

APPROVED OCTOBER 10TH

**CITY OF EDMONDS
PLANNING BOARD MINUTES**

September 26, 2012

Chair Lovell called the meeting of the Edmonds Planning Board to order at 7:00 p.m. in the Council Chambers, Public Safety Complex, 250 – 5th Avenue North.

BOARD MEMBERS PRESENT

Philip Lovell, Chair
Valerie Stewart, Vice Chair
Kevin Clarke
Todd Cloutier
Bill Ellis
John Reed
Neil Tibbott

STAFF PRESENT

Rob Chave, Development Services Director
Kernen Lien, Planner
Karin Noyes, Recorder

BOARD MEMBERS ABSENT

Ian Duncan (excused)

READING/APPROVAL OF MINUTES

BOARD MEMBER REED MOVED THAT THE MINUTES OF SEPTEMBER 12, 2012 BE APPROVED AS SUBMITTED. BOARD MEMBER CLARKE SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

ANNOUNCEMENT OF AGENDA

Chair Lovell advised that the meeting would be video recorded and televised on Monday morning on Channels 21 and 39.

The agenda was accepted as presented.

AUDIENCE COMMENTS

Roger Hertrich, Edmonds, reported that while the Planning Board Meeting was advertised on Channel 21, no specific information was provided regarding the items on the agenda. He expressed his belief that if information about the topic of the meeting had been provided, there would be significantly more people present to participate in the hearing. Once again, he asked the Planning Board to invite the Mayor's Office to include information about the agenda items.

Mr. Hertrich complimented the developer of the new veterinary clinic on Edmonds Way. It is a nice improvement to the Westgate area, as opposed to the large development that occurred across the street, which represents the development standards currently identified in the zoning code for that area. He noted that the building is located right next to the sidewalk. He asked the Board to imagine what would happen if this type of development were allowed to occur in other areas of the City, as well. He invited the Board to recommend adjustments to the zoning standards to accurately reflect community concerns about what has been allowed to happen and what they would like to happen in the future.

PUBLIC HEARING ON THE PORT OF EDMONDS REQUEST TO INCORPORATE THE HARBOR SQUARE MASTER PLAN INTO THE CITY OF EDMONDS COMPREHENSIVE PLAN (FILE NUMBER AMD20110009)

Mr. Lien reviewed that the Port's request to amend the City's Comprehensive Plan to incorporate the Harbor Square Master Plan (HSMP) has come before the Board on three previous occasions. He explained that the proposed HSMP envisions a transit-oriented development. The mixed-use nature of the plan will allow for retail, commercial, office, public, and residential uses. The plan envisions buildings of varying heights, ranging from 35 feet to a maximum of 55 feet. He reminded the Board that the proposed amendment is a non-project action that will lay the groundwork for a future development agreement or rezone of the property. The specific zoning details will be handled at a later stage.

Mr. Lien advised that Comprehensive Plan amendments are Type V Legislative Actions. The Planning Board will conduct a public hearing and make a recommendation to the City Council. The City Council will consider the Board's recommendation and conduct another public hearing. A public notice of the hearings is required. Although only required to notify property owners within 300 feet of the subject property, the City expanded the notice to include almost 1,200 addresses of properties within close proximity. Notice was also posted on the property, the City's website, *THE EVERETT HERALD*, and various places throughout the City. The City Council will take final action on the proposed amendment via ordinance.

Mr. Lien reminded the Board that, pursuant to Edmonds Community Development Code (ECDC) 20.00.050, an amendment to the Comprehensive Plan may be adopted only if the following findings are made:

1. *The proposed amendment is consistent with the provisions of the Edmonds Comprehensive Plan and is in the public interest;*
2. *The proposed amendment would not be detrimental to the public interest, health, safety and welfare of the City;*
3. *The proposed amendment would maintain the appropriate balance of land uses within the City.*

Mr. Lien referred the Board to the Port's narrative outlining how the proposed master plan is consistent with the Comprehensive Plan (Attachment 3). He also referred to Page 17 of the Comprehensive Plan and explained that several plans are included in the Land Use Element, including the Port of Edmonds Master and Strategic Plans. The HSMP could be incorporated into the Comprehensive Plan by simply adding a new line item on Page 17, but some Board Members have questioned if this would be sufficient enough. Another option would be to include a new paragraph in the Comprehensive Plan that is specific to and provides general information about the HSMP. He noted this approach has been used with other neighborhoods in the City to highlight an adopted master plan.

Mr. Lien advised that Harbor Square is located within the Downtown/Waterfront Activity Center, specifically within the Downtown Master Plan District, which includes the Harbor Square property, the Antique Mall Property, the Washington State Department of Transportation (WSDOT) property and the old Skippers property. In addition to being consistent with the language contained in the Downtown/Waterfront Activity Center Section, the proposed master plan must also be consistent with the Sustainability Element of the Comprehensive Plan. He reviewed that the Downtown Master Plan District is described as:

"The properties between SR-104 and the railroad, including Harbor Square, the Edmonds Shopping Center (former Safeway site), and extending past the Commuter Rail parking area up to Main Street. This area is appropriate for design-driven master planned development which provides for a mix of uses and takes advantage of its strategic location between the waterfront and downtown. The location of existing taller buildings on the waterfront, and the site's situation at the bottom of "the Bowl," could enable a design that provides for higher buildings outside current view corridors. Any redevelopment in this area should be oriented to the street fronts, and provide pedestrian-friendly walking areas, especially along Dayton and Main Streets. Development design should also not ignore the railroad side of the properties, since this is an area that provides a "first impression" of the city from railroad passengers and visitors to the waterfront. Art work, landscaping, and modulated building design should be used throughout any redevelopment project."

Mr. Lien reviewed that the Port conducted its own State Environmental Policy Act (SEPA) review as part of the Port Commission's adoption of the HSMP, and a Mitigated Determination of Non Significance (MDNS) was issued. The City

must also conduct a SEPA review on the Port's application to incorporate the HSMP into the Comprehensive Plan. He reported that, along with the notice for the public hearing, the City issued a preliminary SEPA notice stating the City's intention to issue an MDNS, as well. The following potential mitigation measures were identified:

- A traffic impact analysis must be done at the project level to document existing conditions, estimate project-related changes to local traffic, and describe related impacts and mitigation measures.
- Average building height of all buildings on the Harbor Square site taken as a whole shall not exceed 45 feet.
- Specific building design and site layout shall consider potential impacts of climate change such as sea level rise and potential for flooding. A range of techniques should be considered in meeting the goal such as low-impact development (LID) techniques to reduce undesirable runoff; improving vegetation buffers and appropriate building setbacks to protect and enhance Edmonds Marsh; or employing other alternative systems and techniques to reduce maintenance and facilities costs.

Mr. Lien said the comment period for the preliminary SEPA determination ended on September 24th, and five comments were received. One expressed concern about potential traffic impacts, particularly at the intersection of SR-104 and Dayton Street. The other four expressed opposition to the proposed increase in building height.

Mr. Lien reminded the Board that they have also been working on an update to the Shoreline Master Program (SMP). The updated SMP will identify the Edmonds Marsh as a shoreline, which means the shoreline jurisdiction will extend into the Harbor Square property. To address this issue, staff proposed a new Urban Mixed Use III Environment that would apply to the Harbor Square site. After a lengthy discussion, the Board agreed that the best approach would be to move the HSMP and the SMP Update through the review process simultaneously.

Mr. Lien referred to a memorandum from the City Attorney (Attachment 6), which provides a response to the following three questions raised by the Board:

- **Question 1** – If a Comprehensive Plan includes providing for buildings to be “up to 55 feet in height” does that mean that development regulations must allow buildings as high as 55 feet? Would an applicant asking for a zoning change that allowed 55-foot buildings be entitled to that change, or would the City have discretion to deny such a change in zoning?

Answer – The City would likely have discretion in making later zoning decisions, but the Comprehensive Plan language would be interpreted in conjunction with other plan language addressing the same issue. While consistency arguments can be raised on height issues, the likelihood of success depends on the nature of the ultimate rezone proposal, as well as the final Comprehensive Plan language that the City adopts. To address the Board's concern, the following language could be added to the plan to provide greater clarification: *“With these Comprehensive Plan provisions, the City is not definitively planning for height limits to exceed 35 feet in any particular zone or on a particular property or properties. Rather, the plan identifies factors appropriate for City consideration should height limits above 35 feet be proposed, and identifies mitigation which should be incorporated, if height limits are later approved which exceed 35 feet.”* This language would provide the City more discretion to address height limits.

- **Question 2** – What precedent is set in approving a sub-area planning proposal for property located proximate to other properties within the same Comprehensive Plan designation? Specifically, do height limits addressing one property set a precedent for what must be approved on surrounding areas?

Answer – Simply because two properties have the same Comprehensive Plan designation and are in the same vicinity, or adjacent to each other, does not mean they must have the same zoning and the same regulation. To increase clarity on this issue, if subarea planning is completed for a particular area, it may make sense for the Comprehensive Plan land use map to be updated, as well.

Mr. Lien noted that Harbor Square and the Point Edwards sites provide a good example of properties that have the same Comprehensive Plan designation (Master Plan) but are zoned differently. Adopting the HSMP and changing the zoning for the Harbor Square site would not require the City to do the same for other nearby properties.

APPROVED

- **Question:** Must private view protection be considered in reviewing a Comprehensive Plan amendment proposal?

Answer: Aesthetic impacts, including private view impacts, should be considered. However, there is discretion in determining both how and whether to protect such views, as long as the ultimate decision on the proposed Comprehensive Plan amendment is consistent with City planning documents. A number of jurisdictions, including Edmonds, take a more holistic approach, by designating specific view corridors. This approach then requires those public view corridors to be addressed consistent with City plan and regulation discretion. However, the City has discretion in how it addresses private views.

Mr. Lien said the City's Comprehensive Plan talks about the protection of public views, and that has been the City's general approach. He said he did an electronic word search of the Comprehensive Plan and found that public views were mentioned three times, and private views were not mentioned. Within the current SMP, public views are mentioned four times, with no mention of private views. The draft SMP update mentions public views 12 times, and private views are not mentioned.

Mr. Lien commented that the current Comprehensive Plan specifically identifies the following public view corridors as down 5th Avenue, Main Street and Dayton Street to the waterfront. The HSMP proposes a step back element for buildings located along Dayton Street to protect the public view. The plan also identifies protection of the public view from the corner of Dayton Street and SR104 to the Edmonds Marsh.

Mr. Lien said that in addition to the questions posed to the City Attorney, the Planning Board raised questions about other elements of the plan. He reviewed each one as follows:

- **Pedestrian Scale** –The Planning Board specifically asked for clarification on what “pedestrian scale” means and what it would look like. A number of definitions for this term can be found in *A PLANNER'S DICTIONARY*, published by the American Planning Association. He summarized that there are a number of design elements related to “pedestrian scale” such as providing a sense of comfort and security, interest, a variety of planting and landscape materials, etc. He pointed out that the HSMP contains a number of elements intended to establish pedestrian-scale development. It specifically calls for 15-foot wide sidewalks and a landscape buffer between the sidewalk and traffic to provide a sense of security and comfort when walking along the Street. The Dayton Street frontage would include a pedestrian-oriented retail front with large transparent windows and pedestrian weather protection. The taller portion of the buildings on Dayton Street would be stepped back, as well.
- **Setbacks from Edmonds Marsh** – As part of their work on the SMP update, the Board has spent a considerable amount of time discussing what appropriate setbacks should be. The current draft SMP provides for varying setbacks from the marsh, depending on the use. Currently, a 25-foot setback is proposed for residential, commercial and parking uses, and a 15-foot setback is proposed for recreational uses. While the HSMP is a non-project action, any development at Harbor Square would have to comply with the City's SMP. At the August 22nd work session with the Board, the Port indicated they were envisioning setbacks of about 50 feet. The HSMP also contains other elements that provide benefits to the marsh such as improvements to the onsite stormwater system, vegetative plantings, and a nature view boardwalk. In addition, the HSMP indicates that redevelopment will incorporate LID elements such as pervious pavements and rain gardens to reduce undesirable runoff and provide improved natural vegetation buffers. It also proposes building setbacks to protect and enhance the marsh.
- **Residential Uses** – The Harbor Square site is currently developed with only commercial type uses, and both the HSMP and the SMP Update envision a mixed-use site that includes a residential element. Harbor Square is located within the Downtown/Waterfront Activity Center, which is described in the Comprehensive Plan as a mixture of uses, including mixed-use development. One specific goal (Page 45) for the downtown/waterfront area is to “*identify supporting arts and mixed use residential and office areas which support and complement downtown retail uses.*” A specific implementation strategy (Page 50) is to “*encourage a variety of housing to be developed as part of new development and redevelopment of downtown properties.*” A policy in the Downtown/Waterfront Activity Center Plan (Page 53) calls for “*providing greater residential opportunities and personal services within the downtown, especially to accommodate the needs of a changing population.*” The plan (Page 55) also specifically states that properties within the Downtown Master Plan District are “*appropriate for design-driven master planned development which provides for a mix of uses*”

and takes advantage of its strategic location between the waterfront and the downtown.” The cited policies and goals indicate that in the context of the overall downtown discussion, a mix of uses is non-exclusive. Any mix of uses is potentially appropriate, including residential.

Mr. Lien explained that, typically after a public hearing, the Planning Board makes a motion and forwards a recommendation to the City Council, and the City Council reviews the Planning Board’s minutes to review their findings. In this situation, staff recommends the Planning Board provide detailed findings to support their recommendation to the City Council.

Mr. Lien referred to the compendium that was provided previously by the Port to outline the process for redevelopment of Harbor Square. He noted that the Port’s adopted HSMP has been presented to the City as a proposed amendment to the Comprehensive Plan. The Planning Board’s responsibility is to conduct a public hearing and forward a recommendation to the City Council. At the same time, they will finalize their work on the SMP update and forward a recommendation to the City Council. He reminded the Board that the higher-level details will be worked out during the development agreement stage, which will also require a public process.

Bob McChesney, Executive Director, Port of Edmonds, thanked the Board for the opportunity to present the Port’s request to incorporate the HSMP into the City’s Comprehensive Plan. He explained that the Port Commission decided to embark upon the plan because the existing Harbor Square development is 30 years old and is approaching obsolescence. The Port believes Harbor Square is a premier site for mixed-use, transit-oriented development and the opportunity to create a well-designed special place for people to live, work and enjoy the cultural, recreational and passive activities of the Edmonds waterfront. The Port also believes that redevelopment would bring economic benefits to both the City and the Port through an increased revenue stream.

Mr. McChesney provided a diagram to outline the multi-faceted planning process that was used to create the HSMP. The process started with a decision to move forward with a redevelopment plan that would be in the best interest of the community. He described each phase of the process as follows:

- **Phase I – Collecting Background Information and Defining Existing Conditions.** In 2009, the Port engaged the services of LMN Architects and Berk Associates to provide an analysis of Harbor Square that could serve as footing for a redevelopment Plan. The analysis found that the site’s economic potential was hindered by the 1980 contract rezone that prohibits residential uses, limits height to 35 feet and includes low lot coverage requirements and outdated parking ratios. The analysis also determined that with a rezone allowing three to five stories, the value of the property would make it feasible to sell them for development. At the conclusion of the study, two public workshops were held to solicit comments, which included the need to provide for mixed uses, the need to provide affordable housing, and the need to creatively address the building height issue.
- **Phase II – Public Outreach and Master Plan Preparation.** In 2010, the Port engaged Makers Architecture and Urban Design to work with the community and guide the preparation of the HSMP. This 21-month process was highlighted by the thoughtful and outstanding work of the HSMP Steering Committee, which was composed of 15 members representing varied interests.

The Port’s stated project goal is *“to amend the Port’s Master Plan and the City’s Comprehensive Plan with an economically feasible, environmentally responsible and high-quality designed redevelopment plan for Harbor Square.”* The Steering Committee met from December 2010 to April 2011 and provided the foundational vision for the HSMP. Their primary objectives were to:

- Introduce a mix of uses that complement the downtown with residential as the predominant use.
- Connect Harbor Square to the downtown and waterfront.
- Create a “village’ character with the focus on the pedestrian.
- Make Harbor Square a public asset for all of Edmonds with connecting bike and pedestrian routes.
- Focus density away from downtown, with façade building heights on Dayton Street to be 35 feet with a step back to 45 feet.
- The pedestrian and visual gateway should be from the SR-104/Dayton Street intersection, and sidewalks should be 15-foot wide.

- The marsh is the key attribute of the site redevelopment with appropriate setbacks and buffer enhancement.

The consulting team used the Steering Committee's ideas to produce two alternative plans. With selection of a preferred plan, the Port engaged students from the University of Washington to conduct a detailed view shed analysis to ensure that public view corridors were not blocked.

- **Phase III – Master Plan and Comprehensive Plan Amendment.** After several public meetings, a presentation was made to the Economic Development Commission and Planning Board and environmental review was done. The Port Commission adopted the plan on June 25, 2012 and an application was submitted to the City on July 10, 2012. The Master Plan was introduced to the Planning Board on July 25th, at which time the Board requested additional information about the past history of Harbor Square, financial background information, a comparison of the proposed HSMP to existing Harbor Square on-site uses, and clarification of master plan elements such as sustainability, pedestrian scale, relationship to downtown, and building height step backs on Dayton Street from 35 to 45 feet. In addition, the Board asked how the inclusion of residential uses to a development that was previously developed with commercial uses only would address the mixed-use Comprehensive Plan policies.

The Port responded to the Board's request with written material that was discussed at the August 22nd Planning Board meeting. At that time, the Port also provided a compendium of the relationship of the Comprehensive Plan amendment to other subsequent steps in the development review process. It is important to understand that the Comprehensive Plan amendment will only enable the opportunity for a future development plan to be submitted to the City for review. It will not change the zone district, the contract rezone or the current 35-foot height limit.

Based on comments and suggestions from the Planning Board, the Port amended the HSMP, and the changes were reviewed and approved by the Port Commission on September 10, 2012. The changes include:

- A design policy that establishes a 45-foot average height for all buildings.
- Additional provisions for bicycle and pedestrian joint-use pathways.
- An enhanced pedestrian focus of the village green by providing for outdoor public events and a farmer's market.
- An expanded sustainability section that specifically addresses how the master plan is consistent with the City's Comprehensive Plan policies for sustainability.
- A reference to the City's new SMP affecting the Edmonds Marsh and how the HSMP would comply with the SMP buffer enhancement provision.

Mr. McChesney encouraged the Board to focus on the approval criteria outlined in ECDC 20.00.050 for reviewing Comprehensive Plan amendments. It is important to keep in mind where the Port is in the process. The Comprehensive Plan amendment creates the opportunity and sets the general considerations for the development entitlement discussion to follow. He reviewed each of the review criteria as follows:

1. ***The proposed amendment is consistent with the provisions of the Edmonds Comprehensive Plan and is in the public interest.*** The goals in the Downtown/Waterfront Activity Center element of the Comprehensive Plan were used to set the parameters for the Steering Committee's work. The proposed HSMP meets the goals of supporting downtown as a setting for mixed uses, and it responds to goals that encourage well-designed developments that can serve as gateways and/or entrances to downtown. It also enables development opportunities in the waterfront area that encourage art complementing uses. Numerous Comprehensive Plan policies were used to guide the HSMP. The proposed HSMP will enable a well-designed mixed-use urban neighborhood that will be the western extension of downtown. Future development will include residential, office, retail and public uses that will provide a distinct identity to the Downtown/Waterfront Activity Center and represent an identifiable southern edge to the district as it borders the Edmonds Marsh. Mixed-use activities are needed to create a more active and vibrant waterfront and street scene while contributing to the overall draw of downtown Edmonds as a destination for many visitors. The HSMP enables a mixed-use transit-oriented urban neighborhood that will provide an economic stimulus to the City. Taken together, the mixed-use complex will be a significant economic boost to the City with increased one-time tax revenues estimated at \$750,000 and annual retail and property tax revenues estimated at \$300,000.

The HSMP provides enhanced environmental protection to shoreline features such as the Edmonds Marsh, and the designated shoreline buffer will be improved by removing existing invasive vegetation species and replanting with natural indigenous vegetation to protect the marsh and improve wildlife habitat. In addition, LID techniques such as pervious pavement and rain gardens will be incorporated.

2. ***The proposed amendment would not be detrimental to the public interest, health, safety and welfare of the City.*** The HSMP will enable redevelopment of the 11-acre site into a well-designed mixed-use, transit-oriented neighborhood that anchors the western edge of the Edmonds downtown. The new urban neighborhood will provide housing, employment, cultural and recreational activities, and opportunities for social interaction amongst residents and visitors. The economic sustainability of the new neighborhood will contribute to City revenues to help fund public expenses and maintain the City's designated level of service to its residents. Any environmental health hazards that exist due to the property's historic use for waterfront industrial activities will be determined at such time that the plan is implemented with a project-level proposal. City, state and federal regulations governing clean up and/or handling of toxic materials must be closely adhered to.
3. ***The proposed amendment would maintain the appropriate balance of land uses within the City.*** The HSMP will maintain the appropriate balance of land uses in the City. Edmonds is predominantly a residential community with approximately 60% of its total land base occupied with residential uses. Specifically, 54.8% of the land base is devoted to single-family uses and 4.8% to multiple family uses. Retail and commercial uses, community facilities and open spaces to support the residential community account for another 15%, with street rights-of-way and utilities accounting for the remaining land area. The HSMP will match and maintain the Citywide allocation of uses, with residential being the predominant proposed use and accounting for 60% of the site. Retail services, offices and open space would occupy the remainder of the site.

When comparing the allocation of existing uses at Harbor Square to those proposed in the HSMP, it is important to note that, with the exception of residential uses, many of the uses currently provided will be maintained. The addition of residential uses to the current mix of uses at Harbor Square will enhance the human activity levels by providing the opportunity for people to live in the waterfront district and interact with such facilities as waterfront parks, pedestrian pathways, the commuter rail station and the new and expanded retail and service uses. All of these activities will strengthen the economic and cultural vitality of the waterfront area while maintaining the City's existing balance of land uses.

Mr. McChesney once again thanked the Board for their commitment and work with the Port. He said the Port firmly believes its application meets and exceeds the code requirements to incorporate the HSMP into the City's Comprehensive Plan. It is a solid plan and much better because of the process.

Chair Lovell reviewed the public hearing procedures and noted that the Board does not intend to impose a time limit. He encouraged members of the audience to be courteous and thoughtful of the time so that everyone has an opportunity to participate. Those who agree with a particular speaker can simply indicate that they concur without repeating the position.

Berdine Walsh, Edmonds, said she lives in a condominium on 3rd Avenue South between Dayton and Walnut Streets. She purchased her unit about five years ago, specifically because of the water view. The proposed HSMP would eliminate approximately half of her existing view. She would not be able to see the ferry until it nearly reaches Bainbridge Island. Because of the size of the proposed development, a considerable number of private property owners will lose their views. She suggested the City require the applicant to put up something that reaches the height of the tallest buildings proposed to illustrate the extent the proposed project would impact views from uphill properties.

Jan Cavadas, Edmonds, said she moved to her home 30 years ago before the Harbor Square site had been developed. In addition to the water, her view includes the trains. She said she has already lost some of her private view as development has occurred over the past 30 years, and the proposed HSMP would further impact her view of the trains and the water. She said she used to shop at the retail businesses that at Harbor Square, as well as the old Safeway. She noted that quite a lot has changed, and she is not quite sure what will happen to her view as change continues to occur.

David Dank, Edmonds, the public hearing notice was the first he knew of the HSMP. He expressed his belief that everything described in the HSMP will enhance the waterfront and be a positive addition to the City. However, he allowing a 55-foot building height would be a mistake. He said he can see taller development metastasizing from the Harbor Square property to other properties in Edmonds. He said he speaks for a number of people in voicing strong objection to the 55-foot height allowance. Instead, building height should be limited to four stories or a maximum of 45 feet.

Jerry Capretta, Edmonds, pointed out that the City has had a Comprehensive Plan in place for decades. Although there has been some controversy and politicking for votes, there is a firm understanding about building and zoning in Edmonds. He questioned why the Port feels they can propose an amendment that will change everything. Any development over two stories would eclipse properties in the surrounding area. While taller buildings would increase the amount of tax revenue the City receives from the Port, it would decrease the amount paid by uphill private property owners whose property values would decrease. Although the City has indicated that private views should not be a factor, the Board should keep in mind that private property owners have been guided by the City's Comprehensive Plan and Development Code for years. Allowing taller development at Harbor Square will simply be taking property value from private owners and transferring it to the Port.

Mr. Capretta pointed out that it is already a challenge to fill the commercial space that currently exists in downtown Edmonds. Small businesses have a difficult time because downtown Edmonds borders the Puget Sound. Businesses cannot "sell products to the sea." Further developing the waterfront is like throwing bad news at more bad news. He said he has lived within a mile of Edmonds his whole life, and saw the Port development decimate the marsh 50 years ago. The Port has a history of destroying the marsh, as their first tenant was an asphalt company called Joplin Pavement. He expressed his belief that the profitable building opportunities in Edmonds are located on Highway 99, not in downtown. Downtown Edmonds is the left-over remains of an old mill town. Lynnwood decided to become the retail, commercial and business hub of the north end. Edmonds chose to go a different route and decided against the more intense commercial development.

Evelyn Jasper, Edmonds, said she has lived in Edmonds for over 60 years, and she and her husband constructed a five-unit apartment complex on 3rd Avenue South about 35 years ago. She said she does not object to improving Harbor Square, but she does object to 55-foot tall buildings. There is already a four-story building on the waterfront, which she believes was built illegally. This four-story building wiped out a lot of peoples' views from uphill properties. She said she has never had a problem renting her apartments units because people like the view and the closeness to the water. She said other properties in the downtown were limited to two stories measured from the sidewalk, and she does not see any reason why the Port should have a greater height limit. Development at Harbor Square should be limited to 35 feet, so people living uphill can see over the buildings. She said she agrees with Mr. Capretta's comments.

Karen Wiggins, Edmonds, said she would like to see Harbor Square redeveloped, but she is opposed to the proposed 55-foot height limit. She reminded the Board that City Council Members are elected by citizens from throughout Edmonds who want to keep the town small. For the most part, those elected support the small town Edmonds concept. She said many people have questioned how two recent buildings, one on Dayton Street and another on SR-104, obtained City approval. She suggested the City should require the Port to use a video process called "virtual reality," which envisions what the proposed development would look like from various points in the City. She felt this type of video would help open the public's eyes to clearly understand the impacts of the proposed HSMP.

Kathleen Dewhirst, Edmonds, said she was a member of the HSMP Steering Committee, which was a diverse and engaged group of citizens who met many times to talk about the proposal. They spent months considering redevelopment of the Harbor Square property. The Port's consultant listened to the Steering Committee's concerns and created a proposal that had overwhelming consensus from the members. All had input and opportunities to respond. She expressed her belief that by including the HSMP in the Comprehensive Plan, the City would be demonstrating a vision for the future of Edmonds. They cannot stay in the past. They will get another 1 million people in the area in the next 20 years, and they need to accommodate this growth. She urged the Board to support the proposed amendment.

Hank Landau, Woodway, said that although he does not live in Edmonds, most of his activities take place in Edmonds, he owns commercial property in Edmonds, and his business is located in Edmonds. He explained that change usually makes him uncomfortable and he needs good reasons to support change in places he likes. Since Edmonds is one of his favorite places, he looked closely at the Port's conceptual plan for Harbor Square. He also looked at areas in Edmonds that needed

improvement, especially the large number of vacant commercial buildings, the struggling nature of those still in business, and the loss of tax revenue to keep Edmonds that way everyone wants it. He expressed his belief that the proposal will rejuvenate the downtown area in a highly-positive way. It is more likely to provide space for new businesses that complement existing businesses than to compete with them. With proper marketing, it will provide a catalyst for technology-based businesses to move to Edmonds. New businesses could provide high-paying jobs for local people and people living outside Edmonds who find it convenient to travel here. The availability of commuter rail, busses and ferry, and the housing units that will be part of Harbor Square will mitigate the increase in automobile traffic that comes with growth. The proposed plan will also add to the pedestrian friendliness of the waterfront and provide further amenities for Edmonds residents and potential environmental improvements to the Edmonds Marsh and Willow Creek.

Mr. Landau said he is also concerned about view impacts and is sympathetic towards those who many lose some view, but he gives the Port credit for a plan that mitigates the impacts. He noted that vertical development also lessens the environmental impact caused by urban sprawl and decreases energy consumption compared to horizontal growth. He emphasized that the Port's proposal for 3 to 5-story buildings is a far cry from the 18 stories proposed for Point Wells below Woodway and Shoreline. If the Port was less interested in what is good for the community and more interested in revenue, it could have made a much stronger argument than that made for Point Wells that it is on a transportation corridor and thus qualifies for extremely tall buildings that would truly impede neighbor's views. Once 3 to 5-story buildings are completed, it is highly unlikely they would be replaced by 12 to 18-story buildings in the foreseeable future. Thus a redeveloped Harbor Square is more likely to preserve views rather than significantly impede them. He concluded by stating that he has found the Port leadership to be very interested in what is good for the community and very open to suggestions from the community. He said he supports the inclusion of the HSMP as an update to the Edmonds Comprehensive Plan.

Natalie Shippen, Edmonds, suggested that the HSMP raises the question of what should be the basis for establishing a height limit. Should the height limit be based on a property value, community value or an evaluation? The HSMP isn't about the community quality, either environmental or visual. It's about money and how to make more money by obtaining a building height increase. She reviewed that the Port bought the Harbor Square buildings for \$13.5 million in 2006. The proposed HSMP would tear them all down and sell the land to a private developer. To make that particular deal profitable for both the Port and developer, the Port says a 55-foot building height is necessary. However, it is important to keep in mind that was not the only alternative. Berk and Associate, the Port's financial consultant, stated in 2009 that *"with improvements in the current buildings, the value of the property could increase to the point that selling the property for redevelopment does not make financial sense. . . this is an area of analysis it will want to explore further."* She noted that the Port never explored this suggestion and the lack of sufficient money does not appear to be the Port's problem. Last year, a Commissioner stated that, failing approval of the HSMP, he would favor *"selling the buildings and going back to a land-lease situation that would provide an income stream for the Port into the future."* It appears the Port wants more money.

Ms. Shippen observed that approval of the HSMP would change the determination of building heights from a stable to an unstable basis. Each request for a height increase will be considered on a case-by-case basis. The new standard will be "Does this request produce more money for the owner than the existing limit?" If height produces more money, the decision will always be approval. She summarized that a height limit based on economic evaluation is unpredictable; and ultimately, there would be no limit. She reminded the Board that 32 years ago the Edmonds City Council lowered the height limit to 30 feet. Before that time, residents had seen taller buildings spring up, most notably the 5-story Ebb Tide Condominiums on the waterfront. They did not like what they saw. They have been pleased with the scale achieved by the 30-foot limit. It has preserved the small-town image they value, and it has been popular and stable. She concluded by stating that the Board should not substitute a flexible, unpredictable economic standard for a stable community value.

Keeley O'Connell, Edmonds, said she participated on the HSMP Steering Committee and was also present to speak on behalf of **Friends of the Edmonds Marsh**. The Friends of the Edmonds Marsh is supportive of redevelopment at Harbor Square as it represents an opportunity to address some environmental impacts that are currently affecting the marsh, particularly the large amount of impervious surface. In addition, stormwater from the site and from properties to the north and east that runs through the site currently flows into the marsh untreated. Redevelopment of Harbor Square would allow for buffer enhancement, as buildings and pavement would be set back further from the marsh. There are currently places where the setbacks are not even ten feet wide. The HSMP offers not only the opportunity to setback buildings and parking, but the buffer areas would also be enhanced. She emphasized that what happens in the setback area will have a larger impact on protecting the marsh, habitat and water quality.

Ms. O'Connell reported that Friends of the Edmonds Marsh is currently working with the City, via a State Grant for Salmon Recovery, to begin the process of restoring the marsh by opening a new channel for Willow Creek to replace the currently piped waterway. This would allow salmon to return to what has historically been a salmon-bearing stream. She concluded that the HSMP offers an opportunity to address the issues that affect the marsh from the Harbor Square property.

Bob Rinehart, Edmonds, Vice President, Greater Edmonds Chamber of Commerce, reported that the Chamber has gone on record previously that they support the HSMP. They believe in economic vitality. It is important to see that the Port has listened to a lot of recommendations and made some adjustment to their proposal. The Port has been very attentive in their design principles, as well. He says he understands that people fear that some change will bring about a lot of other changes, but he believes the Planning Board and City Council will give each proposal its due consideration and approval of this project will not result in a domino effect. He said it is important to keep in mind that the City needs to prepare for the kinds of changes that are taking place in the community. He noted that about 60 to 70 years ago, there were only 10,000 residents and 14 shingle mills in Edmonds. There are now over 40,000 residents and no shingle mills. He expressed his belief that the City has changed for the better and it will continue to change. Population is expected to increase to 45,000 residents in the next 10 years, and the City has very little buildable space. They must identify a solution that allows them to accommodate this increased population. He said the Port has done a commendable job. The Port Commission and Executive Director have given a great deal of thought to the proposed HSMP, and he encouraged the Board to recommend approval.

Ron Wambolt, Edmonds, said it is important to keep in mind that the Port is not a nasty Wall Street corporation as some of the comments appear to suggest. The Port property is owned by the taxpayers, and the Port is trying to do what it believes will benefit most of the residents. One of the Port's main objectives is economic development, which the City desperately needs right now. He advised that at the September 25th City Council Meeting it was announced that there will be some big cuts in 2013 because sales, real estate excise and property taxes are all down. That means services will be cut. The City can mitigate the need for cuts in subsequent years by promoting economic development opportunities.

Mr. Wambolt also noted that the population of Edmonds is expected to grow by 5,000 in the next ten years. While many citizens do not necessarily want more people, the state has mandated the growth and the Growth Management Act (GMA) requires the City to accommodate it. He recalled that most citizens did not want the development at Point Edwards; but if not for that development, the City would have already fallen behind in their ability to meet the GMA growth target. Development at Harbor Square offers another opportunity to accommodate the additional growth mandated by the State.

Mr. Wambolt said it is important to understand that the Port is not proposing a 45-foot average building height and 55-foot maximum building height just because they like tall buildings. These are the heights required in order for a potential development project to pencil out and be economically sound so the Port can attract developers to the site. While the Port pointed out that the City would receive approximately \$250,000 in property taxes annually from a redeveloped Harbor Square, they should not discount the amount of additional property tax that would go to schools to help keep other taxes lower. He summarized that he supports the HSMP, and he is not convinced it would impact very many private views. He said it is likely the Port's consultants know about the technology mentioned earlier by Ms. Wiggins, and it probably be used at some point as a redevelopment proposal moves forward.

John Rutter, Edmonds, said he has lived in the City since 1960 and he agreed that redevelopment at Harbor Square is needed. However, he thought the height issue in Edmonds had been resolved for the time being. He pointed out that of the six units on the top floor of his complex on 3rd Avenue South that have a view, property owners paid approximately 40% more for the view. This equates to an added value of about \$1.5 million for the six units. Potential impacts from the HSMP would cause these property values to decrease. He said he can speak with some confidence that once the potential for 55-foot buildings exists and despite the suggested that the City will always have the discretion to decide on a case-by-case basis, he knows what kind of pressure other property owners will place on the City to approve 55-foot building heights elsewhere. This is particularly true if they know the economic feasibility of a development would improve with greater building heights. The City needs to look at the potential for decreased property values as the views are reduced over time.

Darlene Stearn, Edmonds, said that in today's economic environment, they need to be supportive of partnerships with such good neighbors as the Port, who through a very lengthy public process has presented an enhanced option that addresses economic potential in that area while improving the linkage between the western edge of downtown and the waterfront. She

expressed her belief that the height issue is overstated compared to other aspects of the plan. She pointed out that incorporating the HSMP into the City's Comprehensive Plan would not guarantee the automatic adoption of a 55-foot height limit. She concluded that change is inevitable, and the City will decline if they do not change. She said she supports approval of the HSMP as proposed.

Bruce Witenberg, Edmonds, emphasized that although he is vice chair of the Economic Development Commission (EDC), his testimony should not be construed as the position of the EDC. He was present to share his personal position as a private citizen of Edmonds. He said he was a member of the HSMP Steering Committee. He supports the HSMP and urged the Board to move it forward to the City Council with a recommendation for action before the end of the year. He said he has been involved as a volunteer in many capacities in the 23 years he has lived in Edmonds, including as a member of and two-term chair of the Planning Board and a member of the Highway 99 Task Force since its inception. He said he also regularly attends City Council Meetings.

Mr. Witenberg reviewed that the three-year process for developing the HSMP has been one of the most open and transparent processes he has seen. There has been many opportunities for citizen input, and there has been an extensive review by the Planning Board. Representatives of the Port have met with the Planning Board on three previous occasions, and the Port has done an excellent job of responding to the issues and the extensive questions posed by the Planning Board. This demonstrates the Board's flexibility and desire to move the matter forward to the City Council. He expressed his belief that a recommendation by the Planning Board to amend the Comprehensive Plan to include the HSMP would allow the process of redevelopment of Harbor Square to move forward. Allowing the process to move forward will provide an opportunity for infrastructure improvements such as less impervious surfaces and better stormwater control. More public open space will be provided, as well enhanced public access to the marsh. Public view corridors will also be preserved, and redevelopment will help the City meet its population targets under GMA. The HSMP takes advantage of public transportation in the area and contributes vital pedestrian and bicycle links between Harbor Square and downtown. It will also provide the opportunity for badly needed revenue in terms of real estate excise tax, property tax and retail sales tax.

Mr. Witenberg said adoption of the HSMP as an amendment to the Comprehensive Plan allows the Port and the City to position themselves for redevelopment as the economy improves. Jurisdictions all around Edmonds are planning for redevelopment. In order to remain competitive, the City must act now. If the City waits until the economy turns around, it will be too late and the dollars likely to be available for economic development when the economy improves will go elsewhere. It is important for the public to remember that no specific design is being approved with the HSMP. The Comprehensive Plan will only provide the guidelines for redevelopment at Harbor Square. He cautioned against having considerable worry about the 55-foot height limit at this time. He noted there will be many opportunities for public involvement as part of future discussions regarding forthcoming development agreements and form-based codes, both of which can address impacts. The actual redevelopment of Harbor Square and potential rezone is likely several years in the future and will require additional public input. He urged the Board to approve the amended HSMP and forward it to the City Council with a recommendation for action before the end of the year.

Roger Hertrich, Edmonds, expressed concern that if the HSMP is adopted into the City's Comprehensive Plan with a 55-foot height limit, a precedent will be set for the City to allow similar redevelopment on the properties to the north. He recalled that the Port purchased the property because of environmental problems they had with the land. They ended up with a big bill to pay. Changing the zoning on the property to allow greater heights would allow for a higher use of the property; and consequently, the Port would have the ability to ask for more money. He said he has lived in Edmonds for 45 years, and there has always been controversy about building heights. Every time there is an election, building heights is a major issue. Because citizens of Edmonds generally like the "no change attitude", the City is very different than surrounding communities. Edmonds is the prize that remains somewhat the same with just a small amount of redevelopment. They have a unique community that is different. If they resist the major change in building heights that is being proposed, they may stay the same or similar with just small adjustments. Fifty years from now, people will talk about the little Edmonds on Puget Sound that will become a center for tourism, which is the economic development approach that needs to be considered rather than residential units on the top floor of mixed-use development.

Mr. Hertrich said there has been much discussion about how the proposed HSMP would impact views from private properties, but there has been little conversation about the affect the plan would have on pedestrian views as people walk down Dayton Street. Not only is it important for pedestrians to enjoy attractive street fronts, but natural sunlight is also an

important element of a pedestrian-friendly street. With the type of development proposed along Dayton Street and the sun setting towards the south, pedestrians would walk in the shadow for a good portion of the day. The HSMP also calls for taller buildings on the south side of the property near the marsh. Developing a wall along the setback line would cast a shadow on the marsh and would be contrary to current efforts to restore, protect and enhance the marsh. He noted that the existing low buildings do not create such a significant impact.

Mr. Hertrich pointed out that the space at Harbor Square is currently at 70% occupancy. The Port has indicated they could improve the occupancy rate; and if certain repairs are made, they could live with the existing buildings. He questioned what the City would gain by approving the HSMP. If the Comprehensive Plan and zoning changed on the south side of Dayton Street, it is likely that the property owner on the north side would request a similar change. He noted that the current Comprehensive Plan does not promote residential development in this portion of the Downtown/Waterfront Activity Center. It mentions something about mixed-use development, but the emphasis was not on residential. He expressed his belief that the City would gain nothing from the proposed HSMP. He said that citizens who thought building height was so important years ago still feel the same way. He said that while he believes the Board will endorse the HSMP because it promotes economic development, it is not the type of economic development the City wants.

The public portion of the hearing was closed.

Chair Lovell thanked the members of the audience for their input. He commented that there is still plenty of time left in the process for public participation. Once the Board has forwarded a recommendation to the City Council, the City Council would conduct an additional hearing. There will also be opportunities for public input as the HSMP proceeds to the development agreement stage.

THE BOARD RECESSED THE MEETING FOR A SHORT BREAK AT 8:53 P.M. THEY RECONVENED THE MEETING AT 9:03 P.M.

Board Member Ellis asked if the Port's estimate for the amount of tax dollars generated by redevelopment took into account the tax dollars that would be lost if other property values are diminished by loss of view. Mr. McChesney answered that the estimate did not reach that level of specificity. The numbers were provided for illustrative purposes to demonstrate to the Board and the public that there are some positive economic benefits directly related to future redevelopment at Harbor Square. Board Member Tibbott said he suspects that property values east of SR-104 could improve as a result of redevelopment due to their close proximity to Harbor Square. He asked if the Port has any economic projections regarding this possibility. Once again, Mr. McChesney said the Port's analysis did not reach this level of specificity. He noted that these issues would be discussed later in the process.

Board Member Clarke said the documents from the Port do not identify how much real estate tax the Port currently pays. Mr. McChesney explained that the Port, as an enterprise, is tax exempt, which means they do not pay real estate taxes. In lieu of the real estate tax, their tenants pay a leasehold excise tax of 12.84%. However, he acknowledged that the leasehold excise tax does not reflect the value of the land or the building. Board Member Clarke pointed out that if Harbor Square were transferred to private ownership, real estate tax revenues to the City would increase, even if redevelopment does not occur.

Vice Chair Stewart questioned why it is necessary for the Port's Narrative of Comprehensive Plan Consistency (Attachment 3) to state that the "*master plan provides for the redevelopment and relocation of the athletic club and parking structure at the western edge of the site adjacent to the BNSF right of way.*" She pointed out that the athletic club's lease does not expire for 29 years, so this language does not really need to be included. Mr. Trimm explained that the intent of Attachment 3 is to address how the HSMP is consistent with the goals and policies of the Comprehensive Plan. The language was included to reassure that the master plan does consider relocation of the athletic club, but the plan would be implemented in phases over time. The language is not intended to suggest a land-use map change. Mr. Chave clarified that the language in Attachment 3 would not be incorporated into the HSMP.

Board Member Clarke said it is unfair to expect the Port to provide answers tonight for all of the questions raised by the Board and public. Some members of the Board believe the process needs to go longer so the Board does not put undue pressure on the Port to render an answer before doing adequate research. He said he does not believe this will be the Board's last opportunity to discuss the application.

APPROVED

Board Member Clarke asked why the Board's packet did not include any information about the City's SEPA determination. Mr. Lien answered that the City has not issued a final SEPA determination yet. However, the hearing notice mentioned the City's intent to issue a Mitigated Determination of Non-Significance (MDNS) and invited members of the public to provide preliminary comments. The City received five comment letters related to the preliminary SEPA determination. All of the comment letters have been added to the record. Board Member Clarke asked if staff would prepare a formal SEPA document for the Board's review as part of the public process. Mr. Lien explained that the City is the lead SEPA agency and must issue a determination as part of the Comprehensive Plan process. While the Board will not be involved in the SEPA review process, a copy of the complete SEPA determination will be provided.

Board Member Clarke suggested it would be helpful for the Board to have a dialogue with the City Attorney. He said he finds the written response provided by the City Attorney inadequate to address his concerns. For example, it does not answer the question of why the Port has included a request for a maximum 55-foot height limit as part of the proposed Comprehensive Plan amendment. He said his understanding is that if the Port does not ask for the 55-foot height limit to be incorporated into the Comprehensive Plan now, the City would be unable to approve the additional height as part of a future development agreement or rezone application. Mr. Chave explained that if the Comprehensive Plan is silent about height, then zoning would control. The Comprehensive Plan is a more general document and it can provide guidance for zoning, but it does not typically provide a definitive answer on such things as maximum height. He noted that this issue is explained in the City Attorney's memorandum.

Board Member Clarke said this is the first time since the GMA was adopted that he has heard that the Comprehensive Plan is not the ultimate standard. He said his understanding is that if zoning does not conform to the Comprehensive Plan, the owner of the property can appeal to the City to have the zoning be consistent. He said he knows of no rezone application being denied if it is consistent with the Comprehensive Plan. Mr. Chave said there have been challenges to the Growth Hearings Board based on inconsistencies, and one such example is provided in the City Attorney's response to the Board. There is no guarantee that zoning automatically follows a Comprehensive Plan change, and there is some discretion in deciding what the appropriate zoning is. For example, the Port's property that fronts on Puget Sound and the Unocal property that is located on the hillside both have a Master Plan land use designation, but they are zoned differently. He suggested that if the Board feels strongly that the Harbor Square property is significantly different than the property north of Dayton Street, they could include this specific finding as part of their recommendation to the City Council.

Mr. Chave reminded the Board of the City Attorney's suggestion that language could be incorporate into the Comprehensive Plan to clarify whether or not including language providing for buildings to be up to 55 feet in height in the Comprehensive Plan would mean that development regulations must allow buildings as high as 55 feet. This additional language would be consistent with the Port's point that the process, over time, would provide more detail, refinement and specificity.

Board Member Clarke recalled a situation in the Town of Woodway where a developer applied for a permit to develop an 86-unit complex. The Town of Woodway indicated they would only be willing to approve a maximum of 46 units. When the decision was appealed, the state indicated that up to 240 units should be allowed. The developer finally ended up building 118 units. He also referred to a proposal to develop the Point Wells site with buildings up to 18-stories tall, which was appealed to the Growth Hearings Board. He said it is important for the Board to understand all the issues so they do not put the City in a box. He questioned why the HSMP identifies a maximum building height in feet, when the current Comprehensive Plan is silent on the matter. Mr. Chave agreed that the HSMP could be silent on the issue of maximum height. However, the Port's goal is to put up some parameters that would be guideposts for making decisions down the road. At this time, the Port does not know what the configuration of redevelopment will be. The City Attorney's language suggests that heights greater than 35 feet will be evaluated on the merits of a future proposal, and the Comprehensive Plan does not prejudice what the final conclusion will be.

Mr. Chave suggested that rather than relying on the minutes to provide the record for the Board's recommendation, they should formulate findings and conclusions to accompany their recommendation. He recalled that the community has expressed concern that approval of the HSMP will set a precedent for other properties located north of the Harbor Square site. If the Board recommends approval of the master plan, their findings should carefully state that the proposal only applies to Harbor Square. They should also explain how Harbor Square is different than properties to the north because of its location, history, etc.

Board Member Clarke noted that the current contract rezone is a very unusual zoning designation in the Downtown/Waterfront Activity Center, and Harbor Square is the only property in downtown Edmonds that is zoned General Commercial (CG). Most CG zoning is located on Highway 99. He said he assumes the City will eventually have to rezone this property. Mr. Chave said that if the Comprehensive Plan amendment is approved and a proposal is put forward that is consistent with the Comprehensive Plan, a change in zoning would be logical. One option is to leave the CG zoning in place and substitute a development agreement for the current contract. Another option is to create an entirely new zone that is unique and specific to Harbor Square and directly implements what is envisioned in the HSMP. Board Member Clarke pointed out that residential uses are not allowed in CG zones. Mr. Chave clarified that they are allowed, but there are certain restrictions. He suggested that working with CG zoning may be challenging, and he suspects the Port will head in the direction of creating a new zone and development agreement that is unique and specific to Harbor Square.

Board Member Clarke said it is important to help the public and City Council understand the process for moving forward. Mr. Chave explained that if the proposed HSMP or some version is approved, the Port will likely submit an application to change the zoning and/or create a development agreement between the Port and the City that would further refine the plan. This type of application would be the subject of a public hearing, as well. He explained that in order for a development agreement to work, there must be consistent zoning in place. The Port does not believe the existing CG zoning will work, and they will likely propose a new zoning designation that goes hand-in-hand with their proposed development agreement and the HSMP. The Board and City Council would review these applications, and public hearings would be held, as well.

Board Member Clarke pointed out that, up to this point, the Board has been talking about the HSMP in isolation from the SMP. Mr. Lien explained that the intent is for the Board to review the SMP and the HSMP in tandem and forward a recommendation to the City Council. It is important that the two documents are consistent with each other, and the Comprehensive Plan supports the proposal in the SMP to create a new Urban Mixed Use III Environment that allows residential uses.

Board Member Clarke questioned the need to add a residential component for Harbor Square in the SMP if it will be done as part of a future development agreement. Mr. Chave emphasized that the SMP is more specific than the Comprehensive Plan because it has to authorize specific uses. Board Member Clarke clarified that the SMP must be changed to allow residential uses at Harbor Square. Mr. Chave said the proposed SMP update anticipates the changes proposed in the HSMP. If the Planning Board and City Council support the HSMP, then changes in the SMP would follow. He explained that the details in the HSMP will make all the difference in how the SMP views the uses allowed in the shoreline environment.

Mr. Trimm said if adopted into the City's Comprehensive Plan, the HSMP would become a guiding document that identifies design parameters and principles. Once adopted, the next step would be for the Port to market the property that is available and enabled by the HSMP to the private development community. A private developer would negotiate a project that is consistent with the design principles and elements in the Comprehensive Plan with the City and the Port. That is when the real specificity would come into play. He summarized that the development agreement would implement the HSMP. The development agreement and any new zoning must be consistent with the parameters of the HSMP. He emphasized that binding specificity is important for both the City and the developer, and that is what a development agreement is intended to do.

Chair Lovell noted that the Point Edwards site and the area below is zoned as Master Plan 1 and Master Plan 2. If the HSMP is adopted into the City's Comprehensive Plan, he asked if the City or the Port would propose a zoning change. Mr. Chave answered that it could happen either way, but he suspects the Port would submit the proposal rather than waiting for the City to do so. Again, he emphasized that any change in zoning and/or development agreement would require public hearings before the Board and City Council, and the City Council would make the final decision.

Board Member Clarke pointed out that members of the audience had strong opinions about certain things, and he got the impression that many do not clearly understand how land use and zoning work. He said the purpose of his questions is to allow staff to provide further explanation and clarification about the process. Mr. Chave noted that the Board's findings and recommendation should address the concerns raised by the public, as well.

Board Member Clarke observed that some of the conceptual illustrations show massive buildings on the south side of Dayton Street. Even with the proposed step backs, this has caused public concern. He referred to minutes from a HSMP Steering Committee meeting in which the committee suggested that, for illustrative purposes, they did not want to put a building on the north side of Dayton Street because it would demonstrate to the public that a tunnel would be created if development on the north side of Dayton Street were to mirror the development proposed on the south side. He said it is important for the Board to have a discussion about the view corridor from the intersection of Dayton Street and SR-104 to the waterfront, and the current illustrations do not allow the public to visualize what the potential impacts might be. Mr. Chave explained that the proposed HSMP sets the parameters for development, but actual cross section drawings would not be provided until the rezone and/or development agreement phase. He encouraged the Board to carefully review the HSMP and decide if the proposed parameters are adequate. Board Member Reed referred to the City Attorney's recommendation that the Board's recommendation should provide rationale for distinguishing between the two properties. The City Attorney recommended that, to increase clarity on this issue, if subarea planning is completed for a particular area, it may make sense for the Comprehensive Plan Land Use Map to be updated to reflect that subarea planning work. Mr. Chave said this could be done by simply adding an overlay for the Harbor Square property. He agreed with the City Attorney that the Board's recommendation should carefully explain how they think Harbor Square is unique or different, and why they believe the HSMP would not set a precedent for other areas.

Board Member Clarke noted that the Harbor Square property is split zoned. The current contract rezone identifies a 25-foot buffer setback from the marsh northward that is currently zoned Open Space (OS). Mr. Lien agreed that the marsh and a 25-foot area landward of the marsh are currently zoned as OS, but the remainder of the Harbor Square property is zoned CG. Board Member Clarke observed that the HSMP does not talk specifically about the property zoned OS and whether it would become the setback line for future redevelopment. Mr. Lien reminded the Board that setbacks are not established at the Comprehensive Plan level and would be addressed as part of a rezone and/or development agreement application. Board Member Clarke pointed out that on the Snohomish County Assessor's records, the OS-zoned property is a legal plat; and a binding site plan for the property specifically states that it is to be zoned as a protection area for the marsh. While there is no asphalt paving, a portion of the OS-zoned property is currently being used as a gravel parking lot. Again, Mr. Lien reminded the Board that this issue would be addressed as part of a future rezone and/or development agreement application. Mr. Chave added that the SMP and the HSMP should both clarify where the buffer should be measured from, and zoning and implementation would follow from that. Chair Lovell referred to an email from Board Member Duncan regarding the setback issue and suggested the Board should spell this issue out in detail as part of their recommendation. Brad Cattle, Port Attorney, agreed it would be appropriate for the Board's recommendation to address all matters they believe are important to consider during the development agreement phase.

Board Member Clarke recalled that at a previous meeting, a Port Commissioner indicated that State Law prohibits ports from developing residential projects. He said that, on three occasions, he requested the Port provide a citation for the State Law that was referenced, but none has been provided to date. Mr. Cattle explained that there is State Statute that says that ports can do commercial and industrial development, but it does not specifically address residential development. He further explained that there is both a conservative and liberal interpretation as to whether or not the Port is entitled to develop residential uses. The manner in which residential development would occur as part of a mixed-use development at Harbor Square is that the Port would enter into a development agreement with a private developer, which would have the Port in the most probable situation of selling the portion of the property that would be developed as residential to a private developer and leasing the property that will be developed for non-residential purposes to maintain ownership.

Mr. Cattle referred to the development agreement between the Port of Everett and the City of Everett, which he provided previously as an example for the Board's information. This development agreement provided for both non-residential and residential components and represents the likely scenario the Port of Edmonds would follow. The property to be developed as residential was conveyed in fee to the developer and a statutory warrant of deed was issued. A developer entered into a long-term ground lease with the port for the non-residential portion of the property. He said the Port of Bellingham used a more liberal approach to develop a mixed-use project in which the Port retained the fee and ground lease for the entire development, including residential. He said the Port of Seattle used a similar approach in which residential development was done through a long-term air right lease. He summarized that this approach is inconstant with the analysis he performed for the Port of Everett to determine whether or not residential development was within the scope of power of a port. Board Member Clarke summarized that this issue will be handled at the development agreement stage and does not need to be addressed in the Comprehensive Plan. Mr. Cattle agreed.

Board Member Clarke expressed concern that the HSMP does not identify the number of jobs that would be created as a result of redevelopment. He pointed out that as land use changes to allow a higher density, land values increase. As a result, some of the uses that are currently located at Harbor Square may no longer be able to afford the associated rent. He asked that the Port identify how many jobs would be created and how many jobs would be pushed out because of associated increased land values.

Vice Chair Stewart complimented the Port team for their thorough and thoughtful responses to the Board throughout this complicated process. She asked if the existing tenants would be allowed to remain on the site after redevelopment occurs. Mr. McChesney answered that the Port cannot be certain of that in any definitive or conclusive way at this stage. Part of the challenge of managing Harbor Square and planning for the future is to keep the existing tenant base. He said that, from time to time, tenants have expressed concern about the future of Harbor Square, and this has also been a challenge from a marketing perspective. It would be the Port's goal to keep as many of the existing tenants as possible, but it is not possible to say definitively who will stay and who will go. Vice Chair Stewart asked if the HSMP would allow all of the current uses to remain on the site. Mr. McChesney said this would depend on the market and the type of development that is proposed. Vice Chair Stewart asked if light industrial uses would be allowed to remain. Mr. McChesney explained that the market is moving the Port away from light industrial and he is not sure he can tell them today what the exact mix for Harbor Square will be. Vice Chair Stewart expressed concern that whatever the Port proposes for future zoning, she hopes they will allow the existing uses if appropriate. Mr. McChesney agreed that is a fair statement.

Board Member Reed asked if the current language on Page 55 of the Comprehensive Plan (related to the Downtown Master Plan District) could be amended as part of the current action. Mr. Chave said that amendments to clarify the incorporation of the HSMP into the Comprehensive Plan would be appropriate in this section, but it would not be appropriate to consider amendments that would impact the three other properties included in the Downtown Master Plan District. Board Member Reed suggested that the additional language recommended by the City Attorney to clarify whether or not other properties in the Downtown Master Plan District would be entitled to a height limit consistent with that proposed in the HSMP should be incorporated into this section of the Comprehensive Plan. Chair Lovell concurred.

Board Member Reed asked staff to provide clarification about Item 2 on Page 2 of the Staff Report in which staff states that, *"if the City Council desires to hold a public hearing on area-wide rezones to implement city policies, or amendments to zoning code text, development regulations or the zoning map, it may do so without forward the proposed decision to the planning board for a hearing."* Mr. Chave said that is actual code language, but it has never been the City Council's practice. Board Member Ellis summarized that the Board is considering a recommendation by the City Attorney that they add language in their findings of fact or somewhere in their recommendation to the City Council to make it clear that by providing this change in the Comprehensive Plan, the City Council is not in any way approving a change to the zoning code that would allow 55-foot building heights. He asked how this would impact the Port's ability to work with the development community to move the project forward. Mr. McChesney said his initial reaction is that the language would be appropriate and would not impede the Port's ability to engage the development community. He summarized that the Port has known all along that issues such as height would be on the table as part of any future development agreement proposal.

Board Member Cloutier suggested that to help future comment periods go better, it would be helpful to provide a one-page flow chart or table showing what it takes to get height limits increased and built. It is important that zoning issues are not confused with the Comprehensive Plan process. This one-page description could be hyperlinked to the view shed study that was provided previously by the Port. He said that although the view shed analysis was referenced in both of the mailings the Port sent to residents of the community, some citizens still do not have this information.

Chair Lovell reminded the Board that he would not be present at the next two meetings. He said he would forward his additional thoughts and recommendations to staff and Vice Chair Stewart. He invited each Board Member to also forward their recommendations and/or findings to staff as soon as possible. Staff would take that input from each Board Member and reorganize it into a brief memorandum for the Board to review item by item at their next meeting. This would help them prepare a recommendation to the City Council. Mr. Chave cautioned that Board Members should not communicate amongst each other. Instead, their comments should be forwarded directly to staff.

Board Member Reed asked how the Board's recommendation would identify when there is a difference of opinion amongst Board Members. Mr. Chave said staff would provide a short narrative and bullet points to help the Board focus on the main issues of concern. He suggested the Board begin their discussion by identifying the findings where there is Board consensus, and then discuss the remaining items. At some point, the Board would be asked to vote on the entire list as their recommendation. Opposing viewpoints could be identified via a minority report, or the Board could allow their discussion in the minutes to make this point.

Chair Lovell thanked the Board and public for their hard work. While there is still a lot of work to do, he believes they are making progress. Vice Chair Stewart thanked Mr. Lien for pulling together all of the necessary information for the Board's continued discussion.

REVIEW OF EXTENDED AGENDA

The Board did not review their extended agenda.

PLANNING BOARD CHAIR COMMENTS

Chair Lovell did not have any additional comments during this portion of the meeting.

PLANNING BOARD MEMBER COMMENTS

Board Member Reed referred to staff's recent proposal to the City Council to not have minutes for Planning Board meetings. Mr. Chave said the City is in the middle of budget discussions, and the City's directors provided a lengthy presentation laying out, in general terms, what the budget is looking like for next year. Basically, the 2013 budget will include reductions across the board. One thought he presented is reducing the Planning Division's use of paper by moving to digital copies. He also suggested that professional services be reduced by cutting the equivalent of one Planning Board meeting each month for an annual cost savings of between \$3,500 and \$4,000. This could be done by reducing the number of monthly meetings from two to one. Another option is to do summary rather than detailed minutes and then provide a link to the audio recording on the City's website. The goal is to be more efficient while still accomplishing the same amount of work. He said this is something the Board will need to talk about in the future.

Vice Chair Stewart announced that, as part of National Community Planning Month, Mayor Earling will present a proclamation to the City Council on October 2nd recognizing the Planning Board for all they do. She also reminded the Board that their next report to the City Council is scheduled for that same night. She agreed to present the report, but she asked that another Board Member prepare the written report. Chair Lovell agreed to take on this assignment.

Vice Chair Stewart reported that a student representative for the Planning Board has been selected. Shukri Farey, from Edmonds Woodway High School, comes highly recommended by her teachers and the assistant principal. She said she met Ms. Farey last week and found her to be a leader who very much wants the youth voice to be heard in government. She will be a non-voting member of the Board and some training will be involved. She is eager and wants to learn.

Board Member Clarke said he is still not clear how the 45-foot average height would be calculated as per the HSMP. Would it be done in phases, and would the existing structures be part of the calculations. He reminded the Board that the Harbor Inn and Harbor Square Athletic Club will likely remain in their current locations for at least 20 years. Would these existing buildings be part of the average height calculation? If so, it may not be possible to build to an average height of 45 feet.

ADJOURNMENT

The Board meeting was adjourned at 10:38 p.m.

APPROVED