

CITY OF EDMONDS
ECONOMIC DEVELOPMENT COMMISSION
February 20, 2013

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

COMMISSIONERS PRESENT

Evan Pierce, Chair
Bruce Witenberg, Vice Chair
John Dewhirst
Kevin Garrett
Darrol Haug
Marc Knauss
Nathan Proudfoot
John Rubenkonig
Rich Senderoff
Darlene Stern
Evelyn Wellington
Teresa Wippel

COMMISSIONERS ABSENT

John Eckert
Don Hall
Debbie Matteson
Doug Purcell
Gail Sarvis

PLANNING BOARD LIAISON

Phil Lovell

ELECTED OFFICIALS PRESENT

Councilmember Joan Bloom

STAFF PRESENT

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

PUBLIC PRESENT

Ron Wambolt

1. OPENING REMARKS

Chair Pierce advised Commissioners Sarvis, Eckert, Purcell and Matteson have excused absences. Commissioner Proudfoot will be absent from the next two meetings.

2. AMENDMENTS TO AGENDA - None

3. APPROVAL OF ECONOMIC DEVELOPMENT COMMISSION MINUTES OF JANUARY 16, 2013

A correction was made on page 4, second paragraph from the bottom, "Commissioner" Clarke should be "Planning Board Representative."

COMMISSIONER HAUG MOVED, SECONDED BY VICE CHAIR WITENBERG, TO APPROVE THE MINUTES OF JANUARY 16, 2013 AS CORRECTED. MOTION CARRIED UNANIMOUSLY.

DISCUSSION:

4. COMMUNICATIONS WITH COUNCILMEMBERS

a. Communications & Community Outreach Subgroup

Commissioner Haug expressed his appreciation to the Chair and Vice-Chair for the marvelous job they are doing to keep the Commission organized and informed. He reviewed the following:

- Origin of the EDC
 - Original Levy Teams (7 plus teams 40 plus members) suggest the formation of an EDC.
 - Some on Council advanced idea as a way to help with the budget issue.
 - Council set the EDC into motion.
- First work of EDC
 - Councilmembers and Mayor occasionally dropped in to give encouragement
 - EDC's first report to Council set forward the first seven key initiatives. All approved by Council.
 - Some Councilmembers had doubts about EDC's unity. Attended EDC meetings and learned members were in full agreement regarding first initiatives.
 - Council Reps gave periodic updates to Council and made statements of support at Council meetings.
- Council and EDC interaction
 - Initially high, with EDC presentations and Council and EDC member interaction.
 - As work on 5 Corners and Westgate matured, some Councilmembers showed less support of EDC's work.
 - Some Councilmembers openly took exception to EDC initiating ideas that would lead to changes in land use.
 - With the Strategic Plan moving forward, some were seeing an erosion of who sets the agenda.
 - Council struggled with extending EDC's work after sunset date and gave the EDC a more limited focus.
- EDC interaction with public
 - The communications team wrote articles for the Beacon and other news outlets. Articles were designed to help the public understand the EDC's work and to advance the EDC's work with the Council.
- Current relations with Council
 - EDC now re-launched with a full complement of Commissioners. Need to improve relationship with Council. EDC has had little or no input from Council either directly or from the Council's representative to the EDC.
 - Absent Council input and Council interaction, the EDC's work could face unknown or unwanted reaction from some Councilmembers. The new Council President told Commissioner Haug directly that she did not want the EDC to even exist and that she tried to kill the EDC but was not successful.
 - At this point EDC does not have any "big bang" stuff brewing, and with little or no direction or planned interactions with Council, the EDC's current work could easily flounder.
- New ideas for Council engagement
 - With the above in mind, Commissioner Haug suggested creating an organized process for Council interaction.
 - This could be a series of questions designed to understand the extent of support from individual Councilmember for the EDC's past work and to gauge their support for the EDC's current work.
 - Specific questions should be used, not just general discussion points.
 - Process would also include gathering input from Council on new issues they would like the EDC to address. For example, there may be tasks from the strategic planning process that the Council wants the EDC to work on. The process should be very disciplined with questions and a discussion guide for each commissioner. The goal would be to gather information in a disciplined way so the answers could be collated and analyzed.
- Possible ways to move forward

1. Individual Commissioners could first go to their appointer or to any Councilmember with whom they have access. Using the questionnaire, Commissioners would gather information and ideas.
 2. Each Councilmember appointed two commissioners. These two could do what was proposed in 1 above as a team.
 3. Send the questionnaire directly to Council and ask for responses.
- After the above process has occurred, the EDC could invite Council to an EDC meeting to share the results and gain added input.
 - Without clarity of the Council's view of the EDC's work or understanding of the direction the Council may want the EDC to take, the EDC may flounder and not have a fair reception when they bring something to Council. Council needs to give the EDC direction or approve the direction the EDC suggests. Short of this the EDC may have little success in the months ahead.

Commissioner comments/suggestions included:

- Councilmembers were sent a questionnaire in October asking for ideas they were interest in the EDC working on. Those ideas were included in the list Chair Pierce prepared.
- Not all ideas the EDC works on need to come from the Council; intent of the EDC was to identify new/different ideas.
- The EDC is working on some big bang issues.
- Use questionnaire to determine whether Councilmembers agree with issues the subgroups are working on.
- Seems like EDC is drifting without focus; unlike the Planning Board and the ADB, the EDC's workload is not determined by applications and referrals.
- Suggest EDC develop a work program and submit it to the Council for input.
- Could ask Council in context of Comprehensive Plan, Strategic Plan, budget, etc., what are the priorities for economic development
- Ordinance establishing EDC states," EDC was established in order to make recommendations to the City Council and other commissions of the city in order to develop new strategies for economic Development within the City and identify new sources of revenue for consideration."
- EDC should select items from the list and submit them to the Council.
- There is still work to be done on previous efforts.
- Agree with Commissioners meeting with Councilmember who appointed them and asking them to complete the questionnaire.
- Reach out to Directors, they have insight into what needs to happen/what is not happening.
- Part of role as Commissioner is to be a virtual chat room and listen/communicate with the community.
- Follow ideas in the Strategic Plan, with Mr. Clifton's guidance.
- Important for Commissioners to communicate with the Councilmember that appointed them.
- Communications & Community Outreach Subgroup could pursue Commissioner Haug's ideas.
- Avoid duplication of effort such as regarding BD1 zone.
- Locate original vision statement and determine if the EDC still agrees with it.
- Each subgroup send the EDC Chair a monthly summary of their discussion. If something noteworthy or an issue needs more in-depth review, forward to Mr. Clifton, City Council, or Planning Board.
- Intent of Communications subgroup is to communicate not only with Council but greater community.

It was agreed to refer this issue to the Communications & Community Outreach Subgroup for further discussion regarding all forms of communication.

Councilmember Bloom reported she has met twice with the Commissioners she appointed and she encouraged Commissioners to meet with the Councilmembers who appointed them.

5. LIMITING OFFICE REVIEW/DISCUSSION/ACTION ON FINAL PLAN

Chair Pierce referred to the document, "Creating Economic Vitality, a City Center that is Economically Strong, Thriving, Lively and Social." He suggested the ordinance not state "limiting office" due to the negative image that provides. He suggested the title be something like "destination retail."

For new Commissioners, Mr. Clifton reviewed the history of this item. Discussion followed regarding impact on vacancy rates, businesses interested in locating downtown who cannot find space, Commissioners discussing the concept with property owners, other cities that limit office uses in the downtown core, Roger Brooks' support for starting with a demonstration project, goal of creating a vibrant core that is pedestrian friendly, concern with the City dictating to property owners to whom they can lease space, and a preference to reevaluate in 3 years rather than 2, and developing a text and diagram definition.

Discussion continued regarding non-conforming provisions that allow office uses to continue, timeframe for vacant space to comply with code, building synergy among businesses, intent of this document as a white paper not an ordinance, reevaluation to include consideration of extending down Main and 5th, concern properties in extended area could develop with office uses in the meantime, ground floor designated street frontage, whether to allow real estate offices, allowed services uses, retail as a primary use, businesses that attract visitors, Roger Brooks' recommendations, and inability to exclude churches.

CHAIR PIERCE MOVED, SECONDED BY VICE CHAIR WITENBERG, TO FORWARD THE DOCUMENT, "CREATING ECONOMIC VITALITY, A CITY CENTER THAT IS ECONOMICALLY STRONG, THRIVING, LIVELY AND SOCIAL" TO THE PLANNING BOARD WITH THE FOLLOWING AMENDMENTS:

- **EXTEND TRIAL TIMEFRAME FROM 2 YEARS TO 3 YEARS**
- **REVIEW PROCESS TO INCLUDE EXTENDING TO OTHER AREAS**
- **INCLUDE REAL ESTATE AS AN ALLOWED USE IN THE USE TABLE**
- **DELETE NOTE ON PAGE 4**
- **MOVE LEGEND TO FIRST PAGE OF USE TABLE**

Discussion continued regarding the need to get the Council's pulse on this issue, the need to survey property owners, spaces in the BD1 zone that are inadequate for retail particularly restaurants, expense and time to bring spaces up to code, contacting property owners and potentially inviting property owners to an EDC meeting to discuss this issue, encouraging property owners to contact the Planning Board, Roger Brooks facilitating a meeting with property owners, , policy in the Economic Development Plan to implement a retail core, and inventory of existing businesses in the BD1 zone.

MOTION CARRIED (11-1), COMMISSIONER KNAUSS VOTING NO.

6. SUBGROUPS UPDATES & STATUS

a. Tourism – Gaming

Commissioner Dewhirst referred to a Tourism Committee white paper summary: A New Concept for Tourism - Casino Gambling on SR 99. He explained research indicates casino gambling can be a cash cow. He referenced gambling tax revenue collected by Mountlake Terrace and Shoreline.

Commissioner Dewhirst explained the EDC's charge was to investigate new revenue sources. This concept was discussed by the Tourism Subgroup who recommended forwarding it to the full EDC for

discussion. If the EDC feels it is worthwhile to pursue, the subgroup will conduct further research and return to the full EDC. He provided background on the issue, explaining in 2000 when there was discussion of a casino on a waterfront property, then-Councilmember Orvis circulated a petition and the Council passed an ordinance prohibiting “social card games as commercial stimulants.” By state statute, cities are limited in their authority to regulate gambling and cannot zone or limit location of gambling. There have been several attempts to give cities greater power in locating gambling activities but such attempts have failed.

Although under current state law, casinos cannot be limited to Hwy 99, Commissioner Dewhirst pointed out they seem to locate in high traffic areas. Another issue is whether the local gambling market is saturated by existing casinos. Neither Shoreline nor Mountlake Terrace has had increased criminal activity around casinos.

Discussion followed regarding appropriate areas for casinos such as near the hospital or a beer district in Harbor Square, inability to limit casinos to Hwy 99, concern casinos are inconsistent with the community’s values and traditions, previous vetting of the issue, concern there is zero chance the Council will approve gambling, the need to engage the entire community including the silent majority, researching whether there are location exemptions such as distance from a school or park, different financial and political dynamics today versus in 2000, limited ways for the City to generate revenue to cover the budget shortfall and the importance of vetting this issue in today’s world.

COMMISSIONER STERN MOVED, SECONDED BY COMMISSIONER KNAUSS, TO HAVE THE TOURISM SUBGROUP CONTINUE THEIR RESEARCH AND BRING IT BACK TO THE EDC. MOTION CARRIED (11-1), COMMISSIONER SENDEROFF VOTING NO.

b. Technology

Commissioner Haug reported:

- SnoPak has signed on for a redundant line, generating revenue of \$600/month.
- Fiber has been extended to Harbor Square. Two businesses plan to begin testing.
- Estimates for cabling are underway to present proposals to customers on 5th Avenue.
- The City Council appropriated funds for a business and marketing plan. Due to the loss of the Finance Director and IT staff, that project has been delayed.
- Commissioner Stern was selected as the Technology Subgroup’s representative to the Communication & Outreach Committee

It was agreed the Technology Subgroup would be put on hold and the members assist other subgroups. Commissioner Haug will send Chair Pierce a summary of the Technology Subgroup’s efforts.

Mr. Clifton advised the CTAC and the Technology Subgroup plan to meet with a business applications company with 18 employees that is interested in attracting more companies like them to Edmonds due to availability of fiber.

c. Strategic Plan

Mr. Clifton offered to send all Commissioners a revised draft Strategic Plan. The Strategic Plan Subcommittee (Councilmembers Bloom and Peterson; Planning Board Members Kevin Clarke and Bill Ellis; Economic Development Commissioners Kevin Garrett, Darrol Haug, John Rubenkonig and Eve Wellington; and City staff Rob Chave, Cindi Cruz and himself) will meet to review the plan and determine whether it is ready to be forwarded to the City Council.

Commissioner Senderoff inquired about the difference between the Strategic Action Plan Subcommittee and the EDC Strategic Plan Subgroup. Mr. Clifton explained the EDC subgroup will address implementation after the Strategic Plan is adopted.

d. Land Use – Incentives

Commissioner Rubenkönig explained the Land Use Subcommittee has been discussing limiting office in the BD1.

Commissioner Senderoff reported on development of an Edmonds business incentive program using concepts in Snohomish and Auburn's programs such as, 1) a hotel motel tax waiver for a downtown boutique hotel or in the hospital area for a defined period; 2) qualified small issue bond sponsorships that assist manufacturing business such as microbreweries, craft distilleries, winery operations; 3) multi-unit housing development tax credit; 4) LTGO bonds for infrastructure improvements; and 5) impact and system development fee deferral and charge credits.

7. MISCELLANEOUS

Mr. Clifton announced another grocery store will be taking over the Petosa's building. They have discussed taxiing people to Westgate during renovations. A public hearing is scheduled at the Planning Board on February 27 regarding applying the BD1 zone design standards to BD2 – BD4 zones. The design standards will be presented to the City Council on April 2. The Westgate proposal will be presented to the Planning Board in late March/early April.

Commissioner Haug requested an excused absence for the March meeting and Commissioner Proudfoot requested excused absences from the next two meetings.

Mr. Clifton advised Commissioners will be invited to a free Roger Brooks webinar on March 7 at 9:00 a.m. regarding branding. Commissioners' suggestions/comments included:

- After the webinar, each Commissioner bring 2-3 ideas to the next meeting for a brainstorming regarding branding.
- Forming a branding subgroup comprised of former members of the Technology Subgroup and others.
- Roger Brooks recommended not forming committees about branding and that branding come from businesses, not government

Cultural Services Manager Frances Chapin reported an Arts Summit will be held in June. Further information regarding the Arts Summit will be presented in Mayor Earling's State of the City Address on March 13 at the Wade James Theater.

8. AUDIENCE COMMENTS

Ron Wambolt, Edmonds, suggested the EDC interact with the Council the way the CTAC does, a think-tank for economic development. The EDC could gather the Council's feedback regarding their efforts via a quarterly report to the Council

11. ADJOURN

With no further business, the meeting was adjourned at 8:13 p.m.