

EDMONDS CITY COUNCIL APPROVED MINUTES

April 1, 2008

The Edmonds City Council meeting was called to order at 7:00 p.m. by Mayor Pro Tem Plunkett in the Council Chambers, 250 5th Avenue North, Edmonds. The meeting was opened with the flag salute.

ELECTED OFFICIALS PRESENT

Michael Plunkett, Mayor Pro Tem
Deanna Dawson, Council President Pro Tem
Peggy Pritchard Olson, Councilmember
Steve Bernheim, Councilmember
D. J. Wilson, Councilmember
Dave Orvis, Councilmember
Ron Wambolt, Councilmember

ELECTED OFFICIALS ABSENT

Gary Haakenson, Mayor

STAFF PRESENT

Al Compaan, Police Chief
Duane Bowman, Development Services Director
Stephen Clifton, Community Services Director
Rob Chave, Planning Manager
Dave Gebert, City Engineer
Scott Snyder, City Attorney
Sandy Chase, City Clerk
Jana Spellman, Senior Executive Council Asst.
Jeannie Dines, Recorder

1. APPROVAL OF AGENDA

COUNCILMEMBER WAMBOLT MOVED, SECONDED BY COUNCILMEMBER OLSON, TO APPROVE THE AGENDA IN CONTENT AND ORDER. MOTION CARRIED UNANIMOUSLY.

2. CONSENT AGENDA ITEMS

Councilmember Wilson requested Item B be removed from the Consent Agenda.

COUNCILMEMBER WAMBOLT MOVED, SECONDED BY COUNCILMEMBER OLSON, TO APPROVE THE REMAINDER OF THE CONSENT AGENDA. MOTION CARRIED UNANIMOUSLY. The agenda items approved are as follows:

A. ROLL CALL

C. APPROVAL OF CLAIM CHECKS #103188 THROUGH #103321 IN THE AMOUNT OF \$334,905.87 ISSUED MARCH 27, 2008.

D. INTERIM ZONING ORDINANCE NO. 3682 TO PERMIT RAIN WATER COLLECTION TANKS IN STREET SETBACKS TO SUPPORT DEVELOPMENT OF "GREEN" BUILDINGS.

E. ORDINANCE NO. 3683 DETERMINING THE FINAL ASSESSMENT REIMBURSEMENT AREA AND PRO RATA SHARES OF REIMBURSEMENT COSTS IN CONNECTION WITH THE SILVER CITY CONSTRUCTION, INC. LATECOMER AGREEMENT; PROVIDING FOR SEVERABILITY AND ESTABLISHING AN EFFECTIVE DATE.

ITEM B: APPROVAL OF CITY COUNCIL MEETING MINUTES OF MARCH 25, 2008

Councilmember Wilson advised the Council received a request from Natalie Shippen to include a comment he made in the minutes verbatim.

Approval of
Agenda

Roll Call

Approve Claim
Checks

Ord# 3682 –
Rain Water
Collection
Tanks

Ord# 3683 –
Silver City
Construction
Latecomer
Agreement

Approve
03/25/08 City
Council
Minutes with
Corrections

Mayor Pro Tem Plunkett explained the Council's policy has been to maintain summary minutes; the practice has been to include verbatim comments on occasion upon request.

COUNCILMEMBER WAMBOLT MOVED, SECONDED BY COUNCILMEMBER ORVIS, TO APPROVE THE CITY COUNCIL MEETING MINUTES OF MARCH 25, 2008 WITH THE VERBATIM ADDITION REQUESTED BY NATALIE SHIPPEN.

Council President Pro Tem Dawson clarified the verbatim comments to be included were as prepared by City Clerk Sandy Chase.

Councilmember Wilson read the verbatim comments: *"I'm going to pass so that other Councilmembers can ask questions but I do want to take the opportunity after that to express my vision to you all while we have you in the room about what should be down there. Before and since the other four parcels that were developed in the Work Group of 33, there were only two I believe that had any support in a vote for 6 to 8 stories, and then 6 to 10 stories. In my view as a participant of that, I think both of those proposals would be dead on arrival in a public process. So I want to make sure that my vision is conveyed so that you don't plan a ten story building which would not, just wouldn't get us anywhere. So, with that I will pass until later."*

MOTION CARRIED UNANIMOUSLY.

Public
Education
Foundation
Month
Proclamation

3. PROCLAMATION IN HONOR OF PUBLIC EDUCATION FOUNDATION MONTH, APRIL 2008

Councilmember Wilson read the proclamation declaring April 2008 as Public Education Foundation Month and presented it to Debbie Bodal, Vice President, Public Education Foundation, along with a member of the Foundation. On behalf of the Public Education Foundation, Ms. Bodal thanked the City for proclaiming April as Public Education Foundation Month. She looked forward to involving other cities in the Edmonds School District. She invited Council to their fundraiser April 23 at the Lynnwood Convention Center. A member of the Foundation explained the Foundation gave \$40,000-\$45,000 annually back to students' classrooms via grants requested by teachers in the Edmonds School District. Ms. Bodal advised further information was available via the Public Education Foundation website.

Waterfront
Antique Mall,
Harbor Square,
and Skippers
Properties

4. DOWNTOWN MASTER PLAN AREA - WATERFRONT ANTIQUE MALL, HARBOR SQUARE AND SKIPPERS PROPERTIES: (1) THE PUBLIC IS INVITED TO SHARE COMMENTS AND/OR IDEAS ABOUT REDEVELOPMENT OF SUBJECT AREA. (2) THE CITY COUNCIL MAY DISCUSS POSSIBLE NEXT STEPS.

At Mayor Pro Tem Plunkett's request, City Clerk Sandy Chase listed emails/letters the Council had received in the Council Office and the City Clerk's Office: John Quast/Laurie Dressler, Brian & Betty Larman, Marie King, Melissa Baker, Vickie@insurancefinancing, Jan Stevens, Darlene Newquist, John Heighway, Joan Bloom, John C. Davis, and Kristin Kelly, Futurewise.

In the interest of allowing audience members time to express themselves, Mayor Pro Tem Plunkett suggested the Council remove the three minute limit and leave the time limit to the discretion of the Chair. It was the consensus of the Council to allow some leeway in the time limit.

Councilmember Wambolt commented the Council had received a number of emails/letters. He noted a great deal of work had gone into several of them including drawings of what they would like to see on the properties. Unfortunately, most were based on the City owning the property. He pointed out the City did not own the property today and it was highly unlikely the City would ever own it. He acknowledged anything may be possible on the Port property although the Port had no plans to redevelop for at least ten years. The owner on the Skipper's property has said he absolutely will not sell the property to the City,

that he purchased it recently and planned to do a commercial development there. With regard to the old Safeway property, owned by Edmonds Shopping Center Associates (ESCA), the City received a price from the owners for the land of \$16 million. Although some questioned whether it was worth that amount, that was the terms under which the owner would sell the property. He was uncertain where the City would obtain \$16 million and if the property did not appraise for \$16 million, the City could not pay that price as the City could only purchase property for its appraised value. He expressed the hope that speakers would provide the property owners and Councilmembers with suggestions regarding what they would like to see on the properties when they were commercially redeveloped.

Councilmember Bernheim disagreed with Councilmember Wambolt, expressing his interest in hearing all options for the property.

Tim Stensland, Teacher, Edmonds-Woodway High School, Architectural Program, explained the impetuosity for their project was concern with development of the sites, the last pieces of valuable property. He anticipated it would be possible to create a viable and monetarily resourceful project that would attract visitors, provide a tax base for the City, and provide value for the owners and tenants. He agreed with Councilmember Bernheim that if the community had a vision, there were resources available to make a development happen. He explained both projects the students would present would require a cooperative effort between citizens and property owners. Both projects were designed, not as introverted, standalone projects but to radiate out to the community, extend existing pathways and enhance existing historical aspects. He noted they listened to all the concerns/comments expressed over the last six months and used them as a checklist for their design.

Robert Edgar, Student, Edmonds-Woodway High School, explained in September the students were provided various options for a project for the year and selected a redesign of Edmonds. They began by looking at the existing site and reviewing the community's comments.

Matthew Peri, Student, Edmonds-Woodway High School, explained after preparing sketches and preliminary designs, they visited the site. He described their tour of the site, beginning at the north at the Brackett's Landing area where they took into consideration the pathway in Brackett's Landing and the flowing berms in the park. Moving north, they realized a connection toward the fountain would be important. They also considered how to maintain view corridors on the site, incorporating the corner of Dayton and Sunset as a gateway and connecting the adjacent treatment plant site into their project.

Michael Putnum, Student, Edmonds-Woodway High School, explained their tour also included Harbor Square and what they felt the community needed on that site. He commented on the fitness club, hotel, the boardwalk they intended to open up as well as an appropriate site for a grocery store.

Mr. Edgar described their research of the history of Edmonds including native tribes, early settled Edmonds, and the railroad, explaining their design included Native American art as well as a way to make the project attractive to visitors on the train. Their design was for the old Safeway site, and would continue onto the Harbor Square and the Skippers sites. Mr. Putnum explained their design was for indoor/outdoor retail on the bottom level, a front area that connected with the treatment plant, a main entrance with tide pools on top, a courtyard with a fountain-of-time that would shoot up every hour, a sculpture park on top that would showcase local art, and pathways connecting to Brackett's Landing. He explained their design provided view corridors for the community via a natural amphitheater over the parking that would overlook Puget Sound and the mountains as well as a covered boardwalk façade facing the railroad to welcome riders to Edmonds.

Mr. Stensland invited the community to look at their design tonight or at Edmonds-Woodway High School. He summarized with a united community, it was possible to develop something that the

community owns, was proud of and that could fulfill the needs of the developer and tenants. He explained the next design addressed flooding via a retention system.

Evan Langendorfer and Grant Roeter, Students, Edmonds-Woodway High School, explained their design, Brackett's Village, incorporated a European design combined with an Edmonds modern look and included the Harbor Square, Antique Mall and Skippers sites. Their design would combine the three sites to make a financial and recreational thriving Edmonds. They envisioned buildings would be strategically scattered on the site with a mix of retail, office and condominiums, and a canal that was an extension of Puget Sound. The canal also served as a water retention system and addressed the problem of seasonal flooding. They retained the existing viewlines with buildings no taller than the existing Antique Mall. The three sites were connected via the canal and similar facades. The village would also include recreational areas such as fountains and the wetland and would recognize Edmonds' past. They envisioned 100,000 square feet of retail/office on the Antique Mall site and 45,000 of living space, underground parking, and sky bridges that provided easy access between buildings. The Skippers site was designed as a public market with an open, covered shelter area for year round use. The Harbor Square site would be updated to match the Antique Mall site, the boardwalk extended, and a central road added to improve access.

Noting that the students had prepared a PowerPoint presentation, Councilmember Bernheim requested a hard copy of the Brackett's Village PowerPoint be provided to the Council.

John Reed, Edmonds, a member of CG33, advised his presentation was made on behalf of Alliance of Citizens for Edmonds (ACE). In September 2007, when the property owners presented four increasingly taller versions of an urban village concept, it was clear many citizens were not satisfied with the property owners' ideas, and concerns were expressed with potential building heights. There were also concerns raised regarding the lack of open space, who would/would not be drawn to the area, competition with downtown merchants, density and traffic issues. ACE shared many of these concerns with the Council at that time and asked the Council explore acquisition of the parcels as well as revisions to the Comprehensive Plan to more thoroughly define what would benefit the community on these properties. In preparation for this presentation, ACE sponsored two special meetings in March to discuss redevelopment ideas facilitated by Dick Van Hollebeke.

Dick Van Hollebeke, Edmonds, congratulated the Edmonds-Woodway High School students on their very creative ideas. He advised his comments combined two perspectives, as a member of the CG33 and as a facilitator of the ACE meetings. He explained the ACE meetings focused on these properties in an effort to make a recommendation to the City Council regarding viable options available to the City for redevelopment of the property. ACE is comprised of people with the same interest, background and public concern as the members of CG33. He commended Chris Keuss, Executive Director, Port of Edmonds, for the excellent job he did conducting numerous public meetings and creating a 43-page summary document of those meetings which was available on the Port's website. As a longtime member of the Chamber of Commerce, he noted the ideas of both the CG33 and ACE were in sync with the Chamber. ACE, which included four CG33 members, asked him to share their reaction to the owners' proposal after receiving citizen input - disappointment. He referred to the plans the owners presented as big, bigger and biggest or tall, taller and tallest, remarking they were told that the taller buildings would allow wider pedestrian promenades between structures as well as pedestrian overpasses from the parking garage. However many of the ideas of public gathering places and open green spaces were ignored because they did not fit into the overall scope. He summarized a list of ACE's comments that referenced gathering places, iconic places, connecting downtown, arts, environment, build green, LEED certified, parking garage with green elements, rooftop garden, and public involvement.

Mr. Van Hollebeke summarized there was no rush to get the design complete in the next few months; there was time and the City was in control of what was developed on the site as the current zoning was unsatisfactory to the property owners. He recognized the property owners' right to expect a reasonable profit, pointing out 75% of the property was already in public ownership by the City, the Port and the Washington State Department of Transportation. As a former member of the City Council, he recognized the challenge and opportunities that developing this area represented. The Council had a unique opportunity to create something special that would impact the City and its citizens for generations. He urged Council not to be afraid to be bold and imaginative. At the conclusion of the last ACE meeting, there was unanimous agreement that the City should control or acquire the privately held properties. He introduced Bill Angle, who had led, constructed and managed a series of highly successful public/private development projects totaling over \$750 million, every project completed on schedule and on or under budget, advising Mr. Angle has offered to assist the City and staff free of charge.

Bill Angle, Edmonds, commented there was no rush as it was uncertain how the Comprehensive Plan would work with regard to Edmonds Crossing and as Mark Hinshaw stated last week, the old models may not be accurate in view of increasing gas prices, etc. He noted the failure of commercial development on this property strongly suggests the economics for redevelopment did not work and that there was time to ensure development was done properly. The City owed the current owners nothing but a fair ability to develop their properties under current plans; if the current property owners made unwise investment decisions, the City and its citizens had no obligation to enhance the value of the properties unless the enhancement also met City and citizens' desire via a contract rezone. He explained a contract rezone required a high quality developer, a specific development plan that arose via a public process that included representational schematic drawings, achievable financing plans, schedule for development and construction, and a formal contract that requires performance of the developer within a time certain.

Mr. Angle referred to Mr. Gregg's presentation at last week's Council meeting, questioning his ability to achieve platinum LEED certification, pointing out he had not presented a financing plan or schedule. As this developer had unfortunately demonstrated his willingness to sue the City as an element of his business strategy, he urged the City to exercise great care in negotiating a contract rezone and to create a written negotiation protocol. He offered to assist staff in preparing the protocol free of charge. With regard to the value of the property should the City consider acquisition, he pointed out no development had occurred on the site due to difficulty developing under current regulations and the owner of the Antique Mall has indicated the zoning limitations was the problem.

Mr. Angle noted the planning exercises of the CG33 began with assumptions regarding the value of the property and identified various zoning densities and building heights that would achieve those assumed values which was a backward approach from the City's perspective. The most likely way for the City to ensure the property was developed in a manner that was in the citizens' best interest was to control the properties, an approach taken by the cities of Kent and Burien in recent public/private projects. He noted most planners would agree this was the best approach if the community had the political support and the money. He urged the community to visit the Kent Commons to see what they accomplished with a public/private approach. He disagreed the City would not afford to purchase either or both properties, commenting Edmonds was a well-to-do town with a fabulous downtown that could be extended to the waterfront.

Barbara Tipton, Edmonds, referred to the Edmonds Harbor Square and Antique Mall redevelopment study and analysis performed by Hebert Research which considered sales data for condominiums constructed between 2000 and 2005. She disagreed future growth could be extrapolated based on 2000-2005 data due to the recent downturn in real estate. She also questioned the suggestion in the study that baby boomers wanted to live in commercial spaces above their own businesses. She described soils on the site, "Mukilteo muck," a soil comprised of decomposed sedges, reeds and rushes, easily saturated and

poorly drained, and prone to puddles of standing water. This was exacerbated by the high water table and lengthy rainy season. She referred to the potential for liquefaction, the process of transforming a soil from a solid state to a liquid state, noting the impact this had during an earthquake. She noted a significant portion of the site was rated as highly prone to liquefaction; therefore, not well suited for large development.

Ms. Tipton pointed out few residents were interested in a 4-6 story urban village, observing this issue had galvanized the public as evidenced by letters to the editor, ACE membership and citizens speaking at Council meetings. She shared her vision for Harbor Square site: work with the NW Steelhead and Salmon Council and the Audubon Society to build an educational center near Willow Creek, build a link trail from the fish hatchery to the Edmonds waterfront, develop a plan for the marsh that may provide trails including pedestrian entry from the sidewalk on SR 104, restore the marshes, ponds, bogs, etc. on the Harbor Square site, and create demonstration gardens with native and drought resistant plants via partnerships with wildlife groups, Master Gardeners and Snohomish County Audubon Society. She urged Council and citizens to read Section 7 of the City of Edmonds 2004 Best Available Science report that addressed fish and wildlife conservation areas and recommended a buffer zone around environmentally sensitive areas. Next, she shared her vision for the Antique Mall site that included a Native American museum, transportation museum, railroad museum; reasonably priced bistros and cafes; low profile, green structures; courtyards; seating areas; and plazas. Her vision for the Skippers site was a new Edmonds Visitors Center with public art throughout the site. In addition to a continuous shoreline walkway from Brackett's Landing to Pt. Edwards, she suggested consideration be given to a pedestrian overpass from the Senior Center to the museums and another spanning SR104 connecting City Park with the Edmonds Marsh. She recommended the City contact the University of Washington College of Architecture and Urban Planning Department and invite the students to develop a conceptual plan for these sites, envisioning they could develop a plan that reflected the vision of the citizens that incorporated the natural features and history of Edmonds. She also submitted written comments.

Darrell Marmion, Edmonds, urged Council to avoid a sense of frenzy and to take their time to do this right. He displayed a map of the Downtown Master Plan area, recalling the message provided by the property owners during their presentations with regard to the timeline for development of their sites: Port property - wait and see, Antique Mall property - soon, and the Skippers property - now. He referred to a map of the area, identifying properties the City owned including rights-of-way, the Senior Center, and City Park; property controlled by government entities including the Port and WSDOT; and areas in private ownership. He pointed out the areas in private ownership were controlled by the City's zoning codes which the property owners have indicated were unsatisfactory. He summarized the City had full control with regard to moving forward and it was important to take the time to do it right.

Bruce Faires, Edmonds, speaking as a resident, shared insight he had developed over the past several years and in particular the past 18 months. With regard to the economic feasibility/viability of the redevelopment alternatives, he noted the data generated by the Port and property owners reached the following conclusions: 1) With first floor ceiling height and the water table only allowing two story buildings, economics were such that surface parking would be required. He noted this resulted in an economic contribution to the City not much greater than the present situation, virtually no public amenities and little improvement in the existing aesthetics of flat roofs with HVAC equipment visible from the hillside. 2) If the zoning, etc. allowed three functional stories with parking under the structures, the economics were such that structured parking, reasonable retail, commercial and residential could be provided but very little open space, limited public amenities and no building height modulation. The parking structure design would be building-by-building and for properties with enough depth to allow interior streets and pedestrian walkways, the back wall of the building would be the back wall of the parking structure, preventing retail, restaurants or commercial on interior streets/lanes and no funds without public subsidy for things such as railroad passes. 3) If zoning allowed a modulated mix of 3-5

stories above parking, there would be sufficient economic resources to provide public areas and amenities, a continuous parking tray under groups of buildings that would allow retail, restaurants and commercial storefronts on interior streets/lanes, and provide developers the flexibility to provide view corridors.

Mr. Faires recommended any development respect and maintain view corridors on the site. He pointed out private/individual views were different; the volume of space above whatever zoning was applied to this area belonged to the public and the City Council had the authority to deal with it in the best interest of the community. He acknowledged if the properties were redeveloped in a balanced and reasonable manner, some individuals' views would be impacted. Although that was regrettable, it was the Council's responsibility to act in the community's best interest not in the interest of a few who had been using a public resource for their enjoyment. He recommended Council consider not only the viewpoints expressed by audience members but also how their decision would affect residents of Edmonds 20-50 years into the future.

Virginia Redfield, Edmonds, a member of the CG33, objected to the concept of an urban village proposed for the waterfront development for the following reasons: 1) permitting greater density than the existing code allowed negated the ambiance of the current town, 2) taller buildings with parking structures beneath were not attractive and would contribute to the already congested parking situation, 3) view corridors of Puget Sound and the mountains would be obliterated, and 4) the Edmonds bowl would become "skateboard bowl." She envisioned high quality retail and services could be constructed within the existing code; such businesses would generate revenue to meet the City's needs. As this did not support the price the owners asked for the property, it was the responsibility of the owners to adjust their price as property was a commodity that rose and fell with market conditions. She pointed out one property owner purchased his property with full knowledge of the existing code. She urged the Council to investigate and examine Mr. Hinshaw's assumptions and conclusions and employ other experts as Mr. Hinshaw had been hired by the property owners last summer. She also urged the Council to consider other seaside communities such as LaConner or Des Moines.

David Thorpe, Edmonds, pointed out the 1995 Comprehensive Plan identified this area as an activity center, commenting as unfortunate as growth was, it was happening and would have to be addressed. He pointed out the private property owners must abide by the zoning laws the City established and although the public was interested in an area that fostered activity, business, open space, the property was privately owned. He agreed it was unlikely the City could purchase this property for \$16 million as well as lose the sales tax revenue that development could produce. He noted the Comprehensive Plan also incorporated view corridors and waterfront connections for these sites. He pointed out the developers' interest in profit and questioned Mr. Gregg's indication that the project was not intended to be a legacy but was entrepreneurial and he did not plan to wait for the codes to be written. He commented growth was inevitable, whether at one of the neighborhood centers or downtown, and it was important to recognize the need for give and take and tradeoffs. He summarized what happened in the spaces between buildings was more important than the buildings themselves.

Bill Bickel, Edmonds, commended the Edmonds-Woodway High School students for their presentations. He acknowledged something would be built on the site. He referred to Mr. Gregg's presentation at last week's Council meeting, commenting that by combining Mr. Gregg's enthusiasm with the City's and the citizens' enthusiasm, something spectacular could be developed. He was excited about the potential of a platinum LEED building on the site, noting the development would have more impact in the future on the people who were children now. He referred to Lora Petso's presentation last week of a brick wall on the Gregg site, acknowledging that was not what the public wanted. He envisioned development on the site could be spectacular via everyone's cooperation.

Tom Pirie, Edmonds, thanked Mr. Van Hollebeke and Mr. Angle for the information they provided. He commented if high school students could develop proposals that understood the need to preserve the commercial/retail space and allow for sidewalks, open space, parks, fountains and room for art, imagine what could happen if they were used as consultants to the architectural firm hired to develop the site. He noted this was a great opportunity to share space, provide profit for the owner, and build something exciting for the City. If a spectacular development was constructed, the commercial and the visitors would come.

Garrett Latham, Edmonds, pointed out the potential for this site to be something like Pike Place Market. He urged the community to design the development for the future, for the children. He noted development of this site had the potential to provide youth places to go, have fun, be safe, and relate to adults.

Natalie Shippen, Edmonds, anticipated when a final waterfront development proposal was submitted to the Council, there would be a shipwreck caused by the obstacle of building heights. The Council has implied they would grant height increases in exchange for aesthetic and environment improvements. Mr. Gregg has identified view corridors for his future request in exchange for a code relaxation and arguably view corridors would allow the arrangement of taller buildings in a manner that allowed additional open space. She recalled the height dispute arose over 30 years ago; she did not think then or now that height was about views but about scale. Residents of Edmonds like a low building profile and justifying height increase based on view extension, open space or LEED designation was unlikely to persuade a compromise. Time has shown there was no win-win solution to the height disagreement. Before the train wreck and the resulting deadlock occurred, she recommended Council consider an alternative plan. She agreed with Mr. Gregg's comment that the public had a large stake in the property; therefore, she recommended the citizens be provided an opportunity to purchase the entire 6.5 acre parcel bordered by Main, Dayton, SR104 and the railroad. The decision would be made by popular vote before the Council made any decision on any code revisions or granted any permits for that area.

To explore the costs associated with the purchase, Ms. Shippen suggested the immediate establishment of a five member task force appointed by the City Council and comprised of three members from CG33 and two ACE members which would provide a group of informed, interested residents who were already current on earlier discussions. Their role would be to collect information a voter needed to make a decision. She summarized the opportunity to acquire invaluable property happened infrequently; opportunity coupled with initiative happened even less frequently. She cited the efforts to acquire the Senior Center in the early 1960s and the acquisition of Brackett's Landing South as opportunities seized by leaders. The Council and the citizens now had a similar opportunity to acquire their own Central Park.

Karen Wiggins, Edmonds, urged Council not to wall off the waterfront by increasing the current height limit at the Skippers, Antique Mall and Port properties. She pointed out the current view down Main and Dayton of mountains and Puget Sound. She noted a contract rezone that allowed increased heights would severely damage views from properties to the east as well as change the feeling from a low rise downtown to just another town. If the site were developed as previously presented, she pointed out views down Dayton and Main would be of a wall of buildings at or higher than the Ebttide Condominiums. She suggested Council imagine buildings of the height of the Ebttide on these sites from Harbor Square to Main Street. She also pointed out the traffic from proposed redevelopment added to existing ferry traffic, remarking there were no guarantees the ferry terminal would ever move from its current location. She envisioned a beautiful development could be accomplished under the current codes as demonstrated by the high school students' presentations and had been accomplished at Mill Creek Town Center, University Village, the outdoor area of Alderwood Mall and Redmond Town Center.

Next Ms. Wiggins referred to Mr. Gregg's presentation that envisioned his development extending onto property owned by WSDOT. She urged the Council to consider the neighbors of the proposed development as well as the potential negative impacts on this historical area of the city. She pointed out few customers would walk four blocks to reach the downtown area. She relayed a conversation with a downtown merchant who indicated she supported redevelopment because she would simply move her business to the new development. She referred to Mr. Gregg's plans to seek LEED certification, questioning why he had not sought that on his other two buildings downtown or for Old Milltown. She envisioned he was offering LEED certification as a "carrot" to appeal to an environmentally concerned citizenry in exchange for increased heights. She concluded a rezone of the property would result in a short-term fix for Edmonds' financial problems with severe long term negative consequences on the community. She noted the citizens in recent years had voted out every Councilmember or Mayor who supported even a 3-foot height increase downtown. She urged the Council not to increase the height limits and maintain the low rise downtown that the community loved. She supported redevelopment of the properties under the current codes.

Linda Bontecou, Edmonds, commented last week's presentations by the developers provided no new information other than an indication a green building and open spaces would be constructed on the Skippers property in exchange for increased height. The property owners reiterated their desire for a height increase and their intent to have their development process underway by yearend. She pointed out tall buildings created shade and wind and many of the condominium owners would not want the public "playing in their yard." She recalled plans for Pt. Edwards included public walking paths along the bluff, open spaces and viewpoints, noting once constructed, the residents did not welcome the public walking in that area. She acknowledged the City needed to accept increased population but questioned the need to accommodate all of it within the next five years on the only remaining unique property between downtown and the waterfront and envisioned other areas could better accommodate increased heights. She recalled photographs displayed last week of sidewalk cafes and outdoor spaces to emphasize the importance of the first floor to the vibrancy of the area. However, due to the high water table in this area, much of the first floor would be consumed by parking. She preferred a landscaped surface parking lot to unattractive, first floor, structured parking. She summarized these were just a few of the problems with the developers' proposals and encouraged the Council to be wary. This was a wonderful opportunity for the elected leaders of the City to add to the gem that was Edmonds. She urged the Council not to increase the height limit and wall off the waterfront.

Alan Macfarlane, Edmonds, recalled his mother saying if you had to put up with the rain and gray, you better have a view of the mountains and water. He was wary of the "tail wagging the dog," pointing out the adverse affect that a group/row of tall buildings would have on bowl views as well as property values. If building heights were increased, views from any property below 6th Avenue South would be impacted. He urged the Council not to allow tall buildings in this area to ruin Edmonds. He concluded the number of people that attended the March 25 Council meeting as well as tonight's meeting indicated the community's strong feelings and objection to increased building heights.

Lyn Macfarlane, Edmonds, commented Edmonds was a gem because of the open space at the waterfront and she feared sacrificing that would have unexpected and undesirable results. She recommended retaining the existing heights, not blocking the views of people who chose Edmonds because of the views, and not reducing property tax revenue via lost property value. She favored stunning shops rather than big box stores, waterfront-centered restaurants, meeting places and parking in the waterfront area including a garage on the WSDOT property. She also recommended the City require all the development be indoors and mimic the design of the old hotel in Edmonds, visible in photographs at the Edmonds Museum.

Bob Brown, Lynnwood, Vice-Chair, South County Senior Center, thanked the City for its \$60,000 contribution in 2008 for operating the Senior Center. He assured the four new officers and the Board of Directors would work hard to continue to earn the trust of the Council's and all the members of the South County area. Speaking as a private citizen he explained any property redevelopment in the waterfront area would impact the current location of the Senior Center; therefore, the members were very interested in any redevelopment plans. As a retired Edmonds School District teacher, he commended the high school students and their teacher for their design proposals. He commented the waterfront redevelopment was important to current citizens but also to future generations. He encouraged the Council to be visionary in this process, acknowledging the difficulty of planning 10-50 years in the future. He urged the Council to consider what the City would be like in 50 years, what kind of people would live here, and what citizens would want, noting the redevelopment of the waterfront was one of the most important decisions this Council would make. He urged the Council to be deliberate, thoughtful, to take adequate time, not rush to judgment and give the process their total involvement. He recommended retaining the current zoning and existing building heights. He urged the Council to consider environmental issues; the area's rainy, windy climate; and that view corridors between taller buildings often created wind tunnels.

Janice Freeman, Edmonds, complimented Council and the staff for bringing Mark Hinshaw, an internationally recognized expert on urban living, into the discussion regarding the waterfront development, for his advice regarding the direction the city should proceed and the benefits of such an approach. She recommended the Council should weigh the benefits against the risks; potential risks include climate change and the possible increase in the sea level. She quoted from a report by Governor Gregoire's Climate Action Team, "Leading the Way on Climate Change, the Challenge of Our Time" dated February 2008, "...it is vital that state and local governments avoid putting facilities and residences into relatively undeveloped areas that are at significant risk to sea level rise." She commented the community dialogue was missing the advice of an expert on sea level change in Edmonds, noting this expertise was available via the University of Washington Climate Impact group. She urged the Council not to overlook this important aspect and to do adequate due diligence.

Robert Freeman, Edmonds, expressed support for Mrs. Freeman's ideas. Due to the momentum behind the development, he presented his vision of how development might occur, first, by the end of the period of development citizens will be able to look at the area and perceive a unified, harmonious, whole that was at least reasonably in harmony with the more densely settled portion of the Edmonds bowl. He emphasized that the appearance of a unified, harmonious whole mattered more than building style or height. The current pattern of multiple ownership posed a problem that must be overcome to avoid the "plopped down" style of development as has occurred in many areas of rural, unincorporated Snohomish County where multiple developments with little common architectural features appeared to be plopped down next to each other without any consideration to how they looked next to each other. He recommended the City take a strong leadership role to bring about and enforce an agreement that would result in a unified, harmonious whole. This would require a long term contract to provide the community assurance that that the result would be as planned and would ensure the developers/owners that what was planned would not be taken away by future changes to the Comprehensive Plan.

Second, he was impressed by the proposal to achieve the highest LEED standard for the former Skippers property and although that was a great beginning, it was only 1.5 acres. He noted the organization that promotes LEED recently developed LEED for neighborhood development LEED ND, a rating system that integrated the principles of smart growth, urbanism and green buildings with national standards regarding neighborhood design. Factors of LEED ND include enhancement of wetlands, proximity to water and wastewater infrastructure, transportation facilities, groundfield development, solar orientation, certified green buildings, etc. He urged Council to create a development plan for these three properties as well as the adjoining Edmonds Marsh, Edmonds wastewater treatment plant which could be powered by

solar energy in the future, and the remaining property at the former Unocal site to create one of Washington's first LEED neighborhood development areas.

Fred Bell, Edmonds, President of the South Snohomish County Historical Society, commented approximately two weeks ago he heard a rumor that the house at 6th & Main had been sold and the new owners were willing to give the house to anyone willing to move it. He noted although the Museum would love to have the house for an annex that was unlikely to occur. As a result they were seeking a site for the building, preferably on 4th Avenue North between Main Street and the Edmonds Center for the Arts; thus far no vacancies have been identified. Acknowledging that development of the waterfront parcels was inevitable, he requested the Council dedicate a portion of the land to a heritage village. He had envisioned the house at 6th & Main relocated to the Skippers property and used as a welcome center and/or multi-use facility, pointing out it would be the first thing people exiting the ferry would see and it would be visible down Sunset Drive. After learning the Skippers property had been sold, he suggested relocating the house to the WSDOT parking lot. He summarized the Historical Society would continue seeking a location for the house and hoped the community would assist them.

Mark Ukelson, Seattle, a business owner on the waterfront, commented despite differences of opinion, everyone wanted Edmonds to evolve into a strong community with quality services. He noted when describing what made a strong community, most people identified their home, the schools, the parks, the restaurants, shops as well as the quality of the City's services. He pointed out the importance of mixed use to building a strong community, mixed use that included services, offices, open spaces, walkways, artwork; everything that people did during the day and built in a manner that encouraged the public to connect with one another. He noted the properties were currently developed with only buildings and parking lots indicative of strip malls which tend to isolate communities, keep people in their cars and prevent them from connecting with each other and are not environmental. He cited Lynnwood as an example of strip mall development, doubting that a strong community like Edmonds wanted a strip mall on this site. Recognizing there were many people adamantly opposed to any changes in the zoning that would allow taller buildings, he pointed out that using building height as a criterion for creating a strong community was the wrong conversation as the issue was not buildings but connecting the community. He noted the existing buildings on the waterfront were 3-5 stories, many of them constructed when Edmonds' population was lower. The population of Edmonds in 20-30 years would be significantly higher and redevelopment should provide an environment that allowed the community to connect. With regard to the quality of the City's services, he pointed out the increase in the cost of services was outpacing the ability to tax citizens and eventually those services would be reduced or eliminated. If the citizens wanted a strong tax base they needed a development that promoted that. He pointed out for small businesses to prosper, they needed not only customers who work and shop at the development, but also people who lived in the development who shopped or used services in the evening.

Ruth Shimondle, Edmonds, observed the plans were presented as a solution to future population and job growth and she questioned how the plan involved Edmonds as a whole, such as neighborhoods like Westgate or Five Corners. She questioned how those areas were involved and why efforts were concentrated only on the bowl when growth would occur everywhere. She commented Edmonds was a beautiful place and could be the Sausalito of the north. She envisioned this unique site could be attractively developed even under the current building heights. She was impressed with the high school students' proposals.

Lora Petso, Edmonds, advised the slide she displayed at last week's Council meeting of the brick wall on the Skippers site was available via the City Clerk. She thanked the high school students for their fantastic projects and encouraged the Council to retain some of their great ideas such as the elevated amphitheater, the art in the arrival area and creative ideas for handling stormwater. She hoped those concepts could be incorporated into development of the site. She urged the Council not to accept

condominiums over retail at this location unless forced to by a totally code compliant plan. She noted the Comprehensive Plan called for a mix of uses at the site and did not require mixed use such as condominiums/retail. She anticipated accepting that development pattern would kill downtown and/or force merchants to move from downtown to this development. Pedestrian corridors and view preservation were a great solution on the south portion of the property along with cultural/tourist/museum attraction/heritage village/sports fields.

Ms. Petso noted the wrong way to achieve community needs would be to accept a “puny little pedestrian feature” along Main Street in exchange for towering condominiums that shadow the feature. The right way to achieve the community’s needs would be to work with one or more property owners that recognized the community’s needs and would create a development that put the public first. If that was not possible, she recommended the City purchase the property via a combination of REET revenue, land swapping, grant funding, etc. As the use of REET revenue was restricted to projects identified in the Capital Facilities Plan, she recommended the Plan include a Waterfront Master Plan property acquisition line item, a Waterfront Master Plan development line item, a Cultural tourism project line item, drainage facility or sports field on the south property to make the projects eligible for REET funding. She questioned recent projections that REET revenues would be less than \$1.4 million, pointing out the Park Acquisition fund received \$750,000 over fixed expenses per year. With regard to the second half of REET which also generated \$1.4 million per year, she noted Council chose to devote funds in excess of \$750,000 to transportation. She envisioned the difference between \$750,000 and \$1.4 million was more than the Council anticipated would be necessary for transportation projects. She also questioned the “red herring” that the City could not afford to maintain the property and that public ownership would eliminate revenue. She envisioned the \$2000-\$3000 in property tax revenue per unit could be more than made up by revenue from visitors coming to play soccer on the fields or coming to a development as spectacular as envisioned by the high school students.

Joan bloom, Edmonds, member of the CG33, expressed concern with statistics that supported an urban village. She pointed out the difficulty of predicting what Edmonds would be like in 10-30 years, envisioning fiber optics would bring an influx of young people. She was also concerned with the environment, and referred to the policy proposed by Councilmember Wilson last week regarding green development. She pointed out it did not matter how green a building was, the environment where the building was located also needed to be considered. One of the ideas from the ACE meetings was daylighting a stream through the properties to Puget Sound, similar to the canal concept. She recommended consideration be given to the serious drainage problem on the site. She expressed concern with parking and traffic created by 750 residents of an urban village in an area that already had parking and transportation issues and recommended transportation issues be addressed before any development occurred. She displayed a phased development for the site where the Skippers site would be a museum/heritage park/visitors center; the Antique Mall site would be a destination with public market/ arts studio/craftsman on the first floor and a public park and eateries on the top floor. She also envisioned a stage, a play area for families, wading pool, rooftop café over the visitors center, bike and walking trails, overpass to the Senior Center, shuttle from downtown to the waterfront and to each neighborhood and parking in the Harbor Square area or WSDOT property. The second phase would include an urban village with slightly taller buildings on the Harbor Square site. She clarified the first phase would be two stories within current heights

Alvin Rutledge, Edmonds, commented on the increasing popularity of the game cricket, envisioning it may take 4-5 years to reach the United States. He stressed the importance of providing a gateway and a destination such as a cricket facility on this site.

Bob Rinehart, Edmonds, thanked Mayor Pro Tem Plunkett for his prompt and encouraging response to his email regarding the importance of civility in this dialogue. He commended the Council for the

statement they developed with regard to this area and their pledge to be proactive, work collaboratively, and move forward expeditiously with this public process. With regard to positions, he commended the Council for soliciting, listening to and respecting the numerous ideas proposed by the community. He was concerned that several of the citizens' positions had been stated in a manner that gave the impression they were entrenched positions and he was uncertain how the community could come together if people were unwilling to compromise. With regard to realism, he commended Councilmember Wambolt for his opening remarks that brought clarity to the discussion. He urged Council to continue that effort, commenting although there had been many good ideas expressed, money talked. If the intent was to purchase land, construct and maintain buildings using taxpayer money, he recommended the community be provided further information regarding the bottom line. With regard to process, he commented although this had been a great opportunity for the community to state their wishes, he questioned if the winner was the one that was the most mobilized, the most organized and was able to make the most frequent presentations to the Council. He hoped Council could find a better way to reduce the well intentioned positions into a way of moving forward.

Mayor Pro Tem Plunkett commented the Council kept track of citizens' comments via the minutes, the meeting broadcast and the audio tapes.

Michael Mestres, Edmonds, commented it was his understanding that should the upcoming EMS levy pass, it would fund 75% of emergency medical services in Edmonds. The remaining 25% would come from the City's General Fund. He was certain all would agree that a fully funded, robust EMS, police, fire and public services were essential to Edmonds. At the opposite end of the spectrum was the Edmonds Center for the Arts (ECA) that fulfills the Comprehensive Plan's intent of creating culturally significant facilities for the benefit of all Edmonds residents. The ECA was a valuable cultural centerpiece that the City was fortunate to enjoy; however, for the ECA to thrive and grow, significant funding from citizens and the government would continue to be necessary. He noted an energized cultural facility such as the ECA was essential to the citizens of Edmonds as were streets, sidewalks, parks, streetlights, reserve funds for repairs and when construction costs escalated, etc. As a member of the WG33, it was his sense that the single most important aspect of the Harbor Square neighborhood district, more than views or heights, whether to maintain existing zoning or what city uses would be proposed, was how the City would pay its way in the future. He pointed out citizens could only be taxed to a certain level, bonds/levies were a possibility but not as policy, and grants required City matching funds. Whether an urban village or a redesigned strip mall was developed on the site, the City continued to face great economic challenges. He did not envision Harbor Square would be the single economic boon that would fund the city's many needs, but limiting the potential of Harbor Square was counter-intuitive to the real needs of Edmonds in the coming decade.

Heather Marks, Edmonds, referred to the Project for Public Spaces website, an organization that had done work throughout the world on creating communities. One very relevant section was "Where Waterfronts Go Wrong" that outlined eight common problems. She highlighted one problem, that too often decision-makers hungry for solutions latched onto uninspired designs and development plans that restricted public views. She noted the high school student's plans addressed many of these problems. She highlighted another problem that a process driven by development and not by the community. Many waterfront planning efforts were led by development corporations; but when development was the primary objective, public goals and public process got left behind. As with any public space the knowledge and desires of the community should be the framework for changing waterfronts. Development was a necessary part of the process but not the only point; it should fit within the community's vision not override it. She urged the Council to visit PPS.org to read the recommendations regarding successful waterfronts and how development could go wrong.

Susan Paine, Edmonds, referred to the students' proposals, in particular the one with the green amenities, the art park, connections to the train and public transit that captured the concepts of sustainable, green development that low impact development could bring to the City. She noted the use of natural features such as the bioswales was an excellent way to address the difficult water problem on the site. The development would provide people a designation and address retail space needs, the connection to the water, providing a walking environment in a downtown area, and bring people into the City. She did support any changes to the current zoning or the existing heights, noting the students' design captured the community's vision in a very appropriate manner. She encouraged the Council to consider water flows on the site and allow opportunities for pervious pavement so that development did not create water problems that burdened City systems or created transportation problems. She commented on difficulty reaching the train station last year due to water problems.

Rebecca Wolfe, Edmonds, a volunteer for the Sierra Club and Futurewise, spoke for herself as well as Kristen Kelly, Futurewise, who was unable to attend tonight's meeting. She noted the Sierra Club's top priority was to stem global warming. She pointed out Mayor Haakenson had joined the U.S. Mayor's Climate Protection Agreement and formed a citizen's Climate Protection Committee, a group of citizens interested in doing what was best for Edmonds. She recommended social, cultural, environmental and economic issues be addressed in a systems approach. On behalf of Futurewise, she explained they were very much in support of mixed use and transit oriented development. She recommended consideration be given to ways to get people out of their cars and onto mass transit to reduce the dependency on fossil-based fuels. She urged the City to be carbon neutral and be a leader in environmental issues. She suggested making documents such as the Comprehensive Plan, zoning ordinance, Shoreline Management Plan, business district plans, etc. easily accessible on the City's website, noting much of the anger heard at city and county council meetings was the result of frustration regarding the lack of reliable information.

Bill Moran, Edmonds, commented he was first introduced to Edmonds fifty years ago via the views from Edmonds Way, 5th Avenue and Main Street. When he purchased his home, he had a view and his property taxes were based on that view; his view has since been obliterated by trees on neighboring properties. As a retired Vocational Director for Edmonds School District, he was impressed by the work done by the high school students. He urged the Council to take note of the students' work as well as consider the many different things that the citizens of Edmonds needed. He suggested the Elm Street Park be leveled somewhat and a bowling green installed.

Barbara Chase, Edmonds, advised she had attended various meetings regarding the waterfront redevelopment and read many City documents. A recent article regarding vibrant town centers, written by a planner, identified many of the things Edmonds already has - a main street that others envy, pedestrian-oriented streets, and a community where people who live and work have a sense of belonging. She noted when reading the City's long range plans, the importance of the area between Main Street and James known as Skippers and the WSDOT parking lot was identified. She recommended a long range vision for that area due to the uncertainty regarding relocation of the ferry terminal and to ensure development reflected the City's vision. She recalled a former Mayor stating his one regret from his term was where the treatment plant was sited. She recommended the City purchase the Skippers site, commenting in view of the recent \$250,000 expenditure for a skatepark, the \$1 million cost was not infeasible. She recalled Councilmember Wambolt's comment that Mr. Gregg indicated he would not sell the property; however, her conversations with him indicated he was willing to sell the property. She summarized 100 years ago the citizens of Seattle paid the princely sum of \$100,000 for a wooded site owned by the Phinney family that was now the site of the Woodland Park Zoo. She recommended the City purchase the Skippers site for the benefit of the Edmonds citizens and the surrounding area, doubting the Council would regret that action.

Roger Hertrich, Edmonds, commented the community turnout and their comments typified a small community and were reminiscent of a town hall or grange meeting. He commended the work done by the high school students, noting their plans could probably work on the site and reflected what all audience members wanted to see on this site. That consensus should confirm what the Council should do with this property - purchase it. Only via the City purchasing the property could development occur in a manner that the community wanted. He encouraged Council to move forward with a bond issue, envisioning the community would support it. He referred to the Parks Comprehensive Plan that would soon be presented to the Council and urged the community to request the Council designate a park for this area. He referred to the radius circles on the Park Comprehensive Plan map, recalling there was no plan for a park in this area. He questioned the promises made by Mr. Gregg regarding development of the Skippers site, recalling his community meeting reflected development of the Skippers and the WSDOT property. However when questioned later by the Council, he indicated he was unable to talk about the negotiations with WSDOT.

Jack Bevan, Edmonds, commented he was known as the Port curmudgeon because he watched over how taxpayers' money was spent. He assured he was not anti-park, pointing out he organized an annual clean up of a park in north Edmonds and when he was on the City Council they acquired 120 acres from the University of Washington that was later turned over to Snohomish County due to the cost of maintenance. He pointed out the City had 62 parks and a maintenance budget of \$1.2 million and envisioned the assessed valuation of the City's parks, particularly due to the large amount of waterfront, was more than any other city of Edmonds' size on Puget Sound. He stressed the importance of determining whether the public supported purchasing the property via a bond issue, pointing out otherwise the City could not afford it.

Hearing no further public comment, Mayor Pro Tem Plunkett closed the opportunity for public comment. He recalled when the Council discussed this at the retreat, the intent was to have a community discussion/forum, which was the reason the Council was lenient with the three minute limit. He expressed the Council's sincere appreciation for the community's participation.

Councilmember Wilson reflected on the comments made tonight, comments he has received over the last several weeks, while on the WG33 and during his campaign. He believed citizens got the government they deserved and sometimes got bad government because they were not paying attention, made bad choices with regard to cost/benefit, etc. and it was often difficult to educate the public regarding what was in their best interest. He came to believe in the last week, reinforced by many of the comments made tonight, that it was worthwhile to put before the voters a bond issue for some level of acquisition of some part of this property. He acknowledged he did not previously support acquisition because the City did not have the money but if the community was willing to pass a bond/levy for the purchase as well as maintenance and operation, that changed everything. He anticipated a majority of the Council would be willing to purchase the property if the community was willing to tax themselves. He acknowledged it would require a significant tax increase and that it was not a good time for such an increase and by the time a bond issue could be placed on a ballot likely a year from now, the timing would not be much better.

Councilmember Wilson encouraged the public to continue to communicate their interest to the Council, envisioning there would be multiple ways to kill this and only one way to accomplish it. He envisioned a public facility that would be a draw would require continued, vehement, enthusiastic participation from those in the audience, stakeholders, and those viewing the Council broadcast. He assured he had heard the community's desire for a public place, although it was a long way from happening. He was excited by the energy in the room, recognizing that it was unique and hoping there would be more in the future.

Councilmember Orvis commented he had always been skeptical that a height increase was needed on the site and to him that had not changed; development was doable within the current heights. His goal on the site was retail, and open space consistent with Edmonds' small town character without increased height limits. He compared the Port and property owners' efforts to the Heartland study which contained a suboptimal example of a 2-story development. There were also aspects of the City's topography, slopes, and how condominiums were assessed in the 2-story example that caused him to doubt the study. He noted there were many things that could be done to enhance the quality of a 2-story development and make development worthwhile for a property owner such as trading consolidation of commercial space in return for better commercial space, allowing ground floor residential to increase the density of the site in exchange for open space, trading parking for open space, creative use of rights-of-way, etc. He did not object to a bond issue, commenting in general the Council did not ask citizens often enough to fund specific expenditures. He envisioned a bond issue could engage public and private funds for a development such as the one proposed by the high school students that was within current height limits.

Councilmember Orvis was supportive of protecting the local environment including preserving the wetland and addressing the potential liquefaction issue. He referred to the concept that density preserved the environment by reducing sprawl, assuring that Edmonds met its GMA goals and had allowed increased density throughout the city such as allowing condominiums in neighborhood centers, increased densities on Hwy. 99 and Edmonds Way. He acknowledged he did not vote in favor of all those developments but his disagreement was usually a matter of degree and not the location. He did not envision development of the Harbor Square/Antique Mall/Skippers sites as an opportunity to reduce sprawl, instead the focus should be on preserving Edmonds charm and views. With regard to the inevitability of progress, he did not see progress as taller buildings and higher density nor was it inevitable for every site in Edmonds. He reiterated the City's efforts to increase density and housing choices in Edmonds to meet their GMA goals. He hoped when his grandchildren visited the site, their first comment was regarding the view of the Olympics and then that it was a cool site. He wanted the views preserved as that as well as the small town charm that made Edmonds special.

Council President Pro Tem Dawson thanked everyone who attended and spoke at tonight's meeting as well as those who wrote to the Council and shared their detailed vision for the site, particularly the high school students. She pointed out this process revealed a great deal could be done with the properties if the primary goal was serving the public with a secondary goal of economically viable development. She acknowledged there were different goals for the property with regard to economic viability, a developer's short term profit versus sustainable development that would result in a tax base and investment in public amenities that would improve the community and encourage people to work, live, dine and shop in Edmonds. She commented although this was a great opportunity to enhance the community, capitalizing on that opportunity would require willing partners, either developers/property owners who were interested in developing a public amenity, property owners who were willing to sell the property to the City or to another developer who shared the City's vision or property owners who were willing to partner with the City in a vision/development that would include some public investment. She recommended the City further explore the property owners' willingness with regard to these issues.

Council President Pro Tem Dawson favored not simply rejecting the option of purchasing property, commenting there were a number of ways to finance the community's vision including a vote of the people. She remarked there were many issues the voters were asked to vote on that were not as important to the community such as the County Council's consideration of a vote to fund a \$165 million justice center project. In comparison, the investment of \$16 million, should that be determined to be the appraised value of the property, was a small price to pay to invest in the future wellbeing of the community. If the Council planned to pursue funding, she pointed out the need to consider not only funds for acquisition but also development. She commented a park on the site may not be the best option as that

implied it would be simply open space and the public seemed to be interested in shops, restaurants, etc. in addition to green space, public art, etc. in an environmentally sensitive design.

She agreed with Councilmember Wambolt that the City was not free to pay whatever the property owner asked for the property; the City could not spend taxpayer dollars to acquire property for an amount greater than the assessed value of the property, thus the need for willing partners and the need to determine the appropriate price or what other partnership may be available. If the developer wanted to proceed with development on their own, the public has expressed support for developing the site under the existing codes. She agreed there was no need to rush to change the zoning, particularly without a site specific plan. She concluded this site was too important to leave it to chance that a change in the zoning would result in something wonderful and envisioned something wonderful would result via a master plan for this area. She acknowledged this property had great challenges due to the water table and environmental issues including the potential rise in sea level, but there were also great opportunities due to the proximity to transit and the views. She applauded her fellow Councilmembers for the statement the Council developed at the retreat regarding how to proceed, observing the Council was proceeding in that manner.

COUNCILMEMBER BERNHEIM MOVED, SECONDED BY COUNCILMEMBER ORVIS, TO EXTEND THE MEETING FOR 30 MINUTES. MOTION CARRIED UNANIMOUSLY.

Councilmember Wambolt suggested the City have the property appraised, determine whether the property owners would sell the property for that price and if they were willing, assess the magnitude of the tax increase that would be required. He pointed out any tax increase would be in addition to what voters approved for a Snohomish County Justice Center as mentioned by Council President Pro Tem Dawson. With regard to the height increase, he noted he was elected to the Council due to his opposition to taller building heights in the retail area of downtown. As a result of his involvement in the redevelopment proposal for the past 18+ months via the Port's process, he was convinced there was justification for somewhat taller buildings on these sites, not to the magnitude as suggested this summer but something higher than 25 feet. He commented the height limit for the Skippers and Antique Mall properties was 25 feet, the same as the retail area of downtown and the height limit of Harbor Square was 35 feet. However 25 feet near the waterfront was not the same as 25 feet in the downtown area because the high water table allowed a maximum of 5 feet of excavation for parking. This required an additional 5 feet above ground to accommodate parking, leaving only 20-feet for a building. More importantly, his study of property values indicated since 2004 total property values had increased approximately 66%; of that, 66% was an increase in the land value; improvements had increased at much slower rate. He pointed out an increase in the land value of that magnitude meant that developers must develop more saleable space to amortize it over the price of the land thus the developer needed more height. He acknowledged rents could be raised but doubted rents could be raised by that magnitude. He favored consideration of some reasonable increase in the building heights.

Councilmember Olson commented the Council was at the beginning of the process. She expressed appreciation for the high school students' proposal, noting their models made it easy to visualize what could be developed on the site. She hoped whatever the developers proposed was presented in a similar manner so that the public had a good idea of what it would look like.

With regard to the tax burden, Councilmember Bernheim pointed out as result of the Tim Eyman initiative, the state and local tax burden on taxpayers was about the same as it was prior to passage of the Eyman initiative. He sympathized with complaints about the tax burden but did not want it exaggerated in order to reach a sensible conclusion regarding taxpayers' responsibility to bear the expense of public benefits. He voiced his agreement with Councilmember Orvis' comments. He noted other than the student projects, there had been little creative thinking with regard to how to create dynamic, desirable spaces within the existing height limits. With regard to the price of the property, he supported the

suggestion to have the property appraised. He pointed out the property flooded during ordinary weather, was adjacent to a railroad track with increasing numbers of trains, and was subject to a zoning that limited the height to 25 feet which made him question whether the \$16 million value accurately calculated the developable square footage under the current zoning. He commented the \$16 million price for the property cited by Mayor Haakenson was only intended to mislead the people.

Councilmember Bernheim observed the Council was moving forward deliberately and he agreed there was no need for frenzy or haste. He was overjoyed with the orderly presentation of the public's viewpoints and the open public process that ensured everyone's views were considered. He noted via that process, even those who disagreed with some aspects could live with the outcome because they felt their viewpoint had been considered.

Councilmember Wilson recognized that land was not getting any cheaper and that partnerships with stakeholders would be key. He recognized Bill Angle who offered his services to the City and Mr. Gregg who was still in the audience, indications of the tremendous interest and willingness of stakeholders to listen to the conversation.

COUNCILMEMBER WILSON MOVED, SECONDED BY COUNCILMEMBER OLSON, TO EXPLORE BY MAY 6 THE COST AND PROCESS FOR A BOND RELATED TO ACQUISITION AND DEVELOPMENT OF AN ARRAY OF OPTIONS FOR PURCHASING SOME PART OF THE THREE PARCELS, EXPLORE OPTIONS FOR A M&O LEVY, CONSIDER ANY POTENTIAL LOST REVENUE FROM PUBLIC VERSUS PRIVATE FACILITIES AND ENGAGE STAKEHOLDERS TO ENSURE THEY WERE WILLING PARTNERS.

Mayor Pro Tem Plunkett relayed Community Services Director/Acting Economic Development Director Stephen Clifton plans to schedule a presentation to the Council in 2-3 weeks regarding options. Mr. Clifton commented the information that was now being requested was a different scenario and although staff could perform the tasks Councilmember Wilson suggested, he requested staff have an opportunity to determine how long it would take, anticipating May 6 would not provide enough time.

Council President Pro Tem Dawson suggested staff provide an update to the Community Services/Development Services Committee next week regarding their progress in gathering the information and that the Committee discuss parameters for considering the huge range of options. Councilmember Wilson suggested staff also provide a more appropriate date at the Community Services/Development Services meeting.

Councilmember Wambolt advised he would oppose the motion, finding it premature as the Council had not had adequate time to discuss what they wanted to do.

MAYOR PRO TEM PLUNKETT MOVED, SECONDED BY COUNCILMEMBER ORVIS, TO TABLE THE MOTION SUBJECT TO THE COUNCIL PRESIDENT WORKING WITH STAFF TO BRING IT BACK IN CONCERT WITH OTHER ITEMS INCLUDING DISCUSSION AT THE COMMUNITY SERVICES/DEVELOPMENT SERVICES COMMITTEE AND RETURNING IT TO A FUTURE AGENDA AT THE COUNCIL PRESIDENT'S DISCRETION. UPON ROLL CALL, MOTION CARRIED (5-2), MAYOR PRO TEM PLUNKETT, COUNCIL PRESIDENT PRO TEM DAWSON, AND COUNCILMEMBERS ORVIS, WAMBOLT AND BERNHEIM IN FAVOR; AND COUNCILMEMBERS WILSON AND OLSON OPPOSED.

With regard to Councilmember Bernheim's comment regarding the \$16 million price cited by Mayor Haakenson, Councilmember Wambolt assured Mayor Haakenson had not invented that number, it was the price provided in a letter from the property owners. Whether the property was worth that much, that was the amount the owners were willing to sell the property for. If the property owners were willing to accept

the appraised value, it was likely to be at least \$9-\$10 million as that was the assessed value of the property according to the Snohomish County Assessor. With regard to Councilmember Wilson's statement that property values would only increase, he commented that was not necessarily true anymore and property owners should not be surprised if their property values decreased. He cautioned the public not to expect their taxes to decrease because as values decreased, the tax rate would increase to offset the lower value.

5. AUDIENCE COMMENTS

Stevens
Hospital

Alvin Rutledge, Edmonds, advised Mayor Haakenson met once a month with Michael Carter, President & CEO of Stevens Hospital, to discuss issues. He recalled Mr. Carter's statement that discussions regarding rebuilding a hospital always included the possibility of relocation. However, a Board Member assured the topic of relocation had never been considered by the Board. Mr. Rutledge assured Stevens Hospital was not moving although some audience members had suggested it move to the waterfront property.

Independent
Panel

Natalie Shippen, Edmonds, commented the concept of a waterfront hospital was not totally without precedence, recalling a hospital in Hawaii with a view of Diamond Head. She explained she had proposed a panel of independent citizens due to her fear of what had happened tonight - motions that did not get passed, disagreement over what should be done, and a Mayor that was not in favor and did not control his staff. She reiterated her suggestion for an independent panel to whom the Council could direct their questions.

Crosswalks

Roger Hertrich, Edmonds, reported on a crosswalk on Caspers Street between 9th and 3rd Avenue that needed to be repainted. Although he had reported this previously to Public Works, they apparently had a painting season or only painted crosswalks as time allowed. He reported seeing a near miss when an elderly woman used the crosswalk and other occasions when pedestrians had to step back when traffic did not stop. Next, he recommended Mayor Haakenson be kept out of any property negotiations. He also suggested the Council consider a parking lot for ferry commuters on the WSDOT property if the ferry terminal did not move. He commented there was also the possibility that WSDOT was interested in acquiring the Gregg property.

Parking Lot
for Ferry
Commuters

6. MAYOR PRO TEM COMMENTS

Mayor Pro Tem Plunkett had no report.

7. COUNCIL COMMENTS

Council President Pro Tem Dawson reiterated her thanks to everyone who attended and spoke at tonight's meeting, remarking it had been a good discussion. She spoke in favor of also partnering with the Port and the importance of looking at all the parcels at one time.

In Mayor Haakenson's defense, Councilmember Wilson assured Mayor Haakenson managed his staff very well, had his full trust and the trust of the vast majority of the citizenry. With regard to Ms. Shippen's suggestion for an independent panel, he pointed out the decision would still be made by the Council and there would still be differences of opinion. He was hopeful in 2-3 weeks there could be clear direction to the Mayor and staff to allow the process to move forward.

Councilmember Orvis praised the models provided by both groups of students.

REET Revenue

Councilmember Wambolt commented the City did not have the REET revenue that Ms. Petso seemed to think the City had. He agreed the City collected \$1.4 million in REET in 2005, 2006 and 2007. However, although the budget for 2008 was \$1.4 million, projections were for approximately half that amount due to declining real estate sales. For example, he pointed out construction at Pt. Edwards had stopped to allow them to sell their inventory of condominiums; when condominiums did not sell, the City did not collect as much REET revenue. He assured all the REET the City expected to collect had been accounted for in the capital budget.

Sister City
Hekinan, Japan

Councilmember Olson explained Mayor Haakenson was absent because he was leading a citizen delegation along with Parks & Recreation Director Brian McIntosh to Hekinan, Japan, Edmonds' Sister City, to celebrate Hekinan's 60th anniversary.

Councilmember Bernheim thanked the high school students for their models, noting they were a great inspiration and everyone was very impressed with their work.

8. ADJOURN

With no further business, the Council meeting was adjourned at 10:39 p.m.