

MINUTES

CITY COUNCIL RETREAT AT THE SENIOR CENTER

MARCH 26, 2005

ATTENDANCE:

CITY COUNCIL

Mayor Bob Sheckler
Maggie Steenrod
Gary Peterson
Susan White
Scott Thomasson
Dan Sherman

CITY STAFF

Tony Piasecki
Judith Kilgore
Joe Dusenbury
Patrice Thorell
Roger Baker
Paula Henderson
Tim Heydon
Linda Marousek
Dave Steen

OTHERS

Darrell Vange, consultant

At 10:07 a.m., **Mayor Sheckler** called the meeting to order and asked Mr. Vange to begin.

STATUS REPORT AND POLICY DIRECTION—ECONOMIC DEVELOPMENT STRATEGY

Mr. Vange referred to the Core Decisions Memo (dated 3/26/05) circulated earlier with the Agenda. He recalled that the Council had reviewed portions of the document at the March 10, 2005 City Council meeting. He noted that he was not looking for final decisions today, but for discussion about the merits of different ideas. He said this would feed into his final document, an “Economic Development Strategy.” He reported that he has about one month of work budget left and is ready to conclude his work.

He indicated that the Council had seemed to perceive some ideas in the document as good or bad, but asked that all perceive it as a strategy made of many elements. He said some can create revenue, some are capital investment strategies and emphasized that the City needs to find the funding to do what it wants. He encouraged the Council to look at the whole picture.

Director Kilgore reiterated that we are looking for direction for the draft strategy, looking at both City revenue and the market perspective.

Mayor Sheckler affirmed that Mr. Vange and Director Kilgore needed the City Council’s guidance.

Mr. Vange mentioned that the last City Council meeting had discussed two or three issues, including Pacific Ridge Residential Zoning. He said the guidance had been to bring in some recommendations, including Commercial Zoning as well. Then, he recalled, the discussion had moved to City-wide residential issues. He emphasized that the residential nature of the community is an image of the character of the community and presented three suggestions for possible action:

1. Change Zoning to allow for more high density single-family homes, a more popular market area.
2. There is an opportunity for more condos on the waterfront with no changes needed from the Council. High density with water views will always be popular.
3. It is admittedly contentions, but 10’ could be added to building height in some spots between Marine View Drive and 6th Ave. S.

Councilmember Thomasson asserted that Mr. Vange does not understand our downtown building height. He stated that some buildings are already 45' high and asked if nobody downtown has the right to see beyond the next building.

Mr. Vange responded that he thought he did understand downtown building height and suggested that with his suggestions, buildings would still "cascade" toward the waterfront. He continued by saying that the City's opportunities are along Marine View Drive and the Waterfront. He suggested that the best way to support growth in the business area is to put more residential nearby.

Councilmember Steenrod pointed out that other cities have revitalized such areas because people live there.

Mr. Vange noted that residential development downtown is not economical, since rents would need to be about \$1.40 per s.f., while ours run around \$1.10 per s.f. He also mentioned that a requirement of 2.2 parking units per residential unit put further cost penalty on developers. Additionally, he suggested we not require ground floor commercial on 6th Ave. S. and 7th Ave. S., since there is more than enough commercial capacity available on Marine View Drive S. Rather, he said he thought we should allow Multifamily on the two lower streets.

Mayor Sheckler said he was seeking a way of addressing Councilmember Thomasson's concerns.

Councilmember Thomasson added that allowed heights from the sidewalk on 7th Ave. S. were 35 ft. on both sides of the street.

Councilmember Sherman said he agreed with Mr. Vange about downtown zoning. He mentioned that he thought we were "over-zoned" Commercial, saying that even if the Council's vision is of more commercial development downtown, still there will never be enough to take up all the space. He affirmed more permissive zoning on 6th Ave. S. and 7th Ave. S., suggesting mixed use or multi-family.

Mr. Vange mentioned that with four-story residential buildings, apartments on those streets would not be an attractive option. But he suggested letting developers figure out what would work, including for Parking.

Councilmember Sherman asserted that his issue is with zoning. He said Parking may be a legitimate discussion, but that he is not supportive of subsidized Parking. He mentioned that people who live in condos often have three cars. He recalled an area in Seattle where parking was very restricted, on-street parking being all that was available and that was with a sticker only. He stated that such a situation would be very unfriendly to business and that this was a policy decision.

Mr. Vange responded that the Parking he suggested was commercially oriented, not residentially. He mentioned that there is some trend in our country to move away from automobile orientation, e. g. more people are taking one Bedroom apartments with allowance for only one car.

Councilmember Sherman stated that Des Moines is not well served by Metro buses and is probably not going to be. **Mr. Vange** suggested that Metro is good at assessing ridership. If Des Moines had more people, he said, Metro would come around.

Councilmember White reminded the Council that ferry transport is coming and is important to consider. She said she thought it might be excessive to require 2.2 parking spaces per residential unit.

Mr. Vange clarified that the requirement is actually 2 parking spaces per apartment, plus 10% of the total units. He also outlined the requirements in other nearby municipalities:

Burien	2 parking spaces per unit
Kent	1 for efficiency units
Renton	1, but 1.2 outside of downtown
Seattle	1.25
Tukwila	2

He recommended considering a number like 1.5.

Councilmember Steenrod asserted that the requirements of the Code are rigid and preclude many discussions that might take place with developers. She reported that developers think they cannot work with Des Moines. They think, she said for example, that if structured parking is required and costs \$30,000 per space, why do the project? She said if the land was valuable enough and that cost would pencil out, then maybe they would do it. But she suggested that the City take a more permissive attitude that would at least be more open to discussion with developers.

She continued by reporting that Everett has projects it would never have dreamed of having, the ideas for which came from a give and take with developers. She suggested that if we want people to be creative, then we should provide some parameters and let people bring their ideas. She said we might say, "Here's what we'd like, but we're flexible."

Mayor Sheckler said he assumed Councilmember Steenrod agreed with the suggestion of 1.5 parking spaces per apartment.

Councilmember Thomasson indicated he had no problem with a sliding scale parking requirement based on the size of apartment units and customized for each building. But he said it might be different for a three story building downtown than it would be for a more sprawling development. He also mentioned that multi-family developments in downtown over the last 20 years have not been studios.

Councilmember Sherman recounted the history of parking problems where he lives on 8th Ave. S., to the east of businesses along Marine View Drive downtown. He said that it is a substandard Right of Way and that 12 years ago No Parking signs were put up, but that people have continued to park along the narrow street. Therefore, he said he thought one space per studio would not be enough. He asserted that if there were not enough parking stalls at the apartments, people would park all over.

Mayor Sheckler suggested that there probably will be parking problems downtown and that the Council should at least look at general parking for people who want to live and shop here.

Councilmember Thomasson said he would like data about how many people are parking in fire zones. He asserted that Des Moines took care of the problem ten years ago by requiring 2.2 parking spots per unit. He also said that on Highway 99, we required structures for parking because we wanted something big, but that structures are not required downtown even if some have built them.

Councilmember Peterson asked if Councilmember Sherman thought the people parking along 8th Ave. S. were there visiting residents along that street or there to get access to businesses on Marine View Drive S. **Councilmember Sherman** answered that they were accessing businesses.

Mayor Sheckler asked if Council members could agree that the 2.2 parking spot policy should be reviewed. **Councilmember Sherman** said he was opposed to the review.

Councilmember Thomasson suggested that he would have to see a lot of data taken from car counts in Des Moines.

Mr. Vange asked if there was enough Right of Way to provide more parking, suggesting that it was least expensive to provide parking along the street.

At this point, **City Attorney Marousek** cautioned the Council that any flexibility would need to be specific in order to help the defense of land use decisions. She urged Council to write down specifics.

Councilmember White reminded the Council that Parking is a huge issue where she lives in Redondo, but people still come down there. She said that if parking is an obstacle to developers, then the City needs to make changes. She asserted that the City cannot afford to take the view that no changes should be made.

Councilmember Sherman offered an analogy with the nation's attempt to wean itself from dependence on foreign oil sources. He noted that some of the steps some folks think necessary, like drilling off the California coast and in the Alaska National Wildlife Reserve, are heinous to others. Similarly, he suggested, we want to avoid further vehicular congestion downtown, but some do not want to keep the policy of 2.2 spaces per residential unit.

Mr. Vange suggested that another alternative might be to decrease congestion by not providing so much parking, thereby encouraging people to walk or use other modes of transportation.

Councilmember Thomasson indicated he could not picture the downtown that was being presented. He asserted that Des Moines is a suburban center, so that when one says there is not enough demand for Commercial space, one is arguing that we just need to get enough people living downtown in order to keep the restaurants open. He asked why the City would not seek some offices that serve a broader region. He argues that if the City uses the land for apartments, then there will be no more room for Commercial uses. He concluded by saying he was hearing the need to get things built now for today's needs without thinking 30 or 50 years down the road.

Mr. Vange indicated that office uses tend to gravitate toward large urban centers rather than small. He said that even if Zoning were changed to be more developer friendly, builders are not going to come in all at once. Rather, he suggested it might be more like one or two projects per year instead of none. He continued saying that people exist who would like to live between the waterfront and a lively commercial center on Marine View Drive S. and asked why not provide that.

Councilmember Steenrod reminded the Council of the possibility of the "mosquito fleet" and asserted that if the City could make it easy to get people to the airport we should try. She asked if the City would want to put in a parking utility to take care of the cars and create income as long as we are going to have parking problems anyway.

Mr. Vange asked if potential ferry customers could use Marina parking.

Councilmember White suggested that Marine View Dr. S. is blighted with boarded up buildings. She said she thought that if people are going to buy and replace old properties, they need to be encouraged to go ahead and get the buildings down as soon as possible. She reported an Edmonds ordinance against a blighted downtown that requires owners to deal with such properties speedily.

Councilmember Sherman mentioned that a number of the blighted properties are owned by the same estate that seems unable to deal with them.

Councilmember Thomasson responded that blight was not the picture. He said he sees nice new buildings, mentioning Red Robin.

Councilmember Steenrod argued that the area is not changing significantly.

Mayor Sheckler suggested that the Council state positively what its vision is for Marine View Dr. S., 7th Ave. S. and the Marina.

Councilmember Steenrod asserted that the market drives development and that if the City does not make any changes, developers will not come.

Councilmember White noted that there is now a small grant from King County to help some businesses with their store fronts.

Councilmember Thomasson recalled other times when similar grants had been used.

Mayor Sheckler asked if growth on Marine View Dr. S. is what the Council wants.

Councilmember Thomasson indicated he was content with the 1 or 2 projects per year that have been happening. Also, he said he is not in favor of spending public money on helping businesses spruce up.

Mayor Sheckler emphasized that if it is the Council's priority to foster growth on Marine View Dr. S., then we will do what we need to do.

Mr. Vange mentioned that the Blais property does not today provide an economical project opportunity. He also said a Mixed Use development at the QFC site would probably not be economical now. He then described a visual aid he would like to prepare, including a map of downtown with an overlay of pictures of storefronts along the streets.

Director Kilgore asserted that Marine View Dr. S. development is a complex priority. She mentioned some options:

1. Call downtown "blighted" and get a grant to help with it;
2. Buy property and create a parking facility;
3. Get the QFC property redeveloped with federal aid.

She reported that Renton had bought out a lot of property with little of its own money and made many changes. She affirmed that we do have a downtown and noted a key to downtown successes, namely that people live there and the sidewalks do not roll up at night. With office development, she reminded, people go home elsewhere at night. She said she preferred the picture of people walking sidewalks in the evening and that she thinks it can certainly be better. But she cautioned the Council to be specific about its vision because of the great amount of work involved in bringing changes, from appearance codes to wholesale redevelopment.

Councilmember Sherman suggested one example of new development that does not look like it: the day care center in the south part of downtown is becoming offices of an airport concessions business.

He said the existing building, which supported a great use, is being remodeled. He suggested we have lost an important service, possibly without replacing it with anything that will produce much revenue.

He continued by asserting that the Council never has had a vision for downtown. He also reported that Spokane lost money when they built a parking garage. He suggested that, within whatever structure parameters provided, the market will build what it will build. He asked if we might want to take a community survey, recalling that the last time this was done, the general public liked “quaintness.” He also mentioned that even though people on the outside think the City is “cute,” many of our buildings are in bad shape.

Councilmember Steenrod said she thought we had a walkable, pedestrian friendly downtown with a Marina and traffic and recreational folks coming in. She asserted that if we have traffic, business will follow. She asked whether, if things are not “penciling out,” it is zoning that is making development too expensive.

Mr. Vange described a model he had created of a \$5,000,000 residential development downtown. With \$1.15 rent, 2.2 cars per unit, and packing everything into it he could, he said the project showed a \$900,000 loss. At the same rent, but with 1 car per unit, he said the loss was cut in half. Finally, he noted that with rents at \$1.40 and with 1 car per unit, there was a \$600,000 profit. He concluded that the biggest problem is low rents, but mentioned that a more attractive downtown raises the image of the community and, thus, rents. He mentioned that zoning was mainly an issue for parking.

Councilmember Thomasson questioned the wisdom of a parking garage idea since the commercial district here is so long and narrow. Further, he mentioned that the QFC block is one that is paying for itself. He said he would like to see one development per year for the next 15 years. Finally, he said the reason our rent values are low and we will see slow growth is the Airport.

Mayor Sheckler asked for help in reaching consensus for policy issues. He then called for a 15 minute break at 10:30 a.m.

At 10:45 a.m., **Mayor Sheckler** called the group back to order, reminding all of the need to provide further direction on policy issues. He asked City Manager Piasecki to provide a review of the Council’s work on the present issues to date and said he would then call on Mr. Vange, Councilmember Sherman and Director Thorell before calling for consensus among the Council.

In his review, **City Manager Piasecki** mentioned that at the March 10, 2005 City Council meeting, Mr. Vange had received direction to provide ideas regarding the first two issues listed in the “Core Decisions Memo.” At this point, he said, the Council is addressing the third issue concerning Marine View Drive.

Mr. Vange offered three comments:

1. He agrees that a parking garage is probably not wise, but believes that parking is still an issue that must be addressed and needs a creative solution.
2. He is not advocating creating five projects overnight, but creating a climate where one project per year can occur.
3. No zoning changes other than parking requirements are needed to begin the changes.
4. He said his comments have mostly focused on public environment elements, but acknowledged that Des Moines does have a true downtown.

Councilmember Sherman asked Mr. Vange about any possible conflict of interest he may have by planning to develop property here. **Mr. Vange** said that although he did have some conversations with owners of the Furney's and Ono properties, he is not the developer for their projects, so the answer is no.

Director Thorell stressed that it is important for the City Council to improve the downtown area. She recounted that Kirkland in 1979 was in much the shape Des Moines is in now, but that the City worked with businesses and twenty years later it is in much better shape. She said she envisioned the City enhancing what we have and not necessarily bringing in "big boxes." She recalled that in Kirkland all the businesses put awnings on their buildings, cleaned up litter in the streets and swept their sidewalks while the City calmed the traffic. She praised these as small image enhancements.

She asserted that Des Moines has the "it" factor, that downtown does not have to have the view because one could walk to the view. But she said it is the City's job to work with downtown businesses to help, whether it involves helping find assistance funds, cooperating in special events or improving sidewalks. She concluded by suggesting Downtown be renamed the "Waterfront District."

Mayor Sheckler said he was going to call on Council members around the table to answer the question, "Is development along Marine View Dr. S. a major City priority?"

City Manager Piasecki mentioned that if the Council decided this is a priority, then Mr. Vange will provide ideas and Staff will develop programs. Then, he said, there might be a program package which the Council can review and approve or trim.

Councilmember Steenrod suggested that Pacific Ridge is still the biggest priority because of its nearness to the freeway and the possibility of bringing in "big box" development. But she said the second priority should be Marine View Dr. S. and Downtown. She cautioned that she did not see the City spending its own money there, but using Staff to work with boosters and the Chamber of Commerce.

Councilmember Peterson said he thought something needed to be done to increase interest in development. He suggested that the City could help existing businesses in older buildings to do improvements. He indicated he supports new development with hopes that some of the requirements can be more liberal in order to help it occur. He said the pace could be slow but positive and that although we do not have public money to put into Downtown, Staff can look for grants to help.

Councilmember Thomasson said he thought the Council was overlooking Marine View Dr. S. as a transportation corridor, a state highway. He recalled that a previous Council had not supported residential development on 7th Ave. S. because it is a transportation corridor. He indicated he does not want to subsidize any development parking, that he does not oppose an LID, but the owners need to pay the cost. He said he does not see much success in solving Parking issues on a regional or neighborhood basis. He also mentioned that "What is the role of government?" is a big issue.

He asserted that Pacific Ridge development would provide a bigger bang for the City's buck. He asked if we would be making Downtown a priority for tax revenues or just to have a "cutesy" downtown. He said he thought that maybe a new business park, but certainly Pacific Ridge should be priorities. He also suggested that whether development takes place now or 15 years from now does not matter. Then he said if the Council can figure out why it wants something, then it is can find a better idea of how to do it. In conclusion, he said "No."

Councilmember Sherman asked why the Council is involved in this process. He said he assumed it is to help bring in revenues for the City. He asserted Pacific Highway S. is the City's best bet with the potential of bringing in a "big box" with concomitant property, utility and sales taxes along with added traffic. He suggested the City has something good there.

He also mentioned the need to be talking to the Port about their contract. He recalled that the Port had told the City that the limitation of uses in the buyout area has to do with an old agreement they have with the Federal Aviation Agency, but which agreement could be changed. He said that with the commercial possibilities on Pacific Highway S. and the potential for retail in the Buyout Area, that should be the Council's first concern.

Second, **Councilmember Sherman** said, should be land we own—the Marina and Beach Park. He then suggested that Downtown should be the third priority. He indicated he would want the City to show businesses it wants to keep them there. He recalled some money that had been spent on banners, on Big Catch Plaza and the boat across the street from it. He characterized these as small expenditures to say "We care."

Regarding the role of the Chamber of Commerce, he said the tension that exists is natural and acceptable, although he hopes the relationship with the Council can be improved. He indicated he would support use of Staff to help secure grants that might help local businesses.

Councilmember Sherman continued by saying his fourth concern has to do with the Accessory Dwelling Unit issue. He suggested the Council must find some areas where they can exist, according to the Growth Management Act.

Director Kilgore indicated we must allow them according to the State Department of Community Trade and Economic Development. She added that the City does have ways it can manage them.

Councilmember Sherman concluded he hoped the City could manage them well and perhaps receive higher property values and more property taxes.

Councilmember White answered, "Yes." She added several comments as well:

1. We can take the grant we have and secure an architect to help a couple of businesses improve their storefronts.
2. We should note well how many people came to town for the Wine Festival.
3. We should also note we are \$400,000 in the hole since January and do whatever we need to do to keep bringing people here. Although we do not have extra resources, we can pursue grants to help local businesses.
4. The City should join the Southwest Chamber of Commerce.

City Manager Piasecki confirmed that the Marina is a member of both the Des Moines and Southwest Chambers of Commerce.

Councilmember White concluded saying we should do whatever we can to foster downtown beautification and enlivening.

Adding his own thoughts, **Mayor Sheckler** said "Yes, yes, yes!" He emphasized that Downtown and Pacific Ridge have been priorities from day one. He suggested that image is important, that if we improve ours it will go a long way toward attracting others. He said that whatever resources we can find

would be great, and added that without dollars in the coffers Staff have had good ideas with any green light the Council has given.

Finally, **Mayor Sheckler** concluded by noting agreement from the majority of the Council on Downtown as a priority.

City Manager Piasecki reflected that he was hearing the Council calling for increasing revenue for the City. Further, he said he heard Council saying we should look for the biggest income potential, that being Pacific Ridge in #1 place, followed by the Buyout Area and Beach Park as close seconds, and Downtown as #3.

He offered one piece of information as a bright spot: real estate excise tax. He reported that the City had budgeted \$750,000 income from the tax while current projections indicated it might receive as much as \$1.2 million. He suggested that such money could begin to be targeted for Downtown and other areas.

Mayor Sheckler thanked the City Manager for a good interpretation of the Council's consensus. He stated a concern to clarify any suggestion about building heights. He suggested that the north or south ends of Downtown might be open to somewhat higher buildings, but not the central area. For example, he suggested the convenience store/gas station at the north end of town, could be different, but encouraged caution regarding any other place on Marine View Dr. S.

City Manager Piasecki asked if it was the Council's desire that Staff consider different height limitations at some spots.

Councilmember Thomasson suggested the City Manager's very question ran contrary to his own summary, which stated that Pacific Ridge and the Buyout Area were the strongest priorities.

City Manager Piasecki reiterated that he was asking whether Staff energy should be applied to the Downtown height issue or not.

Mayor Sheckler answered that he thought the study should be done so that the question could be laid to rest.

Councilmember Thomasson argued that he thought the Council had done that before.

City Manager Piasecki asked for Staff feedback about when the Downtown height issue had been worked on last.

Director Kilgore suggested that perhaps once in the last ten years such work had been done.

Councilmember Steenrod asserted that the true issue was rigidity of ordinances. She stated her confidence that Staff were not going to obliterate anyone's view and asked for agreement that there should be more flexibility in the City's rules so that Staff could at least look at reasonable requests for projects that might benefit from higher building allowances.

Councilmember Sherman responded, "Let's not destroy the Village in order to save it." He argued that the people like "quaint," and suggested that a survey be done to find out what the people want.

Councilmember Steenrod reminded the group that there was agreement that Marine View Dr. S. is a priority. She asked why some decisions could not be made to remove a few of the roadblocks to its development. She said she thought the Council would be in error not to do so.

Mayor Sheckler clarified that he was simply asking if removing height restrictions anywhere along Marine View Dr. S. makes sense.

Councilmember Sherman again suggested the Council could get a survey. He said he did not think the Council knows that answer.

Councilmember White said she thought putting out a survey might not be effective without people having some sort of visual aid. She asked Mr. Vange to share his thoughts about the question.

Mr. Vange said he wanted to sidestep that question momentarily in order to say he was not advocating the City spending money it does not have. He said any recommendations he offers are subject to “when you have time and money.”

Mayor Sheckler suggested the group now move to consideration of the Marina and Beach Park, giving the floor to Mr. Vange.

Mr. Vange affirmed the purpose of Economic Development is to create revenues for the City, some immediate, some coming down the road. He suggested the Marina represented the second type. He stated the Marina does a lot for the image of Des Moines, but does not create revenue today.

He stated his recognition that the Waterfront area is unique in South Puget Sound and that Harbormaster Dusenbury was already engaged in a worthy undertaking there. He also said that the Waterfront has more potential than any other part of Des Moines. He shared his understanding that the Marina is seen as a Department of the City that generates revenues from customers, but said he thought it could do more than that. He circulated copies of a sketch he said he had asked an architect to do, showing the kinds of things that might be seen at the Marina. He emphasized he was not trying to compete with the Harbormaster’s work, but to just provide some ideas.

He noted that on the sketch:

1. The boats were still there.
2. Parking was preserved.
3. Circulation was increased, partly by moving the repair shop from the middle of the Marina, partly by reorienting parking with a boulevard running the entire length of the Marina with a Pedestrian Promenade.
4. At the South end the Park was pushed to the water’s edge, with consideration that the present Park location be considered for some future Residential or Commercial project.
5. At the North end, there would be development of Commercial mode, like a restaurant or fish’n’chips café.
6. There is a need for connection from the North End of the Marina to Beach Park for both automobiles and pedestrians.
7. There are passages needed from Downtown to the Marina wherever possible.

He asked the group if this was the kind of Waterfront it wanted to have.

Mayor Sheckler affirmed the Marina as a resource for the Community and asked if there was any disagreement. No one offered any.

Councilmember Sherman repeated his argument that the Marina and Beach Park should be the Council's focus after Pacific Ridge and the Buyout Area. As for the boat repair yard, he suggested turning it to an advantage where it is by making it a place for the public to watch the repair process for boats. He then suggested that since there is already much public excitement for Redondo, maybe there should be more focus there for "multi-use."

Councilmember Thomasson stated that the Marina is a "dollars" question. Since the Marina has to pay for itself, he asked, if it is made more into a Park instead of a Marina, how much contribution to the General Fund would there be? Further, he questioned, could enough Retail be placed there to make it way? He also asked if a Boat Yard, which he characterized as an environmental disaster area, was necessary, though he acknowledged it as a need for people who own boats. He also questioned the presented picture as a year round use, suggesting probably not because of inclement weather.

Harbormaster Dusenbury pointed out that it is difficult to balance the requirements of a successful Marina and a public space. He suggested that the Marina Master Plan recognizes that there is the "Marina stuff," while helping the area be a place for people, too. As for the Boat Yard, he asked what was trying to be accomplished. He emphasized that it has a good operator and brings materials here from all over the area, brings sales tax and other tax money, and brings workers. He asserted that the Boat Yard is doing what the City wants. Further, he said that a large marine hardware store is offering to come in with a 4,000 sq. ft. location, just waiting now for the City's reply. He asserted therefore that if the City's primary focus is revenue generation, then the Marina is an excellent business.

Finally, he suggested that if the Council is going to make many changes, then it needs to make them incrementally so as not to undermine the revenue production of the Marina.

Councilmember Thomasson reminded the group that other businesses are in town because the Marina is here.

At 12:15, **Mayor Sheckler** asked the group to break for 30 minutes for lunch. At 12:45 he reconvened the group.

Mayor Sheckler reminded the group that discussion had left off with the Beach Park.

Councilmember White mentioned that it would be helpful to see this architect's sketch including the larger picture of Downtown. She also mentioned that the advent of a passenger ferry could be another great thing to consider including.

Councilmember Thomasson suggested that if there is to be such revision to the Marina, the Council should look at a bigger picture than the one presented. He offered the thought that the Des Moines Yacht Club might offer a place for the Boat Yard.

When **Mayor Sheckler** asked when the next Municipal Facilities Committee meeting might be, **Harbormaster Dusenbury** said it would be at the end of April.

Councilmember Steenrod agreed with Councilmember Thomasson ☺ that it would make sense to tie in with the Yacht Club. She suggested that would provide another passageway into the Marina area and noted that the Marina boat launcher is used less and less, and could possibly be replaced by the availability of the Yacht Club's boat launching ramp.

Councilmember Thomasson suggested that if the City controlled the Yacht Club boat ramp, then it would not need the sling launcher.

Councilmember Steenrod mentioned that the Marina Master Plan seems to be oriented toward boaters. She suggested that options need to be kept open and flexible.

Harbormaster Dusenbury said discussion of the Yacht Club property had gone on for a decade. He affirmed that if the Council is willing to discuss this issue, it opens many possibilities. He indicated he believed it was well worth talking to the Yacht Club about the issue.

Councilmember Sherman cautioned that the Des Moines Yacht Club owns its own property and that he would not be in favor of any hostile motions.

Harbormaster Dusenbury suggested that if the City were to discuss the possibility of providing moorage space also, then the Yacht Club might well be willing to talk.

City Manager Piasecki asked how such an approach should be made if this was the Council's wish: should it be *quid pro quo*, like a public/private partnership, or should it be a firmer approach.

Councilmember White raised the idea that the Yacht Club might entertain the idea of having some commercial establishment on the ground floor of their building, while their space could be on the floor above.

Harbormaster Dusenbury affirmed that many yacht clubs exist on public property.

Mayor Sheckler asked the City Manager and Harbormaster to start the dialog.

Councilmember Steenrod suggested they approach it as a public/private partnership.

Mayor Sheckler affirmed that it is obvious that the Marina is an asset for the entire community.

Harbormaster Dusenbury asked if the Council wants to go so far away from the present concept of the revenue producing Marina.

City Manager Piasecki emphasized that the City must keep the Marina as a thriving business.

Councilmember Thomasson suggested that it is known that the Port is working on an agreement regarding the Port properties. He warned that they will probably come to the City with questions and asking for large changes, for example, our requirements that 10% of the land be set aside as Park area. He noted that the N.E.S.T. plan did not show that. He said the City envisioned an office park, while the Port seems to want Airport related activities. He asked when the Council would be planning that conversation with the Port.

Mayor Sheckler responded that the Highline Forum would be meeting with the Port.

Councilmember Thomasson indicated he thought the discussion of Land Use was "off the table."

Mayor Sheckler said the first question had been about what the Port was going to do with the soil, and that it has been made clear they will not use it for Runway Fill. He indicated that the Port is willing to negotiate with cities, but that their grant money from the 1980's came with some requirements from the FAA, to which the Port is now looking for some guidance about the Use to which to put the land.

Councilmember Sherman suggested there could be a win/win/win (City, Port, FAA) through the City suggesting to the Port some uses that would be good for all parties.

Director Kilgore said she thinks the Port lacks answers at this point. She mentioned that the Port and Staff have had good conversations on the subject. But she emphasized that the area under consideration is a "million dollar corridor," and that the City would not want to be too hasty in reaching a conclusion about Use.

She indicated that the Land Use designation in the Comprehensive Plan and Zoning Code does not call out the corner at 24th Ave. S. and S. 216th St. as Park. Rather, she said, the upland area is all designated Business Park, while only the western area is Park.

City Attorney Marousek raised a warning that case law does not allow a government to demand 10% of the land.

Director Kilgore recognized that the City could not name a certain amount and demand it, but asserted that Transportation, Open Space and Recreation issues could still be managed. She mentioned that the Mitigation Agreement put the Park at the 216th/24th corner.

Councilmember Thomasson indicated he was simply trying to say that the Council should get sharp on the rules before negotiations begin. He suggested the need for Staff reports on the Comprehensive Plan and Zoning Code.

Councilmember Steenrod asserted that any historical decisions of a prior City Council do not have to be allowed to rule present decisions. She said she thinks the Council has an obligation to make decisions based on present circumstances.

Councilmember Peterson stated his desire to go back to the Pacific Ridge discussion. He asked that the door be left open to existing businesses for development not to be so restricted.

At this point (1:20 p.m.) **Mr. Vange** was excused from the Retreat with thanks from the Council.

STRATEGIC OBJECTIVES

At the Mayor's request, **City Manager Piasecki** recounted the history of discussion. He indicated that at the February 10, 2005 meeting, the City Council stated its favor of the "Renton Model" and asked Staff to provide a Draft based on that model. He said that Draft was included as Attachment 1 in today's packet. He pointed to Item 1.a.3, suggesting that the City is about to have a Marina Master Plan, but the next step would be to establish a plan to make use of the Beach Park facility. He then pointed to Item 1.b. and suggested that such work was going on right now.

Regarding 1.a.4, **Councilmember Sherman** mentioned that he had heard that the limiting factor to any potential ferry service is parking and suggested that if this service begins to materialize, the Council needs to have dealt with parking ahead of time.

Councilmember Thomasson indicated his not excited about ferry service. He noted that no one knows what impacts it might have.

Mayor Sheckler suggested that the issue of any possible ferry service is not yet well developed, but only a possibility that might happen.

Councilmember Thomasson suggested that the City should not “jump out” in favor of it.

When **City Manager Piasecki**, asked if the word “facilitate” might be causing a problem, **Councilmember Sherman** suggested “explore the benefits and impacts of” and **Director Kilgore** suggested “explore the feasibility of waterfront tourism and passenger ferry service.” **Mayor Sheckler** stated the consensus to use this last suggested language.

At 1.a.2, **Councilmember Thomasson** suggested language be used that would be most easily understood by the public. **City Manager Piasecki** suggested that most people would recognize “Port Buyout Area.”

At 2, **City Manager Piasecki** mentioned that some items are similar to a previous list of strategic objectives. He noted that 2.f includes working with Utility Districts.

Councilmember Steenrod said she understood “livability” to mean there would money in the community that would lead to jobs, but that she saw nothing in this list that mentioned jobs or partnering. She suggested adding such language under Objective #1 and including the Chamber and developers.

City Manager Piasecki asked if an item 6 under 1.a, such as “Encourage Public/Private Partnerships” would be appropriate.

Mayor Sheckler asked Police Chief Baker to provide some enlightenment on how such partnerships work.

Chief Baker suggested that there are opportunities where developers and the City do not agree on Use. In such situations, the City can offer tax credits to those who develop in conformity with the City’s vision. He further stated that if we concur that the City should be what the citizens want it to be, then we would be doing our part to help that happen by such an arrangement.

Councilmember Sherman said he understood that relationship, but saw it more as a tool or a means, but not necessarily as an objective.

Councilmember Steenrod asserted that since the City does not have money to create some of the things it needs, such a policy should be published and encouraged as an objective.

Mayor Sheckler reflected that Councilmember Steenrod was suggesting this as a sixth way of getting to 1.a.

Councilmember Steenrod further noted that “when you do partnerships you are leveraging dollars.”

Mayor Sheckler confirmed the language of “Encourage Public/Private Partnerships.”

City Manager Piasecki suggested that “livability” referred to quality of life, including for example, open space.

When **Director Kilgore** the wording, “Encourage, where appropriate, partnerships between agencies, entities and the private sector to support job creation and retention,” **Mayor Sheckler** said he heard consensus.

When **City Manager Piasecki** drew attention to Objectives 3 and 4, there were no questions or discussion. **Mayor Sheckler** stated his assumption that there were therefore no problems with this material. He indicated the group had done its allotted work and closed the meeting at 1:55 p.m.

Respectfully submitted,
Dave Steen.