

CITY OF EDMONDS
ECONOMIC DEVELOPMENT COMMISSION
October 17, 2012

The Citizens Economic Development Committee meeting was called to order at 6:05 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
John Eckert
Kevin Garrett
Darrol Haug
Nathan Proudfoot
Doug Purcell
John Rubenkonig
Gail Sarvis
Rich Senderoff
Karen Shiveley
Evelyn Wellington

COMMISSIONERS ABSENT

Don Hall
Marc Knauss
Darlene Stern

ELECTED OFFICIALS PRESENT

Councilmember Joan Bloom

PLANNING BOARD LIAISON

Kevin Clarke

PORT OF EDMONDS LIAISON

Bruce Faires

STAFF PRESENT

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

PUBLIC PRESENT

Ron Wambolt
John Reed, Planning Board Member
Kristina Johnson, Councilmember

1. OPENING REMARKS – NONE

Chair Pierce relayed Board Member Darlene Stern informed she would be absent from two meetings.

2. AMENDMENTS TO AGENDA – NONE

3. APPROVAL OF ECONOMIC DEVELOPMENT COMMISSION MINUTES OF SEPTEMBER 19, 2012

BOARD MEMBER WITENBERG MOVED TO APPROVE THE SEPTEMBER 19, 2012 MINUTES. BOARD MEMBER DEWHIRST SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

4. UPDATES

a. Harbor Square

Planning Board Member Kevin Clarke advised he did not represent the opinions of all Planning Board Members. He recognized Planning Board Member John Reed in the audience.

Board Member Clarke reported the Planning Board's approach was to consider all the issues raised by the public, staff, the Port and Planning Board Members. The Planning Board created a punch list of critical issues and vetted all those issues to create a comprehensive record to present to the City Council to aid in their decision process. The Planning Board is forwarding a recommendation to the City Council to amend the Comprehensive Plan to include the Harbor Square Master Plan. The Planning Board recommended the Harbor Square site be approved for multifamily residential development; the contract rezone approved in 1980 does not allow residential development. The Planning Board specified multi-family residential as the existing code is not specific and would allow single family development on the site which the Planning Board did not feel would be appropriate.

The Planning Board recommended the Port have the opportunity to create a mixed use development with their selection of components. The Planning Board considered all issues related to the Comprehensive Plan including public view corridors. A major view corridor for this property is Dayton Avenue from 5th to the waterfront. Another of the Planning Board's recommendations is a height limit of 35 feet for all building located on the south side of Dayton and for any taller buildings, up to 55 feet, to be located north of the Edmonds Marsh in the southwest corner of the site near the railroad tracks.

The Planning Board is also interested in protecting the Edmonds Marsh; staff and he are developing language regarding preservation of Edmonds Marsh Park and allowing it to be incorporated into the open space buffer.

Board Member Clarke recognized the Port for their flexibility, noting there was a lot of give and take, and the process worked well. The majority of Planning Board votes were 5-2; the opposition was due to concern with the maximum height limit and a desire for a height less than 55 feet in the corner near the Marsh.

Board Member Clarke explained the Planning Board will review and finalize their recommendation at their October 24 meeting. The Planning Board's recommendation, minutes, and exhibits will be available online in the Planning Board packet this Friday. He clarified an amendment to the Comprehensive Plan does not automatically approve a binding site plan or master development agreement; that is a separate process that requires review and recommendation by the Planning Board with final approval by the City Council. Acting Development Director Rob Chave relayed the Planning Board's recommendation will also include language suggested by the City Attorney that more detail and specificity will be provided over time and that the planning level analysis does not resolve all the issues.

Port Commissioner Bruce Faires explained this process has been occurring since August via a series of meetings with the Port, the public and the Planning Board. During that process the Port made one change to the proposed Master Plan as result of discussions with the Planning Board. Those changes were not material but clarify the Port is seeking a high quality development, something the community can be proud of. He relayed the Port's appreciation for the Planning Board's hard work.

Discussion followed regarding coordination between the critical issues identified in the Master Plan and the Strategic Plan, height limits on the site, and when the City Council will consider the Planning Board's recommendation.

Board Member Clarke thanked City staff, particularly Rob Chave, Kernen Lien and Stephen Clifton, for the incredible amount of work they have done. He also recognized various Councilmembers who have

attended Planning Board meetings as observers. Mr. Clifton reported the Planning Board public hearings and a work session were recorded and broadcast on the City's government channel.

b. Highway 99 Enhancement Project

Cultural Services Manager Frances Chapin reported on the progress of the project, approximately one mile on Highway 99 between 230th and just north of 224th. She estimated the project will be completed in early January. Feedback to date has been positive. A list of businesses in the area interested in planning a dedication event is being compiled.

c. Five Corners/Westgate Special District Studies

Mr. Chave reported nothing has happened since last EDC meeting as the Planning Board has been working on the Comprehensive Plan amendment to include the Harbor Square Master Plan. At their October 24 meeting, the Planning Board will discuss transportation/traffic information, building heights, topography, etc. Another public hearing will be held in November. After considering a transportation plan level analysis of the Five Corners and Westgate plans at buildout, the Planning Board concluded there will be no level of service issues and the transportation system can handle development at those locations. Mr. Clifton invited anyone interested in the transportation information to attend the October 24 Planning Board meeting. Mr. Chave relayed a more detailed review will occur at the time of a development proposal.

Mr. Clifton relayed the recent American Planning Association (APA) conference included a presentation on form based code that highlighted Vancouver, Spokane and Edmonds. The presentation regarding Edmonds was made by the University of Washington professors and students involved in the development of the Five Corners and Westgate plans. At his request, the three expressed their willingness to make that presentation to the City Council. He will inform the EDC when that is scheduled.

d. Community Technology Advisory Committee (CTAC)

Commissioner Haug reported the CTAC has not met recently. The CTAC and staff are looking at a major customer and have scoped how to serve that customer. Components of the methodology to serve that customer are proposed as in decision packages in 2013 budget.

Commissioner Haug explained when the EDC technology subcommittee was formed, members were invited to join the CTAC. The subcommittee and CTAC agreed on a short term strategies to pursue customers that could be easily served and how to proceed with regard to a business, marketing and sales strategy. He suggested the EDC technology subcommittee invite CTAC to join them which would provide a maximum number of viewpoints on a business strategy, advancing the fiber project, etc. It was agreed to delay further discussion regarding this topic until the agenda item regarding subcommittees.

Mr. Clifton reported up to \$34,000/year is being generated from the City's dark fiber. The Council recently approved budget amendments to underground fiber as part of the Main Street project (\$12,000) and to extend fiber to connect City Park and provide a connection to the east side of Harbor Square (\$27,000). The connection of City Park will allow the City to discontinue leasing a T1 line (\$400-\$500/month). Last night Council approved an Indefeasible Right of Use Agreement that provides one strand of fiber with unlimited capacity from the City to the Snohomish County data center for video arraignment. If that agreement had not approved by November 30, the cost would have been \$180,000 over 30 years, with the Council's approval of the agreement, the cost is \$57,750 over 30 years or approximately \$150/month.

e. Strategic Plan Update

Mr. Clifton explained the 72+plan actions developed by the consultant were organized in five strategic objectives and sub-objectives. Members of the EDC, Planning Board, City Council and staff met to discuss the framework. After further refinement of the framework by a subgroup, it will be forwarded to the consultant who will prepare his report and make a presentation at a joint EDC/Planning Board meeting. A joint EDC/Planning Board recommendation will be forwarded to the City Council; the City Council will make the final decision regarding the contents of the Strategic Plan.

5. SUBCOMMITTEES DISCUSSION

a. Outline/Develop Subgroup Methods

Commissioners discussed having a staff person attend subcommittee meetings, the process for appointing Commissioners to subcommittees, finding a location for subcommittee meetings, and how the priorities recommended to the City Council by the EDC/Planning Board in 2009 were identified. Commissioners were invited to call Cindi Cruz to reserve space in City Hall during the day and Debbie Johnson (425-771-0230) to reserve meeting space in the Francis Anderson Center.

Chair Pierce relayed Commissioners can participate in other subcommittees as long as there is not a quorum. Chair Pierce reviewed the membership of the subcommittees:

Tourism

Don Hall
John Dewhirst
Karen Shiveley
Marc Knauss
Kevin Garrett

Technology

Darrol Haug
Darlene Stern
Douglas Purcell
Gail Sarvis

Land Use & Incentives

Evan Pierce
Bruce Witenberg
Rich Senderoff
John Rubenkonig
John Eckert

Strategic Plan

Rich Senderoff
Evelyn Wellington
Nahan Proudfoot
TBD (new appointment by Councilmember Johnson)

Discussion followed regarding inviting CTAC to join the EDC technology subcommittee, voting rights of members and concern with taking official action to combine the CTAC and subcommittee. It was the

consensus of the EDC for Commissioner Haug to invite CTAC members to attend EDC subcommittee meetings to provide input.

b. Review Combined Report Appendix List for Potential Items

Chair Pierce explained the intent of distributing the report appendix was to provide potential topics for subcommittees to discuss. Mr. Clifton explained the original EDC recommended its highest priorities to the Council. The 2009 EDC/Planning Board report contained a number of other ideas.

Vice-Chair Witenberg recommended subcommittees meet at least once before the next EDC meeting. He relayed in the past, most of work was done by subcommittees who then reported to the full EDC. He and Mr. Clifton encouraged those present to attend a presentation by Roger Brooks on Thursday November 8, 6:00-8:30 p.m. at the Wade James Theater regarding 20 things that can be done today to have an effect on your city tomorrow, economic development, branding and marketing to make your city a designation, and how to improve revenue for businesses. The presentation, not the copyrighted slides, will be filmed and aired on the City's government channel.

Discussion followed regarding how Mr. Brooks' presentation was advertised and how the EDC identified its original priorities.

6. LIMITING OFFICE ON FIRST FLOOR IN BD-1 ZONE

a. Brief Update on Current Status

Mr. Clifton reported Mr. Chave presented this to the Council on August 6 and 20. The proposal is to prohibit pure office uses on the ground floor within the first 45 feet measured from the right-of-way in the BD1 zone. The Council suggested the proposal be discussed by the EDC. Because Kirkland has a similar requirement in their downtown; in preparation for tonight's meeting, he invited Commissioner to join him for a tour of downtown Kirkland. Several Commissioners, Kernen Lien and he met with Kirkland's Community Development Director Eric Shields who described how it was implemented in downtown Kirkland. The tour emphasized the importance of defining what uses would not be allowed on the first floor. He noted Kirkland has some discretion and flexibility.

Commissioners provided their input:

- Kirkland exercises flexibility and discretion, not sure how to include flexibility and discretion in the code. This requirement is a crucial element of creating a vibrant downtown commercial area. Kirkland has tweaked their code over years; if Edmonds pursues this, it should be with the understanding that some changes may need to be made based on experience. Edmonds' experience will not be the same as Kirkland's. Flexibility is necessary due to the physical space; existing buildings present their own challenges.
- Some of Kirkland's code tweaks were the result of unintended consequences. Need to define uses do not want as well as determine an overall plan for the area to help determine what uses are not desirable.
- Much of Kirkland is relatively new development versus existing building in the Edmonds BD1 zone. The question is how to best utilize existing spaces to create a vibrant downtown area.
- Area of walking tour before meeting with Mr. Shields was similar to Edmonds BD1 zone. The examples Mr. Shields pointed out tended to be newer development with commercial on the ground floor, residential above and under-building parking.
- Increasing pedestrian traffic raises the issue of insufficient parking. The conceptual goal is create a vibrant area for pedestrians.

- An example of Kirkland's flexibility: a physical therapy use on was allowed on the first floor if they provided a retail/commercial type use within the first 30 feet. From the street, it looks like a retail use with athletic apparel and the physical therapy office is located behind. That is a creative interpretation of the code that provided flexibility for the business. (Clifton)
- It is more appropriate to identify uses do not want rather than trying to identify all the uses that could possibly be allowed.
- *How do the landlord's wishes enter into the concept of limiting business?* Kirkland has a 90 day provision; if a vacant space can filled with the same use within 90 days. After 90 days, the space must be occupied by uses allowed by the code. Edmonds' code currently has a six month nonconformance requirement. Kirkland has been more flexible in this economy. Several downtown Edmonds building owners are very supportive of the goal of making downtown vibrant. (Clifton)
- Flexibility or discretion needs to be specifically identified in the code. Can be addressed from a use standpoint or performance standards such as no window blinds, etc. (Chave)
- Geography in current proposal is too small, should be extended south on 5th Avenue South to Walnut and possibly beyond, the frontage on Main from the fountain to the ferry to improve connection between downtown and the waterfront, and on James and Dayton.
- Whether identify what uses want or do not want, there will always be unintended consequences. Should be form based rather than use.
- The Planning Board tried this 10+ years ago and it was not pursued. At that time, real estate offices were proposed to be allowed because pictures on their windows were pedestrian-oriented but other office uses complained. Form based code in other cities require windows so pedestrians can see people.
- The BD1 zone has standards regarding windows, window coverings, etc.; they need to be strengthened. Performance standards are as important as uses. Some uses could be permitted outright and others could be conditional with performance standards. (Chave)
- One of the difficult balances in real estate economics is the development envelope and height. Downtown Kirkland has the opportunity for height. If heights downtown were increased, there would be more opportunity to capture value. With only a two story potential, redevelopment does not make sense.
- Some buildings are not functional for retail use on the ground floor. Need to consider the physical characteristics of buildings.
- Have a tremendous advantage if the landlords are interested. Need to have flexibility in the code so can work with landlords.
- The intent is to create a vision for a vibrant downtown core.
- The 15-foot first floor requirement and performance standards related to window coverings in the BD1 zone were intended for retail. The requirement for 12' ground floor in the other BD zones was to provide the opportunity for retail uses but not to mandate it. (Chave)
- Recommend limiting to BD1 to see how it works and if it is successful, extend it further. (Clifton)
- With regard to nonconformance, existing businesses would be grandfathered. (Clifton)
- Develop incentives to attract retail businesses.
- Agree with extending, particularly on 5th Avenue South due to redevelopment opportunity between Walnut and Dayton. Also extend from Walnut to Howell. Extend on specific streets not by zoning district.
- Concern with extending area on 5th due to subterranean spaces on the east side.

Vice-Chair Witenberg suggested each subcommittee develop a list of uses that should not be allowed in the BD1 zone for discussion at the next EDC meeting.

b. Discussion – Relevance to Economic Development, Use Limitations, etc.

7. MISCELLANEOUS

Commissioner Dewhirst suggested Commissioners review the 2013 budget and future projections.

8. SET AGENDA FOR NEXT MEETING

The November meeting rescheduled to Monday, November 26

9. AUDIENCE COMMENTS

John Reed, Edmonds, (Planning Board Member) recalled the Planning Board discussed limiting uses in the BD1 zone 1-2 years ago; a proposal was forwarded to the Council and now has been returned to the EDC. He suggested the minutes of those Planning Board meetings be available to the EDC. He also supported the EDC having a joint discussion with the Planning Board.

10. ADJOURN

With no further business, the meeting was adjourned at 8:15 p.m.