

**CITY OF EDMONDS
ECONOMIC DEVELOPMENT COMMISSION
March 18, 2015**

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

COMMISSIONERS PRESENT

Michael Schindler, Chair
John Rubenkönig, Vice Chair
Jenny Anttila
John Dewhirst
Julaine Fleetwood
Randy Hayden
Roger Hertrich
Nicole Hughes (arrived 6:04 p.m.)
Debbie Matteson (arrived 6:07 p.m.)
Darlene Stern
Douglas Swartz
Bruce Witenberg

COMMISSIONERS ABSENT

Kevin Garrett
Darrol Haug
Jamie Reece
Rich Senderoff
Teresa Wippel

PLANNING BOARD LIAISON

Phil Lovell

ELECTED OFFICIALS PRESENT

Councilmember Lora Petso

PORT OF EDMONDS LIAISON

Bruce Faires

STAFF PRESENT

Patrick Doherty, Econ. Dev & Comm. Serv. Dir.
Cindi Cruz, Program Coordinator
Frances Chapin, Arts & Culture Program Mgr.
Jeannie Dines, Recorder

1. OPENING REMARKS

Chair Schindler advised that Commissioners Garrett, Wippel, Senderoff and Haug had excuses absences.

2. ROLL CALL OF MEMBERS PRESENT

3. APPROVAL OF ECONOMIC DEVELOPMENT COMMISSION MINUTES OF FEBRUARY 23, 2015

COMMISSIONER WITENBERG MOVED, SECONDED BY COMMISSIONER STERN, TO APPROVE THE MINUTES OF FEBRUARY 23, 2015. MOTION CARRIED (10-0-1), COMMISSIONER HAYDEN ABSTAINED. (Commissioners Hughes and Matteson were not present for the vote.)

4. WELCOME NEW COMMISSIONERS: JULAINE FLEETWOOD AND RANDY HAYDEN

Chair Schindler welcomed Commissioners Hayden and Fleetwood and they described their backgrounds and interest in economic development.

Chair Schindler reminded Commissioners to use their City email for Commission business and to check it periodically.

5. DISCUSSION AND UPDATE ON EDMONDS SENIOR AND COMMUNITY CENTER

Senior Center Executive Director Farrell Fleming introduced John Osterhaug, Senior Center President, and Alma Ohtomo, Treasurer. He recognized Roger Hertrich, Board Member and Phil Lovell, Vice Chair, Strategic Planning Committee. He introduced Daniel Johnson, recently hired Campaign Director, and described his involvement with Kingston's Village Green project which includes a Senior Center, Boys & Girls Club, Library and Community Center. Kingston's project has a similar size budget and square footage and with a population of 2,000, has already raised \$6 million of the \$8 million budget. Following a selection process, the Senior Center Board chose Mr. Johnson.

Mr. Fleming provided the ESC's mission, To enrich the social, physical, and intellectual well-being of seniors and vision, To develop the full potential of every senior while connecting and strengthening our community. He explained the community center is a gift from the Edmonds Senior Center (ESC) to the Edmonds Community. What is unique about the development is the seniors are taking it on; the membership very supportive of a community center.

He reviewed the ESC's history and looking ahead:

- 1967 South County Senior Center begins offering programs
- 1971 HUD recognizes the Center as a national model for its multi-purpose approach
- 1972 City owns no waterfront property
- 1973 City acquires waterfront property (2 buildings) via HUD grant and City match
- 1980 Major grant allows construction to connect the two buildings
- 2007 Structural study finds it would be cost prohibitive to retrofit existing building (\$3 M+)
- 2008 Governance overhaul empowering membership
- 2014 City of Edmonds endorses (via resolution) ESC to demolish existing building and construct community center
- 2017 50th anniversary and proposed date to break ground/open new community center

He described the need

- Aging population trend
 - Over 65
 - 19.1% Edmonds
 - 10.3% Snohomish County
 - 12.3% State of Washington
 - Median Age
 - 46.3 Edmonds
 - 37.1 Snohomish County
 - 37.3 State of Washington
- Structural issues with current building
- Preserve rare waterfront property for public use
- Limited space for vital programming in Edmonds

He reviewed project goals:

1. Construct a new state of the art, sustainable, model community facility that serves citizens of all ages. Intent is for the building to function as a senior during the day (8 a.m. – 4 p.m.) and a community center in the late afternoon/evening (4 – 10 p.m.)
2. Offer a range of dynamic & engaging programs emphasizing health and wellness
3. Protect and preserve the rare waterfront property

He displayed a conceptual site plan and floor plan (prepared by two architects) that includes a hall that will seat 240 (tremendous potential for rentals). The community center will offer a variety of dynamic health and wellness, recreation and education programs for seniors and the community including the Bastyr Clinic, UW Healthy Brain Initiative, and regional cold weather shelter for the homeless.

Mr. Fleming described shoreline protection:

- Meet/exceed Shoreline Management Program
- Setbacks
- 30% view corridor
- Maintain height guidelines
- Possible bulkhead realignment – enable beach access at high tide

Mr. Johnson reviewed estimated costs (vetted numbers):

Construction	\$8,820,000
Development	\$ 715,000
Other Costs	\$ 415,000
Total	\$9,950,000

He described fundraising:

Sector	Goal
Leadership (individuals)	\$2,350,000
Board	\$400,000
Government	\$4,500,000
Foundations	\$2,050,000
Business	\$400,000
Community Campaign	\$300,000
Total	\$10,000,000

He displayed a \$10 million Gift Chart that listed the gift range, number of gifts required, number of prospects required, subtotal, cumulative total and cumulative percentage.

Mr. Fleming reviewed milestones achieved:

- Edmonds City Council and Snohomish County unanimous Resolutions support new center construction on existing site
- Rose Cantwell and Diane Buckshnis sign on to co-chair capital campaign
- Campaign staff hired
- Board campaign launched
- City of Edmonds signs Option to Lease: 40/55-year Ground Lease for new building

He described public benefits of the project:

- Services for seniors provided by private nonprofit – saves taxpayers money (typically government operated)
- New community center for residents of all ages built by ESC

- New community amenities – meeting and event space
- Improved beach access
- Construction jobs
- Increased jobs for expanded programs
- Additional tax revenue from construction and ongoing
- Economic development in downtown
- Increased property values
- Will attract people and businesses to downtown
- Increased rental income

Mr. Fleming summarized reasons the time is now:

- Respected history
- Engaged membership
- Compelling need
- Extraordinary site
- Partnership with City
- Vision to serve citizens of all ages
- Improved economy
- Leadership – campaign co-chairs- Rose Cantwell and Diane Buckshnis

Mr. Fleming and Mr. Johnson responded to Commission questions regarding Edmonds Community College’s projected use of the facilities due to their sale of the conference center on 4th & Bell, bricks as a fundraiser during the public phase of the campaign, conceptual design, site constraints that dictate a rectangular building, public process on the preliminary building design, intent for a design with a Northwest flavor with a lot of glass to take advantage of the views, funds in the budget for maintenance, City maintenance of the grounds, engaging youth in the design of the space and providing input regarding programs, how the building fits into the grand scheme of waterfront development, utilizing the site as a more effective resource for the community, ensuring the center continues to be welcoming for seniors, continued programming during the year the senior center is off site, guarantee provided by the Option to Lease and Ground Lease that the ESC will not be moved, the existing lease with the City and continuing the \$10/year ground lease with the City.

6. SUBCOMMITTEE REPORTS: 1) AREA OF FOCUS; 2) TARGET DEMOGRAPHICS; 3) HOW IT IMPROVES TOURISM, ECONOMIC SUSTAINABILITY, OR ATTRACTS NEW BUSINESS

a. Tourism

Commissioner Dewhirst reported the subgroup will not meet until next month so the following comments have not been vetted by them but reflect what has been discussed in the past.

- Areas of Focus
 1. Infrastructure (downtown restrooms)
 2. Building on existing events and diversifying, primarily the arts and increasing activity on the waterfront
 3. How to attract people to Edmonds, make Edmonds stand out as a place to visit, spend the day.
- Target demographics for the above three:
 1. Everyone

2. Edmonds is located between the two biggest tourist attractions in Washington – Seattle and Boeing – need to get them off the freeway and into Edmonds. Focus is day trippers until more hotel facilities are available.
- How it improves tourism, economic sustainability or attracts new business:
 - Once get people to come to Edmonds, how to get them to stay longer and how to increase the number of regional visits.

Port Commissioner Bruce Faires reported on a bill in the legislature that would create a mechanism whereby a privately controlled enterprise, using the State revenue system, will assess tourism-related businesses and the revenue generated will fund a tourism marketing campaign. The House Finance Committee is considering SHB 1938, the bill that creates this mechanism. He encouraged Commissioners to contact their legislators; Representative Cindy Ryu is on the House Finance Committee. Mr. Doherty reported the City's lobbyist has been directed to support that bill.

Mr. Faires reported the Port has signed a contract with Puget Sound Express to operate daily whale watching tours for 50-60 people/boat from the Port. The Port of Seattle will market whale watching tours out of Edmonds to national and international tourists. He estimated people going on the tour will eat one meal in Edmonds. Chair Schindler suggested the Tourism Subgroup talk with the Port. A comment followed regarding the number of entities working on tourism such as BID, City, Port, Chamber and the Tourism Subgroup and a suggestion to consolidate their efforts.

Mr. Doherty reported the majority of tourism related activities are covered by the lodging tax, augmented with limited funds from the Economic Development Department. Those expenditures are recommended by the Lodging Tax Advisory Committee (LTAC). This year those funds are used for advertising, support of events, and a consultant to prepare a strategic marketing plan to identify the audience and the best way to reach them. In addition to advertising in specific locations, the LTAC authorized \$21,000 for general advertising. Recognizing with limited lodging, there is more potential for growing day trippers during the shoulder seasons (spring and early fall) from places such as Vancouver BC, Seattle-Bellevue, etc.

With regard to restrooms, Mr. Doherty reported staff is actively researching the cost of a facility and M&O including contacting other cities that have downtown restrooms. He noted downtown restrooms have higher use and a higher expectation with regard to appearance, cleanliness, etc.

b. Strategic Action Plan (SAP)

Commissioner Stern advised a 2-page report will be distributed by Ms. Cruz. She provided an overview of the SAP:

- Contains 88 items and is a roadmap for Edmonds
- Was approved by Council in 2013
- Understood to be a living document
- Report from consultant indicates 84 of the 88 action items have primary leads, 6 have been completed, 70 are in motion and 12 have not started
- Some action items are very complicated, long term, financially challenging
- City purchased software to track progress, subgroup looking forward to software demo
- Important to keep the public informed regarding progress
- Request the Council delay approval of the SAP until the subgroup has an opportunity to review the changes
- SAP includes senior center

Mr. Doherty advised the report the consultant presented to the Council last week identified language that needed to be clarified, implementation and worksheets for primary leads. The Council requested additional time for review and continued discussion is tentatively scheduled for the April 7 Council meeting. One of the consultant's recommendations was to strike the language regarding relocating the senior center due to language in the recently approved PROS Plan as well as the Option to Lease and Ground Lease. Ms. Chapin clarified the public process to update the PROS Plan which started in June 2013, following the SAP, indicated residents were not interested in moving the senior center.

c. Business District Enhancements (BDE)

Vice Chair Rubenkonig reported on topics discussed at the subgroup meeting (topic advocate in parenthesis):

- Business incentives (Senderoff)
- Incubator for startups, a possible way to bring clean technology industry to the City with the possibility of attracting younger demographic (Rubenkonig)
- Website improvements (Doherty)
 - The City's website is tentatively scheduled to be launched next week
- Revisit UW study on Five Corners (several advocates)
- What are the deliverables of the above topics
- There is a perceived gap between what we want and what we have to achieve our wants
- Trends from real estate and business as it relates to land use

Vice Chair Rubenkonig reported he, Chair Schindler, Mr. Doherty, and Tim Sadler, an architect with experience with startups and incubators, met recently to discuss start-up incubators:

- Professional people working from home who could benefit from a place with meeting rooms, printing facilities, etc.
- EdCC is a resource that is underused. For example, EdCC has a certificate program in energy management
- Boeing and its various spinoffs
- Tech companies
- Could Edmonds leverage its fiber optics system to attract tech companies

Mr. Doherty relayed his experience in Federal Way; for the amount of effort, attracting a larger business to locate in the City provided a better return than assisting startups.

(Commissioner Matteson left the meeting at 7:22 p.m.)

Port Commissioner Faires said Ports are one of the biggest incubator organizations; the Port of Edmonds' research found businesses that incubate in Edmonds move away when they expand.

7. COUNCIL LIAISONS' COMMENTS

Councilmember Petso inquired whether she was being asked to communicate to the Council President that the EDC was requesting the Council not approve the SAP until the subgroup has an opportunity to review it. Commissioner Stern answered yes. [See formal action taken under Agenda Item 10.]

Councilmember Petso referred to a report that provides 2014 sales tax revenue by area of the City. Mr. Doherty offered to distribute the report to Commissioners. Councilmember Petso said in the interest of greater formality and transparency, she plans to research at what point subgroup meetings need to be noticed and minutes taken. She reported on the following:

- Council Retreat
 - Top priority for both City Council and staff was long range financial planning
 - A boutique hotel in the downtown area was a high staff priority
- Her personal opinion is few people come to Edmonds only once; most people who visit Edmonds, regardless of the reason, return.
- Strategic Plan
 - Do not assume the public wants everything in the Strategic Plan. Some items that scored very low such as a trolley may be pursued by another entity without a great commitment of City resources.
 - Some items scored well with a stakeholder group such as the 4th Avenue Cultural Corridor, but did not score well with the general public.
 - Although the SAP is a living document, she cautioned against viewing it as to-do list.
 - It has been nearly three years since the voter survey that the document is was based was done. Consider when to resurvey voters.

8. PLANNING BOARD UPDATE

Planning Board Vice Chair Phil Lovell provided an overview of activities in last five months:

Topic	Action Taken
CIP/CFP	Plan and projects review and public hearing Board approved and forwarded to Council with recommendation for approval
ECDC to ECC code adjustment re: Animal Provisions	Approved resolution in support and forwarded to Council with recommendation
Comprehensive Plan Update Elements Discussed: General Introduction and Land Use Element Housing Utilities Economic Development Transportation and LOS Update Culture and Urban Design	Introductions to various elements and staff reviews Statistics and demographic data updates Board member discussion, and modifications to draft language Added supplemental language and/or points Concurrent reviews of these elements by City Council being undertaken in parallel with Planning Board reviews
Parks Recreation and Cultural Services 6-month Report to Planning/Parks Board	24 Elements/Activities reported by Director Carrie Hite. Board reviewed, discussed and forwarded to Council with endorsement
Draft Tree Code	Introduction and early discussion based on work of Edmonds Tree Board and resultant code drafting with assistance of City staff
Edmonds Development Code Updating	Staff briefings on goals and objectives, funding for sub-consultant and introductory session with consultant (Makers Assoc.)
Extended agenda: <ul style="list-style-type: none"> • Work Calendar • Loss of Mike Nelson to City Council • Planned retreat in June 	

He described factors being considered with respect to each element in the Comprehensive Plan:

1. Provide statistical and demographic data updating
2. Maintain and enhance sustainability of Edmonds

- Appeal and character of the City
 - Environmentally and economically
 - Enable managed responsible long term growth
3. Avoid excessively specific goals
 4. Introduce/define a sensible metric for each element within the Comprehensive Plan
 - Example: For Economic Development Element, measure employment in Edmonds

Notable items in the Parks Recreation/Cultural Services Report provided to the Planning Board include:

- Marsh/Marina Beach Master Plan – Currently in progress with public input and including Willow Creek Daylight
- Five Corners Roundabout Sculpture – Completed concurrent with overall construction
- Yost Pool – Boiler replaced. Negotiating with YMCA for ongoing management services
- City Park – Playground complete with redesigned “spray park” to be installed this spring
- Former Woodway HS Site Development – Funding targets achieved, construction of two fields this summer
- Civic Stadium – Currently negotiating acquisition with ESD; hope for transaction this year
- Veteran’s Plaza – Design completed with public input
- Recreation Programs – Remain strong, with revenues increasing
- Next year: Further discussion on MPD concepts and review of Park Naming Policy

Mr. Lovell described the Planning Board’s focus regarding the Edmonds City Code and Community Development Update:

- Update code first, processes as necessary afterward
- Complete clear and understandable definitions
- Recognize and preserve character of the city
- Recognize diversity of neighborhoods
- Enable responsible and appropriate growth and development
- Encourage and facilitate environmental sustainability

He provided the Planning Board’s extended agenda April - June:

- Continued work on Comprehensive Plan
 - Transportation Element
 - Capital Facilities Element
 - Review proposed 2015 Comprehensive Plan update (target public hearing in June)
- Continue code update work
 - Critical Area Code
 - Draft Tree Code
 - Development Code
- Other as referred by City Council and/or staff

9. PORT OF EDMONDS UPDATE

Mr. Faires announced the Port Commission’s annual retreat on April 1 at the Port. The primary focus of the retreat will be the long term financial model for replacing physical assets. The Port is financially

stable and there are no financial operational issues. A brief discussion followed regarding the setbacks and buffers in the City's Shoreline Master Program.

10. MISCELLANEOUS

Chair Schindler requested Commission action regarding Commissioner Stern's request for the Council to delay review of the SAP.

COMMISSIONER STERN MOVED TO ASK THE CITY COUNCIL TO CONSIDER DELAYING APPROVAL OF THE STRATEGIC ACTION PLAN UNTIL AFTER THE ECONOMIC DEVELOPMENT COMMISSION HAS AN OPPORTUNITY TO REVIEW IT. COMMISSIONER DEWHIRST SECONDED THE MOTION.

Discussion followed regarding opportunity for input over the last year, opposition to further delay, and the SAP Working Group that worked with the consultant to update the SAP.

MOTION FAILED (1-8-2), COMMISSIONER STERN VOTING YES, AND COMMISSIONERS DEWHIRST AND FLEETWOOD ABSTAINED.

Mr. Doherty reported Ms. Chapin, Ms. Cruz and he are working on the City's 125th anniversary; events are planned on August 11. He invited anyone interested in assisting or being a sponsor to contact one of them.

11. AUDIENCE COMMENT – None

12. ADJOURN

With no further business, the meeting was adjourned at 7:57 p.m.