has no jurisdiction over, WSDOT not having any plans to make any changes to SR-104 and it being a major route to the ferry. A 2013 traffic study done on the Westgate plan found the addition of multi-family residential did not create enough additional trips to warrant any changes.
2. Building Heights: the Planning Board's recommendation lowered the maximum allowable building height from 5 stories to 4 stories and above 3 stories is only allowed if the building includes elements from a list of incentives in the design standards.
3. New zoning designation allows mixed use; multi-family residential above first floor commercial. The existing zoning allows single family residential. The zone currently allows amusement establishments with a Conditional Use Permit (CUP).

Discussion followed regarding the hybrid formed based code, including amusement establishments as an incentive, height bonus score sheet, creating flexibility to allow additional housing opportunities in Westgate, the EDC sub group's white paper regarding this topic, commending the Planning Board for taking on a complex topic with a great deal of input from the public and officials, basis of the opposition to mixed use, building heights under the Planning Board recommendation, concern with development that occurred recently on Edmonds Way, timeline for the City Council consideration, and a request to alert the EDC to the City Council's process. Mr. Lovell advised all documents are available on the City's website as attachments to the June 11, 2014 Planning Board agenda.

Chair Witenberg advised the extended agenda states the Comprehensive Plan amendment and Westgate Plan is scheduled on the Council's July 22 work session. Councilmember Johnson anticipated there will be a lengthy review process at the Council level.

5. STRATEGIC ACTION PLAN UPDATE

Chair Witenberg reported Cynthia Berne, the City's Strategic Action Plan Consultant, is scheduled to give a presentation to the City Council next week. Her presentation will be posted online and available via the video of the Council meeting. Ms. Berne is in the information gathering mode, working with the leads in the plan on various action items. Ms. Berne will begin developing an implementation work plan next quarter.

Councilmember Johnson reported Planning Board Member Phil Lovell and she are members of the Strategic Plan Working Group. Ms. Berne has posted the notes from Working Group's meetings online. Her presentation will be a quarterly update and to inform the citizens that the strategic plan is alive and moving forward, to explain what has been accomplished so far and what will happen next. Arts & Culture Program Manager Frances Chapin reported there are 86 action items in the plan; Ms. Berne has identified 76 leads, 5 unconfirmed leads and 5 items without primary leads. She explained 4 action items have been completed, 42 have been started or are in motion and 44 have not been started. She encouraged board members to watch the Council presentation and/or review the report in Council's agenda packet.

6. TOURISM AND VISITORS SUB GROUP UPDATE

a. Update on Year-Round Farmers Market

Commissioner Rubenkonig advised the Edmonds Historical Museum is discussing whether to extend the market later in the year.

b. Presentation & Discussion of Report: Maximizing Tourism Competitiveness Using Demand Factors

Commissioner Swartz reported this is the result of work he did for the Tourism Sub Group. Edmonds, like all communities, wants to maximize its ability to attract tourists. In the literature this is referred to as “destination competitiveness.” The benefits of tourism include increased tax revenues, tourism related jobs and even new local business creation. However, the City has a limited budget, raising the question, how does Edmonds optimize its limited tourism budget to maximize its designation competitiveness?

Commissioner Swartz explained the original goal of this work was to find a quantitative formula that would predict the total economic benefit of a given tourism activity:

Total economic impact = # full day visits * average spending per day visitor + # overnight stays * average spending per overnight stay (\$) * multiplier.

Much research has been done on average spending per day visitor and average spending per overnight stay. He provided the following numbers for Edmonds, advising there are a lot of studies that would allow the numbers to be further refined:

Category	Overnight	Full Day
Hotel/Motel	93	0
Restaurant/Bars	35	18
Groceries/Takeout	10	6
Gasoline	12	12
Admissions/Fees	9	9
Clothing	11	7
Souvenirs	19	21
Total	\$189	\$73

The multiplier captures the indirect effects of visitor spending:

- Type 1 multiplier: Firms that supply goods and services to tourism-related firms
- Type 2 multiplier: Household spending of income earned from visitor spending
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The formula as developed so far, economic impact = (#full day visits * \$73 + #overnight stays *\$189) * 1.7, is useful for calculating the economic impact of events where we have estimated number of visitors:

- Classic Car Show
 - 10,000 visitors
 - 95% day visitors (average 1/2 day stay)
 - Economic impact \$441,250
- Edmonds in Bloom
 - 400 visitors
 - 90% day visitors (average 3/4 day stay)
 - Econ impact \$27,270

He noted the formula cannot be used to predict the economic impact of future events without a way to predict attendance. He found it difficult to identify other communities that are very similar to Edmonds (population of about 40,000, waterfront community or high level of natural attraction and 30 minutes from a major population center (650,000):

- Santa Fe New Mexico

- Population 69,000
- 62 miles from Albuquerque (556,000)
- High level natural beauty
- Visitors bureau lists 71 hotels and total hotel bookings are more than 1 million nights/year

Commissioner Swartz concluded Santa Fe could not really be compared to Edmonds. Interestingly, Santa Fe is implementing some of the same things Edmonds has talked about; they have a new year round farmers market with its own dedicated building. Santa Fe also built a business incubator in 2007:

- Revenues for client companies and affiliates have exceeded \$100 million.
- Payroll generated has been in excess of \$40 million.
- Client companies and graduates have created 700+ direct new jobs – the majority of which are above minimum wage and/or high paying jobs.
- On average, approximately 50-75% of investment funding each year to Incubator clients comes from out of state.
- Of the total number of companies served since 1997, over 80% of graduates are still in business, or have merged or been sold to existing companies, 5 years after graduation

He also considered Boulder, Colorado. It has a population of 101,000 and is 30 minutes from Denver with a population of 650,000. However, many of the largest events in Boulder are sports related because it has a large number of Olympic class athletes living and training there.

Not finding an ideal “sister city,” he considered more qualitative ideas about what would have the maximum economic impact. Tourism is “an experience delivered by a destination to its visitors.” This means it is that the total experience of visiting Edmonds, not just the event attended, that has a major influence on whether visitors return and, just as important, talk to their friends and family about the event. Therefore the focus has to be on more than just the event.

A large number of studies agree on the 8 most important competitiveness attributes:

1. Physical geography and climate
2. Culture and history
3. Tourism superstructure (hotels, restaurants, etc.)
4. Safety and security
5. Broad range of activities including entertainment
6. Cost/value delivered
7. Accessibility
8. Positioning, branding, image and public awareness

He provided Edmonds’ score for each attribute:

Attribute	Relative value	Edmonds
Physical Geography and Climate	10	5
Positioning	9	3.5
Culture and History	8	3
Tourism superstructure	8	2.5
Safety and Security	8	5
Range of activities	6	4
Cost/Value Delivered	6	4.5
Ease of Access	5	5
Overall Score	241.5/300	

He provided published data from a large survey regarding the single most important reason a tourist visits a destination:

Decision Factor	Percentage
Friends/family recommendation	38%
Work renowned must-see destination	32%
Info on web	22%
Special offer/cheap deal	15%
Geographically close destination	14%
Travel agency recommendation	8%
Magazine/Newspaper Article	6%
Movie Produced in or About Destination	5%
Conventional Advertising – Television/Print	5%
Heard about on TV News	2%

Mr. Swartz commented on visitor spending: the average overnight visitor spends 2.5 x the average day visitor. He provided a graph showing foreign visitors spend more per day than American visitors. He summarized how to combine this diverse information to help optimize tourism budgeting activities:

- Allocate tourism dollars to directly improve those categories where Edmonds is not in top 25%
 - Tourism Superstructure
 - Difficult to develop hotel as requires partnership
 - Promote Edmonds as air B&B
 - Culture and History
 - Positioning, branding, image and public awareness
- Allocate tourism dollars to strengthen already successful activities primarily through social media activities:
 - Arts Festival (75,000 – 100,000)
 - Taste of Edmonds (75,000 – 100,000)
 - Farmers Market (32,000)
 - Waterfront Festival (25,000 – 30,000)
 - July 4th parade (10,000 – 15,000)
 - Classic Car Show (10,000)
- Promote smaller existing activities that complement Edmonds strengths and could grow significantly:
 - Edmonds in Bloom (300 – 500)
 - Puget Sound Birdfest (500)
 - Artist Studio Tour (400)
 - Writers Conference (250-300)
- If the focus is completely on new activities (longer term investment), focus on activities that complement Edmonds strengths:
 - Arts community
 - Waterfront
 - Safe and secure destination
 - Accessibility
- Recommend against new activities in areas where Edmonds is not strong or lacks necessary infrastructure support:
 - Sports events (no local population of work class athletes and not enough hotel rooms)
 - Music festivals (not enough hotel rooms)

Mr. Swartz summarized:

Activity	Attendance
Waterfront Visits	270,000 – 350,000
Sunset Ave Visits	80,000 – 120,000
Arts Festival	75,000 – 100,000

Taste of Edmonds	75,000 – 100,000
Farmers Market	32,000
Waterfront Festival	25,000 – 30,000
Classic Car Show	10,000
Edmonds Trick or Treat	5,000
Smaller Events	3,500
Total	575,000-750,000

Commissioner Swartz responded to questions and discussion ensued regarding who we are trying to attract to Edmonds, what makes Edmonds unique, ferry traffic congestion as a deterrent, identifying tourism resources, overnight stays at B&Bs, medical tourism and the need for hotels close to Swedish-Edmonds Hospital, potential for a hotel at 220th & Hwy 99, adding to existing events, and things the City could do such as improving sidewalks, adding benches and canopies, etc.

Commission suggestions included Mr. Swartz making his presentation to the Chamber, City Council, BID, Rotary and Port; determining how Strategic Plan action items could further the suggestions in the presentation; making the presentation available to Commissioners; adding Port and ECA activities to the list; and the Tourism Sub Group identifying items to pursue and prioritize. Commissioners commended Commissioner Swartz for his research and presentation. The Tourism Sub Group will further refine the presentation. Commissioner Purcell suggested the Tourism Sub Group present the presentation for formal adoption by the EDC.

7. BUSINESS DISTRICTS ENHANCEMENTS SUB GROUP UPDATE

Commissioner Purcell reported the sub group is preparing a white paper for review at the next EDC meeting for EDC approval to forward to the City Council in support of the Planning Board's recommendation regarding the Westgate Plan. The white paper will be sent to Commissioners prior to the July meeting.

(Commissioner Purcell left the meeting at 7:32 pm.)

8. LIAISONS

a. Edmonds Center for the Arts (ECA)

Commissioner Stern reported on her meeting with ECA Executive Director Joe McIalwain regarding how the EDC and the ECA can work together to promote economic development:

- ECA is operated by the Edmonds Public Facilities District (PFD)
- Purpose is to be an economic driver.
- 25% of attendees are from Seattle
- Only one item in City's Strategic Plan is related to the ECA
- Has its own strategic plan
- Tracks information regarding attendees
- Employs 22 people, 11 are full-time with benefits
- Has a \$3 million impact on the community, \$2 million from activity at the ECA
- Interested in increasing revenue to reduce borrowing from City
- Seeking an individual or corporation interested in building naming rights
- Would like help on installing signage on I-5 directing people to Edmonds
- Hope to expand in future including a parking structure
- Mr. McIalwain interested in speaking to the EDC
- Utilizes a website to project potential financial outcomes using ideas and strategies that other like-size cities have already implemented
- Recognizes the significant need for hotel rooms

Commissioner Stern relayed as a result of a suggestion from Commissioner Proudfoot, My Edmonds News will be live streaming the 4th of July parade. This will advertise the community as well as help with future sponsorships. Commissioner Sarvis pointed out My Edmonds News TV has live broadcasts; they are seeking sponsors and advertisers.

Ms. Chapin explained the ECA was presented from the beginning as an economic driver utilizing economic models that illustrate how much people spend when they come to event. The goal of the 4th Avenue Corridor project is to create an inviting mixed use corridor for pedestrians to navigate between the ECA and downtown. A brief discussion followed regarding whether the ECA can show films, the ECA sharing their strategic plan with the EDC, and recent successes as a result of liaison meetings.

Vice Chair Garrett encouraged Commissioner to continue liaisons activities and report to them to the EDC, commenting liaisons are an opportunity to make connections.

9. COUNCIL LIAISONS' COMMENTS

Councilmember Johnson reported the City Attorney provided training on the Open Public Meetings Act at the Council's May 27 meeting and will continue the training at the June 24 Council meeting. The training is now required by WAC. She suggested commissioners watch the training online. The City is improving its infrastructure, including replacing sewer line and waterlines as well as transportation projects. In the last three years, the City has obtained \$15 million in grants for transportation projects including the Five Corners Roundabout, 228th connection to Mountlake Terrace Park & Ride and a new walkway connecting Hickman Park and Sherwood Elementary. The City has issued an RFQ for two major transportation studies: SR-104 and updating the Transportation Element of Comprehensive Plan.

10. PORT OF EDMONDS UPDATE – None

11. MISCELLANEOUS

Chair Witenberg announced Commissioners Haug, Wippel, Nathan, Nicole have excused absences.

Ms. Chapin relayed the City's Strategic Action Plan is a merit award winner in the Governor's 2014 Smart Communities Award program.

Planning Board Member Lovell reported today the Senior Center was presented a joint resolution from the Snohomish County Executive and County Council commending the Senior Center for its service to the community and endorsing the plan to build a new center on the waterfront.

11. AUDIENCE COMMENTS – None

12. ADJOURN

With no further business, the meeting was adjourned at 8:01 p.m.