

**CITY OF EDMONDS**  
**ECONOMIC DEVELOPMENT COMMISSION**  
**October 21, 2009**

The Citizens Economic Development Committee meeting was called to order at 6:00 p.m. by Chair Frank Yamamoto in the Brackett Room, 121 5th Avenue North, Edmonds.

**COMMISSIONERS PRESENT**

Marianne Burkhart  
Bruce Faires  
Don Hall  
Darrol Haug  
Betty Larman  
Beatrice O'Rourke  
Evan Pierce  
David Schaefer  
Rich Senderoff  
Kerry St. Clair Ayers  
Bill Vance  
Rob VanTassell  
Bruce Witenberg  
Rebecca Wolfe  
Frank Yamamoto  
Stacy Gardea

**STAFF PRESENT**

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

**ELECTED OFFICIALS PRESENT**

Gary Haakenson, Mayor  
Steve Bernheim, Councilmember  
Ron Wambolt, Councilmember

**COMMISSIONERS ABSENT**

Michael Bowman

**1. INTRODUCTION AND COMMENTS BY CHAIR**

Members and staff introduced themselves.

**2. AMENDMENTS TO AGENDA**

There were no amendments made to the agenda.

**3. APPROVAL OF ECONOMIC DEVELOPMENT COMMISSION MINUTES OF SEPTEMBER 16, 2009**

**COMMISSIONER BURKHART MOVED TO APPROVE THE MINUTES OF SEPTEMBER 16, 2009 AS AMENDED. COMMISSIONER VANCE SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.**

**4. PRELIMINARY DISCUSSIONS FROM SUB GROUPS 1, 2 AND 3**

**Subcommittee 1: Goal: Foster a healthy business community that provides employment and other economic opportunities**

Members: Michael Bowman, David Schaeffer, Rob VanTassell and Rebecca Wolfe

Commissioner Wolfe reported their subgroup defined their goal as, 1) retaining existing businesses, 2) providing a vision for the future that is clear and communicated consistently, 3) encouraging an attitude and approach in city government that is welcoming to new businesses and residents, and 4) retaining other amenities to welcome businesses and residents.

The group discussed potential activities that include the following:

- Identify a model city with similar attributes and see what activities they have undertaken. Show photos of other business districts that have achieved a downtown core with three stories, yet preserved a view corridor and added to their opportunities for increased revenues. May be an activity that other EDC and/or community members can help with
- Involve the community in developing a long term planning vision through forums and other events. Hold community meetings to determine what residents fear about a third floor in the downtown core

Discussion followed regarding a preference to avoid reopening the issue of increased heights in the downtown core and focusing on height increases elsewhere, determining why residents fear increased heights, providing photographs to illustrate that increased building height would not change the look and charm of the city, focusing on areas that are less controversial to demonstrate success, focusing on things proposed for downtown that the community supports such as the 4<sup>th</sup> Avenue Arts Corridor, poor retail spaces downtown that attract service rather than retail businesses, attracting green and clean businesses, ways to promote Edmonds' image, and Mark Hinshaw's study that was never implemented because it recommended 3-story buildings.

**Subcommittee 2: Goal: Revitalize the City's Business Districts, Balancing Redevelopment, Preservation and the Need for Consumer Amenities**

Members: Bruce Faires, Stacy Gardea, Don Hall, Darrol Haug and Rich Senderoff

Commissioner Haug reported the subcommittee discussed and offered comments for each of the business districts in the City:

- Perrinville - Lynnwood annexing the eastern side, what is left is not much to work with. Plan would be to watch what happens and then react to what is done on the east side, possibly look at ideas from Firdale Village
- Highway. 99 - The Hwy. 99 Taskforce has done a great job. The subcommittee supported forward with those plans.
- Firdale Village - Council approved rezone that will help with development. Wait and see what happens and try to use ideas for other areas if applicable.
- Five Corners - May be ripe for redevelopment. Look at zoning and plans being created for Firdale Village to determine if concepts are transferable.
- Harbor Square - Port is developing Master Plan and will release details soon. Watch upcoming events and be supportive of the Port's redevelopment plans.
- Downtown (2 blocks in each direction from fountain) - This area is constantly being evaluated by the Council and the public. Any ideas for change may be controversial. Subcommittee recommends leaving this area alone. Any changes that result in redevelopment are likely to

increase rents for existing businesses which could have a negative impact on some current businesses.

- Safeway, DOT and Skippers - An application has been submitted for a contract rezone of this area. The subcommittee recommends taking a wait and see approach similar to the downtown.
- Arts Corridor - Good concept for the City to continue promoting.

Commissioner Senderoff reported the subcommittee also discussed promoting the City and its amenities. This does not appear to be a priority in the City's budget; the subcommittee feels this is critical to the City's success and a reasonable amount should be budgeted to market/promote the City. He viewed promotion as an investment; if done correctly, it would provide a return.

Mr. Clifton reported Cindi Cruz, Frances Chapin and he are involved with promoting the City via the use of Lodging Tax Advisory funds. The Council has included funds in the budget in the past for promotion but those funds were cut from this year's budget. Use of the lodging tax requires "heads in beds" which includes advertising in tourism related magazines, websites, etc. More discretion is available for the use of funds included in the City's budget such as upgrading the City's tourism website, promoting businesses in the City, helping the Chamber with business education, etc. He welcomed more funding to promote City.

Discussion followed regarding making promotion of the City a priority not just if there was money left over, television advertisements for destinations such as Westport, importance of enhancing economic development during economic downturn, increasing funding for economic development, changes in downtown regulations that could enhance the ability of new businesses to be successful without changing building heights, disagreement with leaving downtown alone because it was controversial, focusing the Commission's attention on issues where near-term success was possible, addressing downtown in a constructive manner, allowing the public to voice their fears regarding increased building heights downtown, analyzing increased land values via increased heights, the difficulty of not having a vision, this Commission developing a vision, and contacting people responsible for leasing property to learn what attracts businesses and what changes could be made to make the current spaces more inviting.

Commissioner Hall relayed it was reported at the recent City Council meeting that the application for the old Safeway property was withdrawn. Mr. Clifton reported the owner of the Skippers property and WSF want to create public/private partnership in the area between James and Main, SR104 and the railroad. The legislature allocated \$200,000 for a private partnership but to date those funds have not been provided; the City is awaiting notification from WSF when that process will begin.

Discussion continued regarding prime retail locations downtown that are vacant, spaces downtown that are not conducive to retail, the Port's role in economic development, increasing the value of Harbor Square via additional building heights which would allow the Port to sell that development and invest in other properties, involving the community in the Harbor Square Master Plan, and the difference between properties developed by a developer versus by the Port. Commission Burkhart announced the Port Commission will hold a special meeting on November 16 to discuss the Harbor Square Master Plan.

### **Subcommittee 3: Goal: Diversify the Tax Base and Increase Revenues to Support Local Services**

Members: Marianne Burkhart, Betty Larman, Bea O'Rourke, and Evan Pierce

Commissioner O'Rourke relayed the following suggestions from their subcommittee: 1) identify and recruit a specific business, one area would be Hwy. 99, 2) improve existing downtown buildings to attract businesses and suggest the City explore incentives to encourage property owners to update, and 3) make

Edmonds the art capital of the northwest. Several cities are working toward this vision; a key problem is the absence of a City Council vision for the City.

The subcommittee also solicited input from Jennifer Gerend (the City's former Economic Development Director). Ms. Gerend referred to the Economic Development Element of the Comprehensive Plan, particularly the section related to Neighborhood Business Centers. She pointed out some of her recommendations were moving forward such as Hwy. 99 projects and within some Neighborhood Business Centers. The subcommittee then agreed look at specific areas including geographic, diversification and increasing revenues and connectivity. The subcommittee divided the City geographically into downtown, Firdale Ville, Hwy. 99 and the Port and Edmonds Shopping Center. She relayed their suggestions for each area:

- Downtown - cluster of restaurants to draw a larger crowd, high-end ice cream parlor, skate shop, bicycle shop, places for younger crowds to hang out, more evening entertainment such as street bars and restaurants, and explore bringing cruise ship patrons to Edmonds via water taxi or other transportation and when possible tie visits to Art Walk. City and private cooperation would be necessary to achieve these suggestions including the Chamber taking a more active role in drawing new businesses; DEMA could also assist. City needs to be proactive as well, assigning one person to this activity when the economy improves and incentives should be created to encourage the private sector to take a risk.
- Firdale Village - 60,000 square feet of retail and 160 condominiums are planned; subcommittee recommends the City meet with the neighbors to determine the types of businesses they would patronize and evaluate their recommendations against the City's needs to increase and diversify revenues.
- Perrinville - not viewed as a good area for large development; small industrial uses would work. Located on less traveled route and odd buildings that offers little potential. A portion of the area is located in Lynnwood.
- Highway 99 - area with the greatest potential for creating new jobs and diversifying and increasing revenues. Vision for the area includes upscale retail and clean manufacturing.

The subcommittee also provided the following general recommendations:

- The City should do everything possible to facilitate development of the Funtasia area, taking a proactive, positive approach.
- Design should push any Hwy. 99 redevelopment toward the highway.
- Any car dealership that goes out of business should not be replaced by another car dealership. Although car dealerships provide good tax revenue in good times, a more diverse mix of businesses is needed.
- The City should actively explore replication of businesses that have been successful on the south side of Seattle but do not have a north branch.
- Work to attract new businesses should explore sales of durable medical equipment near the hospital and other healthcare related businesses that generate good revenues.
- Work with property owners on Hwy. 99 to combine parcels for redevelopment. Several underutilized lots could be combined to house more lucrative businesses.
- Redevelopment needs to be sensitive to the neighbors and seek their input.

Discussion followed regarding the substantial revenue provided by car dealerships even though their business is cyclical, limited revenue generated by medical activities, whether car dealerships were part of the vision for Hwy. 99, ability to attract a large retailer to a parcel occupied by car dealerships, and opportunity for businesses on large tracts on SR104 the main thoroughfare into Edmonds.

Mr. Clifton described his efforts with regard to business recruitment, commenting challenges include the amount of improvement needed on some sites, existing leases, and the main challenge - the economy. With regard to the Funtasia site, the property owner prepared architectural renderings that were presented to the Planning Board and City Council. The proposed development would include condominiums, apartments, retail, office space and a parking structure. Development has been delayed by the current economy. The owners of TOP Food, Funtasia, and Stevens Hospital have been invited to talk with Hwy. 99 Task Force. Several areas on Hwy. 99 have been rezoned to increase the height but development has been delayed due to the economy.

Discussion continued regarding attracting a home office to the City and opportunities available via the City's fiber network.

**5. PRESENTATION ON FINDINGS FROM PREVIOUS EDC COMMITTEE REPORTS AND RESULTS IF ANY:**

**A. BILL VANCE, KERRY ST. CLAIR AYERS**

Commissioner Vance explained the City has spent a great deal on studies but little has been done to implement the findings/recommendations/strategies other than on Hwy. 99. The most recent studies include:

- Harbor Square Antique Mall Redevelopment – Phase 1 Economic Analysis of Secondary Research (2007)
- City of Edmonds Downtown Plan Assessment (Heartland Study – October, 2004)
- Highway 99 Enhancement Project Report (Makers, April 2004)
- City of Edmonds Highway 99 Project Market Assessment (Berk, October 2004)
- Edmonds Economic Development Strategic Action Plan (1995)
- Hinshaw Report (no formal report, information provided to Council in graphic form, 2005)

Creative thoughts and commonalities between these reports included developing a retail core (not just downtown), developing Highway 99 and creating an Arts Corridor. The studies reinforced the predetermined hypothesis that they were commissioned to prove. Although the economic forecasts and assumptions, trend data and market data in these studies are out of date, Commissioner Vance recommended using these studies and others as reference documents. Commissioner St. Clair Ayers invited Commissioners familiar with any of the reports to provide comment.

Discussion followed regarding determining why recommendations/strategies in the studies were not pursued, lack of follow-up to public comment made at Council meetings, lack of Council consensus with regard to the recommendations in the studies, extracting specific recommendations/suggestions from each report for further discussion by the Economic Development Commission, and availability of the studies on the City's website.

In response to a suggestion to ask the Council why the recommendations/strategies in the studies were not implemented, Councilmember Wambolt suggested reviewing the Council minutes to determine why there was no follow-up. Commissioner Vance offered to review the minutes.

Discussion continued regarding the difference between studies done by an outside consultant versus by members of the community (such as Hw. 99 Task Force), the importance of involving the public in the process, accomplishment of many of the items in the 2001 Cultural Plan, requesting a report from the Council after the Commission provides its interim report, and the ability for this Commission to create a vision.

**6. OCTOBER 28, 2009 JOINT MEETING WITH PLANNING BOARD (BRACKETT MEETING ROOM)**

Commissioners briefly discussed how to configure seating for the joint meeting.

**7. DECEMBER CITY COUNCIL MEETING**

**A. REPORT FROM ECONOMIC DEVELOPMENT COMMISSION AND PLANNING BOARD**

Chair Yamamoto advised the report to the Council had been delayed until January.

**8. FUTURE AGENDA TOPICS**

Continue with group reporting and summary of reports and invite CIO Carl Nelson or consultant Rick Jennes to provide a status report or a written update on fiber optics.

**9. MISCELLANEOUS - None**

**10. AUDIENCE COMMENTS**

With regard to the question why the space at 5<sup>th</sup> & Walnut was not rented, Councilmember Ron Wambolt recalled Mark Hinshaw's emphasis on contiguous retail. He pointed out the below grade retail spaces, although they allowed additional height for condominiums, were not conducive to retail.

Councilmember Steve Bernheim commented this Commission has great deal of potential and a lot of diversity. He referred to his vision for Edmonds that he submitted to the City and the plans created by the high schools students for the old Safeway property. He agreed with the suggestion to determine residents' fear with regard to increased building heights downtown.

**11. ADJOURN**

With no further business, the meeting was adjourned at 8:11 p.m.