

CITY OF EDMONDS
ECONOMIC DEVELOPMENT COMMISSION
November 26, 2012

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
John Eckert
Kevin Garrett
Darrol Haug
Marc Knauss
Nathan Proudfoot (arrived 6:26)
John Rubenkonig
Gail Sarvis
Rich Senderoff
Darlene Stern
Evelyn Wellington

COMMISSIONERS ABSENT

Don Hall
Doug Purcell
Karen Shiveley

ELECTED OFFICIALS PRESENT

Councilmember Joan Bloom

STAFF PRESENT

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

PUBLIC PRESENT

Councilmember Kristina Johnson
Councilmember Diane Buckshnis
Ron Wambolt
Roger Hertrich

1. OPENING REMARKS

Vice Chair Witenberg explained the Council is considering a Business Improvement District (BID) at tomorrow night's meeting. He encouraged anyone interested in the BID to attend the meeting. The Council is also holding public hearings regarding the Harbor Square Master Plan on December 4 and 18. The Port's November 20 presentation regarding the Harbor Square Master Plan is being aired on Channels 21/39; all the documents regarding the Harbor Square Master Plan are available on the City's website. He encouraged Commissioners to inform themselves about the Harbor Square Master Plan as it is an important issue for the City.

Mr. Clifton advised the November 20 City Council meeting agenda contains all the attachments related to the Harbor Square Master Plan including the Planning Board minutes, history, the Planning Board recommendation with conditions, etc.

Commissioner Darrol Haug explained the original EDC made seven recommendations, one of which was supporting the process of Harbor Square redevelopment. He urged Commissioners to attend the public hearings to continue to support the process, regardless of their position on the Harbor Square Master Plan.

2. **AMENDMENTS TO AGENDA - NONE**

3. **APPROVAL OF ECONOMIC DEVELOPMENT COMMISSION MINUTES – OCTOBER 17, 2012**

VICE CHAIR WITENBERG MOVED FOR APPROVAL OF THE MINUTES OF OCTOBER 17, 2012. COMMISSIONER DEWHIRST SECONDED MOTION. MOTION CARRIED UNANIMOUSLY.

4. **UPDATES & DISCUSSION**

a. Technology

Commissioner Haug explained a joint meeting was held three weeks ago with the Citizens Technology Advisory Committee (CTAC) and the EDC's Technology Subcommittee. The purpose of that meeting was to inform new members of the history of the fiber optics project. He also met individually with new members to bring them up-to-date.

Commissioner Haug reported there is now conduit across SR 104 to Harbor Square. He met with Port representatives last week to discuss their role and their willingness to work with the City to ensure fiber is connected to the buildings. That would allow CTAC to pursue a large customer who wants to install and test fiber by February.

Commissioner Haug reported staff has proposed changing the accounting mechanism for fiber to an enterprise fund to allow better tracking of revenues and expenses. Council approval is required to create the enterprise fund. There is also a request to include funds in the budget for an alternate/redundant fiber route. The need for an alternate route was highlighted during the recent holiday weekend when the fiber line was cut and City Hall and other customers were out of service for 6½ hours. The Council is also being asked to including funds in the budget for a sales effort and to develop a business plan.

Mr. Clifton reported CIO Carl Nelson included decision packages in the budget to purchase equipment for annotating City Council meetings. This would allow users to go to the City's website, click on an agenda item and watch the video online. A brief discussion followed regarding the business plan, reorganization of the City's IT department due to the departure of Mr. Nelson, concern the people leading the effort (CTAC) are all volunteers, revenue generated by the fiber project, how the aerial line was damaged, fiber breakeven point, the purpose of establishing fiber as an enterprise fund, and the City and others being customers of the enterprise fund.

b. Strategic Plan / Roger Brooks – Overview

Strategic Plan

Mr. Clifton reported the consultant is developing a draft report; he was hopefully it will be submitted in December.

Roger Brooks Presentation

Mr. Clifton relayed Mr. Brooks' November 8 presentation was filmed by Edmonds Community College and will air on the City's government channel. The City can also provide copies of the DVD. He offered to provide a link to Mr. Brooks' presentation materials and Darlene Stern's notes from the presentation. He summarized Mr. Brooks' ideas:

- Jettison the generic, focus efforts on 1-2 things the community is known for or wants to become
- Branding, defining your message
- Importance of the business community taking matters into their own hands rather than asking the City what they can do for them

- Twenty ingredients of a successful downtown, only six relate to City efforts, the others relate to the business community
- Importance of downtown operating like mall
- Importance of businesses staying open past 6 PM
- Coordination with business owners
- Why study limiting office uses on the ground floor in the BD1 zone, just do it

Commissioners' comments regarding Mr. Brooks' presentation included:

- Signage needs to be visible when walking down the street (blade signs) rather on the side of the building
- Building staff researching whether the City could waiving fees over 6 months to allow installation of blade signs
- Regarding importance of being open after 6 PM, 70% of all retail sales occur after 6 PM
- 10/10/10 rule – along a corridor, there need to be 10 places that sell food, 10 destinations with retail and 10 places open after 6 PM
- Mr. Brooks has studied 400 downtown environments
- Not make downtown core walkable until it becomes that
- Did not say increasing building heights would make downtown vibrant
- Redevelopment could happen, building heights do not seem to make a difference
- United States beginning to function in a European manner, people want to live closer to downtown in more walkable communities, drive less, etc.
- Downtown is the heart and soul of a community; if the downtown dies, often the community will die
- Parking limits need to be 4 hours. Instead of issuing tickets, first issue a warning
- Need signage to direct visitors to attractions, parking, etc.
- Importance of public restrooms
- Angle parking provides 20% more spaces than parallel parking. A town south of Bellingham has a creative way of using a street as a parking lot
- Site selectors for new stores visit a City's downtown to see if the downtown is successful. If they find the downtown slow, dark after 6 pm, look elsewhere.
- Provided specific information regarding improvements cities, business community or individual businesses have made that resulted in improved economics such as façade improvements, making signs more specific, etc.
- Use committees to undertake issues; businesses in conjunction with some City members are prime movers

c. Highway 99 Projects

Vice Chair Witenberg reported a lot is happening on Highway 99 including the Highway 99 enhancement project that includes new light standards. He reported the SeaWolves, a semi-pro soccer club, plans to make Edmonds-Woodway High School their home. They draw 500-600 fans per game and will have youth programs, education days, etc.

Vice Chair Witenberg referred to the OlympicView Arena in Mountlake Terrace, the home field for the UW Huskies Hockey Team. Visiting Pac 12 teams have agreements with five hotels in Lynnwood for lodging. The Highway 99 Taskforce is discussing the need for a new hotel on Highway 99.

Vice Chair Witenberg reported Councilmember Fraley-Monillas and Jim Underhill, a member of the Highway 99 Task Force, met with the Family Fun Center's General Manager, who expressed interest in being involved in the community. That area is likely to be redeveloped and they may be looking for an

alternate location. A new health center is opening south of Les Schwab, and a 2-story, 16,000 square foot cancer care center is opening on the Swedish-Edmonds campus. Highway 99 restaurants received recognition from the Seattle Times, Sunset Magazine and MyEdmondsNews. Significant progress is being made on the 228th SW corridor improvement project which includes reconfiguring the intersection. He clarified consideration of a hotel on Highway 99 does not mean consideration of a hotel in other areas such as a boutique hotel downtown should be discontinued. There is a need for additional quality lodging.

Vice Chair Witenberg reported on renovation of the old Shucks's building on 220th, explaining it was originally envisioned as a much larger development but it was scaled back due to the economic downturn and the death of one of the principals. There are still plans for further development in that area.

Discussion followed regarding the need for lodging near the hospital and for players and fans of hockey and soccer teams; providing business development incentives to attract a hotel/motel, and the experience provided by a boutique hotel downtown.

d. Limiting Office within the BD1 Zone

Commissioner Rubenkönig reported the Planning Board forwarded their recommendation to the City Council approximately a year ago. The Land Use Subcommittee (Commissioners Eckert, Rubenkönig, Senderoff, Witenberg, and Pierce) reported on items the subcommittee is discussing:

- New hotel in the hospital zone, a national chain rather than a boutique hotel
- Develop incentives for a hotel
- Have a coordinator for permit review, help applicants make a faster and less expensive application
- Determine what types of proposals require a pre-application meeting. Develop a checklist for each project type; identify issues in pre-application meeting. Faster for everyone, minimal cost to adjust the permitting process.
- Consolidate permits
- Strategically identify the types of businesses want and expedite those applications
- Expedite the permit process via flexibility and concreteness in the application process
- How much retail frontage should be required to allow a service business to operate in the BD1?

Commissioners' input included:

- Unintended consequences of consolidating permits, permits are processed in a certain order for a reason; e.g. changes in the building permit can affect other permits
- Develop a two-step permit process – expedite other permits once the building permit is approved
- Create a metric to measure whether the permitting process is improving
- Criteria for limiting office in BD1 zone could include whether the business generates sales tax or REET. Allow real estate offices as pictures in the window can be a pedestrian draw
- Need mechanism that has checks and balances for inspectors
- The last 10% of a customer relationship is where make or break the next deal
- Initially did not favor limiting office uses in BD1, support after visiting downtown Kirkland
- Finance Committee interested in considering incentives. Portland and other cities provide tax incentives for filming, brewery district in Tacoma, etc.
- Cluster like businesses. European model groups restaurants and retail.
- Destination places such as hair salons and nail salons should not be in walkable downtown area, should be in periphery
- If want downtown core to operate like a mall, consider where service businesses are located in regional malls
- Not all businesses generate sales tax

- If the goal is active, vibrant pedestrian-oriented downtown, need uses on key streets/intersections that are pedestrian-oriented regardless of whether they generate sales tax
- The largest amount of sales tax revenue comes from Highway 99. Focus on developing new hotels on Highway 99. Spending a lot of police resources on motels on Highway 99
- Goal is to create a thriving, lively downtown that is open beyond 5-6 PM
- A lot of cities allow hair/nail salons or banks with tellers, but limit insurance, advertising, financial, law firms, businesses by appointment, etc.
- Kirkland allows some uses on all first floors such as retail, restaurants, taverns, banking-related financial services, entertainment, cultural/recreation, but on certain streets such as Park Lane and Lake Street, banking/financial is precluded in order to maintain retail/art gallery/restaurant feel
- Kirkland has statements in their Comprehensive Plan, downtown plans and zoning codes about creating pedestrian oriented zones
- Office uses can be on 2nd floor, behind the first 45-feet or outside the BD1 zone. There are a lot options for office that are not available to restaurants, retail, galleries, etc. because those uses need to be clustered
- Goal is to create a core of uses to create environment that residents and visitors want to visit
- Another aspect of a walkable, pedestrian friendly downtown is availability of parking. Kirkland has four public parking facilities in the downtown corridor; Edmonds does not have anything comparable
- Also need parking for business owners and employees

Mr. Clifton suggested the Land Use Subcommittee hold another meeting to discuss limiting office use in the BD1 zone and make a proposal to the full Commission. Chair Pierce invited Mr. Clifton and/or Mr. Chave to attend the meeting.

e. Tourism

- **Domestic Partnerships/Marriage Conversions – Revenue Generation Potential**

Commissioner Haug explained the 9800+ domestic partnerships in Washington will either convert to marriage or be dissolved (with exception of senior domestic partnerships) by mid-2014. If 500 weddings were held in Edmonds with an average attendance of 100 people each, 5,000 people would generate \$290,000 in economic activity. In addition to the numerous wedding venues in Edmonds, Edmonds can offer the unique opportunity via fiber wired facilities such as the EDC and the Wade James Theater to broadcast weddings for people unable to attend.

Discussion followed regarding Seattle Mayor McGinn wanting Seattle to be known as welcoming everyone, the short time window of time to do anything, need for the private sector to take a leadership role, emphasizing fiber optics as unique opportunity, purpose of the EDC to increase economic vitality of the City whether via weddings or other activities, contacting the Chamber and DEMA, marketing Edmonds for weddings in conjunction with other festivals, and contacting ECA about use of their venue and fiber optics.

The Tourism subcommittee will contact the Chamber of Commerce.

Commissioner Dewhirst reported the Tourism Subcommittee has met twice and is generating a list of issues they are considering including marathons, casino gambling on Highway 99, the arts, horticulture tourism, and bike races. He relayed Commissioner Proudfoot's suggestion to turn a negative into a positive via railroad tourism; Edmonds was named one of the top cities in Washington to watch trains.

- **Boutique Hotel – Dovetails into Limited Office Discussion**

Chair Pierce relayed there is a desire and need for higher end hotel downtown; a different kind of hotel than would be on Hwy 99. There may be ways to incentivize such a hotel. He referred to Roger Brooks' presentation that indicated height limits did not necessarily preclude that; if the hotel was nice enough, people would pay for it. Discussion followed regarding who will take the lead on branding Edmonds and determining what Edmonds is already known for.

It was agreed to schedule branding on the agenda for the next meeting.

Vice Chair Witenberg reminded Commissioners to meet with the Councilmember that appointed them with the goal of enhancing communication between the EDC and the Council.

Commissioner Senderoff referred to the draft Potential Business Development Incentives, explaining they are just a start using applicable programs established in Snohomish and Auburn. He invited Commissioners to submit comments or other ideas to the subcommittee, particularly if they knew the RCW that made the incentive possible.

Mr. Clifton requested any existing Commissioners whose term expires this year inform staff whether they want to be reappointed. The positions will also be advertised.

5. MISCELLANEOUS

Commissioner Proudfoot announced the Swamp Creek & Western Railroad Association's holiday open house on Saturday, December 1 at the Amtrak Station.

6. AUDIENCE COMMENTS

Ron Wambolt, Edmonds, reported car dealers on Highway 99 are a major source of sales tax in the City's budget. The budget document includes a list of sales tax sources.

Roger Hertrich, Edmonds, commented on the major impact a tunnel would have on the mid-waterfront area and suggested that was a subject the EDC should pay attention to. He preferred moving the terminal to Pt. Edwards, fearing otherwise the mid-waterfront area will deteriorate into nothing but a parking lot and a tunnel.

The December meeting was canceled. The next EDC meeting will be held January 16.

Mr. Clifton reported if the consultant completes the draft strategic plan report, it will be presented at a joint meeting, possibly Wednesday, January 9.

7. ADJOURN

With no further business, the meeting was adjourned at 8:10 p.m.