

DRAFT

Subject to September 9th Approval

**CITY OF EDMONDS
PLANNING BOARD MINUTES
*SPECIAL MEETING TO DISCUSS ECONOMIC AND
ENVIRONMENTAL SUSTAINABILITY***

August 19, 2009

Chair Bowman called the meeting of the Edmonds Planning Board to order at 6:10 p.m. in the 3rd Floor Conference Room of City Hall, 121 – 5th Avenue North.

BOARD MEMBERS PRESENT

Michael Bowman, Chair
Philip Lovell, Vice Chair
Cary Guenther
Judith Works
Jim Young
Kevin Clarke
Valerie Stewart

STAFF PRESENT

Rob Chave, Planning Division Manager
Karin Noyes, Recorder

BOARD MEMBERS ABSENT

John Reed (excused)

Chair Bowman referred the Board Members to the information that was provided by the Citizens Economic Development Commission (CEDC). It included copies of past economic development plans that have been created by the City. He observed that the City has worked on the issue of economic development a number of times (1994, 1995, 2004 and 2005), and now they are once again talking about the same things. He suggested the most important message the Board can send to the City Council is that the City is running out of money and time, and they can no longer postpone the issue.

Vice Chair Lovell observed the City is at a crossroads, and the City Council needs to decide if the City should remain as a residential village or become a first class destination, livable, sustainable City consistent with the State and Regional growth and strategic plans. He cautioned that if the City does not take steps to incorporate these plans, someone else will do it for them and they might not like the results.

Board Member Young invited the members of the Board who have businesses in Edmonds to provide feedback about why Edmonds is not able to attract businesses. He said he is not so worried about implementing the environmental sustainability element because the City already operates in an environmentally benign manner and the laws will likely require developers to incorporate “green” design. He summarized that the environmental issue is not the problem before the City at this time. Therefore, he suggested the Board spend time talking about what the City can do to improve the business climate.

Chair Bowman agreed the City is at a crossroads and they appear to have three options:

1. Raise property taxes and finance the difference between income and outflow.
2. Create a more business friendly climate to attract more businesses and visitors to Edmonds.
3. Raise property taxes **and** improve the business climate.

Chair Bowman reported that the majority of the CEDC appeared to support Option 3 as the best approach for keeping the City solvent.

The Board made the following observations:

- **Edmonds does not currently have enough desirable space to attract new businesses.** Chair Bowman said he personally knows of 25 to 30 good businesses that tried to locate in Edmonds, but they could not find a location. Some of this has to do with building owners being difficult to work with; but mostly, it is the lack of suitable building space. He reminded the Board that Jennifer Gerend, previous Economic Development Director, and Stephen Clifton, current Economic Development Director, indicated that restaurants have to spend too much money to bring the existing buildings up to code.

Chair Bowman advised that he is currently working with the City of Renton to locate a new business, and they have done everything possible to help them. Their staff and council have provided an outpouring of support to make their proposal successful. Good restaurants are locating in Renton because the spaces are plumbed to accommodate the use, whereas Edmonds only has a few locations that are designed for restaurant uses. He noted that in 1994 and 1995 many businesses moved out of Edmonds because the owners did not feel Edmonds provided the continuity and flow necessary to sustain a business and there were locations elsewhere that better suited their needs.

- **The citizens of Edmonds are not supportive of growth and new business.** Board Member Works observe that it appears the citizens of Edmonds are content with the existing bedroom community without any change. They do not seem to understand that if the City does not have businesses, they will not have a sustainable income.

Chair Bowman pointed out that, oftentimes, when developers approach the City with development proposals, the citizen outcry is such they end up going elsewhere with their projects. This is not because City staff is unwilling to work with them, but citizens appear to have an anti-development attitude. The City Council needs to make a decision about whether the City is going to be anti business or pro business with a vision for what the City could look like.

Board Member Young recalled that the Planning Board has had numerous discussions and made numerous recommendations for improving the City's business climate, but many citizens opposed the ideas because they felt they were an effort to help the developers make more money at the expense of the citizens. Many of the City Council Members have the belief that anything that helps a developer or business is bad for the City. He expressed disappointment that a City the size of Edmonds who touts being business friendly can treat their business community so poorly. He noted this is something the Board has no control over and tweaking the fee system or rewriting the Comprehensive Plan will not change the situation.

- **The City Council does not have a vision for what they want the City to look like in the future.** Chair Bowman suggested the Board work with the City Council to create a vision that is acceptable to the majority of the citizens of Edmonds. This would help the City create a positive and inviting environment. Board Member Works agreed and added that it is important for the Board to know if the City Council is in favor of Edmonds remaining as a residential community. She observed that the City has gone round and round regarding the issue of economic development, yet nothing has ever been done to change the situation. Board Member Stewart agreed that creating a vision should be one of the first steps in the process. This would allow the Board an opportunity to educate the public about what could be.

The Board agreed that until the City Council identifies a vision for not just the bowl area, but all of the commercial centers in Edmonds, they would continue to struggle with the issue of economic development. The first step will be to identify what the majority of Edmonds citizens want.

Mr. Chave suggested that rather than a pie-in-the-sky vision with no chance of reality, the City must come up with a vision that is both economically feasible and supported by the citizens. The vision should be based on economic realities and analysis to make sure feasible and then the Board could get into more detailed discussions about changing the Development Code, etc.

The Board agreed the vision is the most important aspect of any economic development program. Without it, all of the Board's work would be moot. They agreed that Chair Bowman should invite the Council President to schedule visioning as a topic on a future City Council agenda. It would be pointless to move forward with their discussions until they have a clear understanding of what approach the City Council would support. Chair Bowman advised that in talking to his customers it appears that most people in Edmonds want to maintain the small town charm, but they don't want to be taxed more to support it. They want to stick with the status quo and do not want to be bothered with the facts. Mr. Chave suggested the City Council must assume a leadership role in moving forward with a vision for Edmonds.

Vice Chair Lovell observed that all the Board can do is present their findings and recommendations to the City Council, and he is nervous about what, if anything, they will do with the report. He agreed that the first step should be to identify a vision for the core of Edmonds that involves a type of theme and development parameters that would implement the theme as redevelopment occurs. Once a vision has been established, the City could move forward with a planned action relative to the downtown waterfront properties.

- **Edmonds is not keeping up with surrounding jurisdictions in their effort to improve business opportunities and encourage redevelopment.** Mr. Chave pointed out that even if Edmonds decides they don't want to change, they will have made a choice relative to what is going on elsewhere in the region. He referred to several jurisdictions in the region (Renton, Millcreek, Kirkland, and Redmond) that have made significant strides to improve their business climate. He observed that downtown Edmonds must compete with these other areas throughout the region. He agreed it is important for the City to have a vision for what they want Edmonds to be in the future and then move forward with a unified approach that addresses business recruitment, land uses, economic development, etc. This could involve altering codes and how the City currently does business, cooperating with the Chamber of Commerce, etc. The approach could be applied to the downtown, as well as Highway 99 and the neighborhood activity centers.

Vice Chair Lovell observed that many groups have come before the Board to share their plans for the future, and they seem to be moving ahead with plans to accommodate greater densities. If this is the case, Edmonds will need more infrastructure in place to accommodate those needs. He summarized that with the exception of Edmonds, other jurisdictions in the region appear to be working to make their cities more developable.

- **There is no major manufacturer or employer in Edmonds.** Board Member Clarke observed that Edmonds is a bedroom community, and people live in Edmonds for the quality of life for the residents. There are no major manufacturers or employers in Edmonds that draw other users to support them; they do not build off anything that is significant or substantial. The businesses in downtown do not typically need large spaces. Most of the recent development in Edmonds has been small buildings, and not the large, tall structures that are being constructed in Bellevue, Kirkland, Woodinville, etc. Edmonds is not going to attract national chains to the bowl area because it is too far away from the freeway.
- **Perhaps it would be appropriate to identify a theme for downtown.** Board Member Clarke referred to the town of Leavenworth, which redeveloped around a Bavarian theme, with an architectural style that attracts visitors. The City could capitalize on this same type of concept, rather than allowing or encouraging 4 to 5-story monstrous buildings on the waterfront. Cavernous retail spaces would not be attractive for the small retail businesses that typically locate in Edmonds. Instead, Edmonds needs redevelopment of smaller spaces at the old Safeway property. They should encourage tourists, hotels and specialty retail spaces.
- **Access over the railroad tracks would be desirable to connect the downtown to the waterfront.** Board Member Works pointed out that a bridge over the tracks to improve pedestrian access is crucial to the future redevelopment of the downtown waterfront areas.
- **Encouraging more festivals in Edmonds could bring in more visitors.** Chair Bowman referred to the 1994 Downtown Waterfront Plan, which talked about creating a festival prototype, with numerous festivals, bed and breakfasts, hotels, and restaurants. The report mentions several cities that have used this approach.

- **The City should capitalize on their waterfront location.** Board Member Stewart noted that the City of Poulsbo recently redeveloped their main thoroughfare. They understood they could not survive on their historic community, alone. They have an aging population, similar to Edmonds, and most of their tax dollars comes from real estate taxes. They are struggling to make their City more economically and environmentally sustainable. She suggested they review the process Poulsbo used. Edmonds is a unique urban village on the waterfront, and they need to capitalize on their location.
- **In addition to the downtown area, the City must also consider opportunities to improve the economic viability of other commercial areas in Edmonds such as Highway 99 and the neighborhood centers.** Board Member Works reminded the Board that they must also consider options for improving the economic viability of the neighborhood centers and Highway 99. Board Member Stewart recalled that the SWIFT Rapid Transit Bus Line would be operational in the fall, and the City should consider how they can capitalize on this new service.
- **There is a lack of hotels in Edmonds.** It was noted that if there are no places to stay in Edmonds, then it will not be possible to attract more overnight visitors. Board Member Works pointed out that Edmonds is different than Leavenworth in that visitors live close enough that they don't have to stay in Edmonds. Chair Bowman suggested that if unique lodging facilities were available in Edmonds, people would come and stay the night.
- **Creating a special use district for the downtown could help stimulate redevelopment.** Board Member Clarke suggested the Commission consider the option of proposing a special use district from Main Street south to the waterfront area. This could have specific architectural and land use requirements. Chair Bowman agreed that once the City has created land use codes, it would be easier for developers to come in with their plans.

Mr. Chave suggested that the most predictable approach would be for the City to do a planned action, which would include all of the environmental work. Once the planned action has been approved, all of the regulatory hurdles would be out of the way and development could move forward based on the approved master plan. This would enable the City to market the properties with some reassurance as to the development requirements. It is an attractive approach that has been used by other jurisdiction in the region, but it would require a substantial monetary commitment from the City. The City would complete the master plan and Environmental Impact Statement (EIS) to clear all of the regulatory hurdles so that developers do not have to worry about whether or not their proposals will be approved. This process must include a feasibility study to ensure the plan is economically viable and marketable. Developers would likely have a greater interest in redeveloping the properties if a master plan has been approved.

Board Member Guenther observed that people are typically more reactionary than proactive. The citizenry would have to be more involved during the master planning process. Mr. Chave agreed and noted that the planned action would include a public process and would result in more predictability for the developers and the citizens.

Mr. Chave announced that the Downtown Edmonds Merchants Association (DEMA) is in the process of establishing a business improvement area. They are talking about self assessments that would support a joint marketing effort. He suggested this would be one piece of the overall planned action and vision process.

Board Member Stewart suggested that perhaps the City could hire an intern to help them prepare some visual tools. People need to see what a master plan would look like. They Mr. Chave said that in the past the City has made good use of student interns, but they are at the point where they may need a professional. Board Member Stewart observed that the City does not have money to pay for a professional. Mr. Chave agreed but cautioned that unless a professional is involved, the City could continue to "spin their wheels." Vice Chair Lovell said he has a lot of interface with the University of Washington College of Architecture, particularly the Built Environment and Construction Management programs. Their curriculum requires that seniors in their masters program complete a development study. Mr. Chave noted these students would be carefully supervised and could prove beneficial to the City's efforts. The Board agreed that would be a good approach, but they agreed they must first come up with a vision statement as a starting point.

- **Existing height limits and lot sizes may discourage redevelopment in the downtown.** Board Member Clarke expressed his belief that adding more condominiums in the downtown area would not stimulate the economy. He

refereed to the Market Street area in Kirkland where 5-story condos were developed, which did not create more jobs. The City taxed the real estate to raise revenue, but no additional retail taxes were generated.

Board Member Guenther recalled a chart staff provided at an earlier Board discussion, which indicated that new development needed to provide more square footage. However, the existing lot sizes in the downtown make it economically unfeasible to redevelop the properties unless 3-story buildings are allowed. He emphasized the Board never talked about allowing 76-foot buildings in the downtown. Their discussion focused on allowing 3 additional feet to accommodate two floors of residential space above the ground floor retail space. This would have made redevelopment more attractive and projects would have penciled out. He noted that design guidelines were provided as part of the Board's proposal. He suggested that when the Board discusses height in the downtown, they should be careful not to exaggerate the previous proposal.

Board Member Clarke pointed out that there are no large parcels of land owned by a single person in the downtown. Chair Bowman pointed out that two property owners own a large portion of the properties by the fountain. Vice Chair Lovell suggested the Board solicit ideas and suggestions from the major property owners. Board Member Works pointed out that the Board met with these property owners as part of their previous recommendation regarding economic development. The issues they raised were included as part of the Board's recommendation, but no action was taken by the City Council.

Vice Chair Lovell observed that building height is a major bridge that needs to be addressed, and it would be helpful to have input from private property owners about what incentives would encourage them to redevelop. He recalled developments he has been a part of where cities offered incentives to encourage developers to address environmental impacts and provide public amenities.

Board Member Stewart recalled that a previous downtown/waterfront plan called for an additional three feet in height to accommodate a third story of residential space. She questioned if the Board wants to start over or use the existing plan as their starting point.

Board Member Clarke pointed out that development at the south end of Lake Union consists of 2-story buildings. Rather than condos on the second floor, there are restaurants above retail spaces. Board Member Works pointed out that the surrounding area provide a huge population to draw from.

- **Demographics are such that chain restaurants would not likely locate in downtown Edmonds.** Board Member Clarke pointed out that because their demographic requirements are different, chain restaurants would not likely be interested in downtown Edmonds. Instead, the City should focus their efforts on attracting local restaurants. However, he suggested that single-story structures make the best locations for restaurants, as opposed to retail space with two stories of residential above.
- **Edmonds doesn't have consistent rows of retail storefronts in their downtown.** Chair Bowman observed that there are currently not enough restaurants to support the retail businesses or enough retail businesses to support more restaurants. The two uses support each other. Board Member Works pointed out that the City also has a fair amount of empty spaces or vacant lots in their downtown. In addition, the buildings that are located along Main Street towards the waterfront are old and not attractive to businesses. If there is no redevelopment or remodeling in the downtown, it would continue to be difficult to attract new businesses.

Board Member Clarke suggested that the City focus on bringing in true retail businesses into the downtown area. Board Member Works recalled that the Board previously proposed that only retail businesses be allowed in the BD-1 zone, but the service business owners expressed significant opposition. Mr. Chave added that the Board also proposed that drive through businesses be prohibited in the BD-1 zone, but the proposal was not adopted by the City Council.

Chair Bowman suggested that if all the commercial spaces on 5th Avenue from Petosa's down to the Sound and east and west on Main Street had retail boutiques and world class restaurants, people would want to visit and the property values would increase because Edmonds would be a more desirable place to live. The alternative is for property taxes to

continue to increase to fund essential services, and this would make Edmonds less desirable. He summarized that instead of growing as an entity, Edmonds is shrinking.

- **How can the City support the existing businesses?** Board Member Young explained that one of the most fundamental questions the Board must ask is what the City can do to support the businesses that are already located in Edmonds. Perhaps holding more festivals and events would be one step in the right direction. Also, providing space for more people to live near the business centers would provide more patrons for the local businesses. He summarized that Edmonds is an attractive town with an eclectic mix of businesses that do not have enough customers.
- **Infuse more energy into the process of attracting tenants.** Board Member Stewart suggested that perhaps the Board should consider the option of encouraging public/private partnerships. The building owners and the City could work together to make the spaces more attractive based on an approved master plan.
- **There is no incentive for property owners to redevelop.** Chair Bowman said he has heard from property owners that there is no financial incentive to redevelop. The land and buildings are paid for and they generate revenue for the owners in their current state. It requires a lot of money to fund a redevelopment project, and allowing 3-story buildings would result in more profitable projects. However, he noted this would require a code change to raise the height limit slightly. A certain property owner in the downtown has indicated he would never redevelop based on the existing code requirements because there would be no benefit to him.
- **The City should capitalize on their art opportunities.** Board Member Young observed that while Edmonds wants to be known as an arts community, they do not capitalize on this enough to attract visitors on a regular basis. Mr. Chave said implementing an arts theme would require that the City provide attractive spaces for artists to live and work and sale their artwork. If art is something they want to push as a theme, they need to provide all of the supporting elements.
- **The Board and CEDC should present a unified recommendation to the City Council.** Mr. Chave reminded the Board that they are scheduled to provide a report to the City Council by the end of December regarding the sustainability element of the Comprehensive Plan. A joint Planning Board/CEDC Meeting has been scheduled for October 21st, and he suggested the Board prepare a list of the issues they want to discuss in their effort to move the vision concept forward. It would be helpful if the two groups were united in their recommendations to the City Council.
- **The City needs leaders who can rally the community together to improve the situation.** Board Member Clarke referred to the City of Leavenworth's website, which provides a brief history of how the town leaders and residents transformed the town when the logging industry ended. The website emphasizes that the change occurred as the result of the united effort of the entire community. He suggested that it will take time for change to occur in Edmonds, but they must start with a vision for everyone to rally in the same direction.
- **The City could look at the various business nodes in Edmonds in different ways.** Vice Chair Lovell announced that when Mr. Shapiro presented his proposal for the Firdale Village Neighborhood Center to the City Council, a City Council Member asked that all of the "shoulds" be changed to "shall." He expressed concern that this type of change would eliminate opportunities for flexibility. Board Member Young said he found the ideas presented in Mr. Shapiro's proposal to be sound, with fairly intense residential development around a commercial core. A large number of people would live nearby and use the retail businesses. He suggested the Board recommend the City Council look at the various business nodes in Edmonds in different ways. They should study what it is that supports the business areas and what would be acceptable to the community as a way to stimulate more clientele for the existing businesses. Even if there is already enough clientele to support the existing businesses, there is still insufficient tax revenue and the City must consider options for encouraging new businesses.
- **Continuing with the status quo actually means the City is losing ground.** Mr. Chave observed that as businesses become successful in downtown Edmonds, they oftentimes relocate elsewhere because they are unable to find adequate space to expand. This leaves the City with businesses that are less successful that cannot afford to go elsewhere. Citizens fail to understand that maintaining the status quo when other communities are growing and becoming more

successful essentially means the City is losing ground. Board Member Works asked how the Board could help the citizenry understand that standing still is actually going backwards.

- **Successful retailers are able to draw clientele from outside of Edmonds.** Chair Bowman advised there are successful retailers in downtown Edmonds who draw people to the City for the day, and the City needs more of these types of retail establishments to make Edmonds an economic engine. The business owners are cautious about the upcoming City Council elections. If Edmonds doesn't want good businesses, these retailers will move to where they are wanted. He reminded the Board that the City of Renton has made every effort to shepherd him through the permit process to make his new business successful. He noted that the City's current Economic Development Director is also the Community Services Director and Development Services Director. He doesn't have enough time to devote to economic development so the City is moving in the wrong way fast.

Mr. Chave suggested there are three components to sustainability:

- **Holistic.** It is important to make sure all of the connections and aspects point in the right direction and mutually support each other. If you change the code in one place but not another, problems can arise. You must look at the whole picture.
- **Flexible.** It is important to have a commitment to be flexible. Being willing to experiment or be wrong occasionally is important.
- **Long-Term.** You should be extra long term in thinking. You should consider budgets beyond the horizon, which is what the Mayor has been attempting to do. When planning, you should look beyond the 20-year Comprehensive Plan.

Board Member Works summarized that while the Board Members have raised good issues and provided good comments, none of the discussion was new. She said she does not see a willingness to experiment and come up with a vision for Edmonds. Vice Chair Lovell expressed concern that the City would never obtain total community support for a proposal. Board Member Young agreed and added that until someone is elected to City Council who is willing to champion, no progress would be made. Mr. Chave emphasized that if the Board and CEDC present a united recommendation to the City Council, there would be a critical mass of people to support the proposal. If not, the Board could promote the concept through newspapers and other organizations.

Chair Bowman suggested that the perfect storm has hit Edmonds, and people may be more willing to consider change. This is a good time to move forward with a vision for change. Vice Chair Lovell said he believes the Board can do a credible job of providing a recommendation to the City Council, and they must make every effort to ensure that it is implemented.

Board Member Clarke referred to the document titled, "The Ten Commandments of Economic Development" and noted that Commandment 2 states "Thou shalt fill the land with new value." He noted that everything in the retail and service core keeps changing and new values are being created. The City must create an environment that allows the new values to spiral up and change.

Chair Bowman agreed to prepare an outline for the Board's future discussions. He observed that while the Board has and will continue to put a great deal of effort into their recommendations for sustainability, it is up to the City Council to decide if they have the backbone to make decisions that might not be popular with every single person in the City. The City Council must make the decision to take the risk involved with moving forward with a long-term vision.

Board Member Young commented that he would never support Edmonds becoming a theme town like Leavenworth, but he agreed that it will take community support for change to occur. All the Board can do is provide their best recommendations for moving forward and hope the City Council and community will offer their support.

Vice Chair Lovell said he likes the idea of being flexible. Many times the City's processes are so onerous and involve so much public scrutiny that developers with good proposals often turn away. It is one thing to allow the public an opportunity to express their thoughts regarding a specific proposal, but is not necessarily in the best interest of the City to act on the loudest voice from the public or the City Council. He summarized it will take a champion amongst the City Council to implement change. The City needs a process where the public, the developer, the City Council and staff all work together to

get projects through the political hurdles, etc. While this could work in Edmonds, developers are currently frustrated with the hurdles they are required to jump through to get project approval.

Chair Bowman emphasized that once the City of Renton decided to change their vision, they have become the fastest growing city in Washington. Developers are very interested in projects in Renton because their staff and City Council are eager to work out solutions when problems come up. By contrast, he recently spoke to a gentleman who tried to develop a project in Edmonds recently, but the City Council opposed his project at every point. He finally decided to locate in Lynnwood. He emphasized that change will have to start with the City Council.

Board Member Stewart recalled that at his recent presentation to the City Council, Mr. Chave suggested the concept of creating a “green branding” identity for Edmonds, which could help draw businesses. She encouraged the Board to be forward thinking in that regard because the City is mandated to adopt a sustainability element as a link through which they change policies and codes.

Board Member Stewart suggested the Board consider the option of dividing into task groups to tackle the various issues associated with sustainability. Chair Bowman agreed that would be a good approach, and he suggested the Board discuss the various groups further once he has prepared the outline. He encouraged the Board Members to read the 1994 Downtown Waterfront Plan, which is a good document that was never adopted. Mr. Chave noted there was also an economic component associated with the plan, and he agreed to locate it for the Board’s information.

The Board emphasized, once again, that Edmonds is one of the few communities in the State that has a downtown on the waterfront, with a beautiful beach. They agreed it will be important for the City to capitalize on their unique location. They further agreed that the City is not doing nearly enough with the waterfront to make Edmonds successful.

The meeting was adjourned at 8:20 p.m.