AGENDA

Finance and Economic Development Committee Meeting
Tuesday, December 14, 2010
5:00 p.m. – 6:30 p.m.
City Hall South Conference Room

1. **Call to Order**

2. **Approval of minutes:**

    a. **October 12, 2006 meeting**
    b. **October 26, 2010 meeting**
    c. **November 30, 2010 meeting**

3. **Economic Development Strategy Overview. (30 minutes) (Marion)**

4. **Brief overview of King Co. Transfer of Development Rights (TDR) program. (10 minutes) (Marion)**

5. **Sign Code Research (15 minutes) (Marion)**

6. **Debrief on "PUD" and Downtown Commercial ordinance for Marina District as presented by Denise on 12/9 Council briefing (15 minutes) (Robert)**

7. **Committee member comments.**

8. **Future meetings.**

Sign Code Review

Comments and suggestions from Des Moines' businesses regarding the City sign ordinance

Positive Comments:

"The Des Moines sign code is relatively simple, other cities are often more complex."

"There are only a few zones and the code is clear about what is allowed in those zones."

Permitting process feedback for Des Moines was positive. "Jason was very helpful right up front, good to have an intake person who is knowledgeable. There was clarity and speed of turnaround time."

Suggestions for Improvement:

Consider allowing pole signs in the Pacific Ridge zone and the Business Park zone, just as they are allowed in the Marina district.

Consider allowing nonconforming signs to be replaced in a like manner. Allow permits for new signs to be issued on properties with nonconforming signs, provided that they are still in attractive, well-maintained condition.

Allow signs that rotate or have moving parts, provided they do not create an excessive distraction for motorists (Downtown Business District).

Consider including a sample illustration of a commercial building that shows where signs can be located and the relative size allowed.

Allow blade signs that are perpendicular to wall in the "Exemptions" section (it is currently specified that exempt identification signs must be "on a plane parallel to wall").

Sandwich boards currently "must be removed each day" but code should state "must be taken indoors" as they are sometimes simply laid down (per Nancy Uhrich). Signs should be allowed in "street-side planter strips" to avoid placing on sidewalks ("Portable signs" section).

Don't limit letter height in Business Park zone.

Consider allowing sign size as 7% of building facade (largest side) as does Federal Way.

[illegible]

[illegible]

[illegible]

MINUTES – FINANCE AND ECONOMIC DEVELOPMENT COMMITTEE MEETING

September 30, 2010
South Conference Room
21630 11th Avenue South, Des Moines, WA

Council Members
Melissa Musser
Matt Pina
Bob Sheckler (joined meeting at 7:00 p.m.)

City Staff
Tony Piasecki – City Manager
Lorri Ericson – Assistant City Manager
Grant Fredricks – PBPW Director
Robert Ruth – Planning & Dev Svcs Manager
Denise Lathrop – Senior Planner
Marion Yoshino – Economic Dev Manager

1. Call to Order

Chair Scott called the meeting to order at 5:30 p.m.

2. Final Review of Permitted Uses Ordinance in the Marina District/Downtown.

Denise reviewed the recent Marina District Stakeholders meeting and summarized the findings. One of the main points was a desire to connect Cliff Avenue with the marina floor. They also indicated a willingness to look at building heights, but want a clear mechanism to review them.

Chair Scott shared her information about her meeting with Sue Waters where they discussed commercial and mixed use buildings in Poulsbo next to the Hudson Marina and how they may fit in to the Marina District in the future. She is planning to have a meeting with the developer of those buildings and Joe Dusenbury at some time in the near future.

Denise talked about organizing a developer/property owner forum after the first of the year. Several committee members suggested potential attendees and Denise asked that the suggestions be forwarded to her so that she can notify them in a timely manner.

Robert opened the discussion about the Planned Unit Development potential code revisions. He thought the consensus seemed to be that "one size fits all" zoning code did not work well for downtown. One of the ways the City might be able to accommodate individual needs is by using the PUD vehicle as a way to do that. He talked about how developers could be required to do some type of "give back" as part of the PUD process. One example is something like harbor steps down to the marina from the downtown.

One of the difficult issues with a PUD is that the City code is a bit vague and makes it difficult for a developer go through the process without having issues or creating friction at the council level.

Chair Scott asked the question if the same deviations are often requested, and if so, does that point to areas of the code that are inadequate or too rigid? Robert said not necessarily because the code must be clear enough to be enforceable.

Robert posed the question of whether we need two sets of PUD codes, one for residential areas and one for commercial.

Councilmember Pina stated that when a PUD comes before council the only items that should be on the table for discussion by the council are the deviations from the code, not those decisions they have made

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that meet code requirements. The committee also felt that once a PUD is approved they should have a certain amount of years to move forward so that a changing council does not negate the progress.

The committee then reviewed the questions posed in the Planned Unit Development Code Revision document with the following results:

1. Is our current PUD Code functioning the way we would like or does it need to be easier and more encouraging for developers to use? **No**

2. Should the purpose of a PUD be more clearly stated and expanded to include virtually all design possibilities that exist or focus mainly on clustering density? **Yes**

3. Does the City want to have PUD's with different flexibility allowances depending on the use, location, or zone that is involved? For example, should PUD's have different requirements/rules that address the future needs of the Marina District as opposed to a project located in a single family residential zone? **Yes**

4. Are there standards or requirements that are off-limits and should not be modified under a PUD? **Yes – Allowed use and some specific limitations such as height.**

5. Should a PUD be formalized with a Development Agreement? **Not necessarily**

6. Does a PUD only work if it has a minimum site size? **Yes, but not very large minimums in the downtown area.**

7. Does a PUD always have to be processed under the rules of a subdivision? **If so, we must allow for deviations for the PUD in the subdivision rules. If creating new lots, this would be a yes, if there are no new lots, this is a no.**

8. Should commercial projects using a PUD have built in safeguards that insulate components of developer's projects from changes or revisions when those issues are not the subject of the PUD request or is everything up for grabs? **Yes, but no "let's make a deal"**

9. Should PUD's that offer increased development capacity be metered out in a pre-determined manner for specific geographic areas (especially the Marina District) or should PUD's be offered to anyone who wants to apply for them regardless of what has happened with neighboring properties? **Yes**

10. Should there be allowances for modifications to an already approved PUD especially when details of future phases of development are not fully known? **Yes**

11. Should expiration of a PUD approval be eliminated in the code and time constraints be customized into a Development Agreement instead? **A specific number should be chosen.**

12. How should density be calculated under a PUD (gross or net site area)? Is this even an issue for the Marina District where there is no density cap? **No cap for commercial, but a specific number for residential.**

13. How does the City want to approach the give-and-take relationship of a PUD? Should it be evaluated more holistically or based on how it offsets each individual item requested to be modified? **Maybe, as a back up**

3. Economic Development Planning Update

We did not have time to address this issue

4. Sign Code Survey Results

We did not have time to address this issue

5. Committee Member Comments

6. Future meetings

December 14, 2010 5:00 pm

Adjourned at 7:25 p.m.

Respectfully submitted by:
Lorri Ericson, Assistant City Manager

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MINUTES – FINANCE AND ECONOMIC DEVELOPMENT COMMITTEE MEETING

October 26, 2010
South Conference Room
21630 11th Avenue South, Des Moines, WA

Council Members
Melissa Musser
Matt Pina
Carmen Scott

City Staff
Tony Piasecki – City Manage
Grant Fredricks – PBPW Director
Marion Yoshino – Economic Dev Manager
Denise Lathrop – Planning Manager
Maya Hadlock

1. Call to Order

Chair Scott called the meeting to order at 5:05 p.m.

2. Approval of the Minutes

The minutes for October 12, 2010 meeting were discussed. The list of potential City Code changes was discussed. Staff will bring the October 12th minutes back to the Committee for review and approval at its next meeting.

3. Marina District Planning update.

Planning Manager Denise Lathrop and Maya Hadlock presented and lead a discussion on the latest version of the Marina District computer generated model. It was decided that a property owner/business/real estate developer forum to solicit input from those who would actually make decisions on what and when to develop or redevelop properties in the Marina District.

4. Economic Development Planning update.

Economic Development Manager Marion Yoshino reviewed the latest draft of the economic development plan with the Committee.

5. Committee Member Comments

None.

6. Future meetings

November 16, 2010 5:00 pm

Meeting adjourned at 6:30 p.m.

Respectfully submitted by:
Tony Piasecki, City Manager

MINUTES – FINANCE AND ECONOMIC DEVELOPMENT COMMITTEE MEETING

October12, 2010
South Conference Room
21630 11th Avenue South, Des Moines, WA

Council Members
Melissa Musser
Matt Pina
Carmen Scott

City Staff
Tony Piasecki – City Manage
Grant Fredricks – PBPW Director
Marion Yoshino – Economic Dev Manager
Robert Ruth – Planning & Dev Svs Manager

1. Call to Order

Chair Scott called the meeting to order at 5:15 p.m.

2. Approval of the Minutes

The minutes for September 28, 2010 meeting were approved as submitted. Chair Scott asked if new members had been added to the Marina District Stakeholder Group as discussed at the last Committee meeting. City Manager Piasecki replied that two new members, Dave Markwell and Morgan Hicks, had been added and they attended the Groups October 6th meeting.

3. Discussion of DMMC changes needed to accelerate economic development to build into 2011 staff and Committee work program.

Planning, Building, and Public Works Director Grant Fredricks lead a discussion of a list of eighty sections of the Des Moines Municipal Code that could be reviewed and potentially revised to accelerate economic development. The goal was to develop a list of items for the Committee and staff to work on in 2011. The Committee and staff walked through the list and selected twenty items that are quick "housekeeping" issues and seven issues that will require the Committee to spend time working on potential changes. The list of all items presented to the Committee and those selected is attached to these minutes.

4. Committee Member Comments

Councilmember Pina commented that staff needs to do more than bring items to the Committee for discussion. In addition to bringing issues forward, staff should also bring action plans that outline the steps that will need to be taken to address these issues. He also commented that he would like to have a discussion of retail and commercial activity at the Marina at a future Committee meeting.

10. Future meetings

October 26, 2010 5:00 pm

Meeting adjourned at 6:50 p.m.

Respectfully submitted by:
Tony Piasecki, City Manager

PROPOSED CODE CHANGES 2011 WORK PROGRAM FOR PB&PW

(Ranked per 10/12/10 F&ED Discussion)

NO.	DMMC	Brief Description	Proposed Action
		2011 Work Program Priorities	
7	Land filling, Clearing & Grading Code, 14.24.xx	Flood plain code **(Summer 2011 deadline)**	Revamp to be consistent with NiMFs challenge to FEMA requiring broader buffers for ecological reasons
75	Zoning, 18.xx.xxx	Electric Vehicle Infrastructure **(Sept. 2011 deadline)**	Provide for charging stations in zones where appropriate to be consistent with State Law and
78	Sign Code, 18.42	The land use components of the sign code, including but not limited to application process, criteria, and specific regulations by zone.	Modernize and make the sign code more business and community friendly after the Legal Dept addresses the constitutional aspects of the sign code this year,
40	Single Family Residential Zone, 18.08.100	Accessory building setbacks in rear third of lots	Add language re. consistency with building/fire codes
79	Planned Unit Development, 18.52.080	PUD permitted uses	Unclear and ambiguous needs to be clarified. Would allow taller buildings in Marina District on a case by case basis
20	Layout & Design of Subdivisions, 17.36.150	Park land dedication and improvement in-lieu fees	Formula is problematic, unfairly penalizes large lots
21	Layout & Design of Subdivisions, 17.36.150(1)	Amount of Land Dedicated is mandatory minimum 5%	In order to comply with Case Law - Change to park a minimum necessary to maintain current ratio of park land to pop established by Parks Plan. Also insert language regarding the minimum park size acceptable to the City is 0.5 Acres – provide for an in-lieu option.

PROPOSED CODE CHANGES 2011 WORK PROGRAM FOR PB&PW

(Ranked per 10/12/10 F&ED Discussion)

Low Hanging Fruit / Housekeeping (not necessarily in ranked order)

6	Land Filling, Clearing & Grading Code, 14.24.170	Grading exemption reads "not less than a total of 50 cubic yards"	Correct to read "less than"
9	Subdivision Definitions, 17.08.075	Definition of Community Development Director	Change for consistency with new Department Director or to City Manager or Designee
10	Subdivision Definitions, 17.08.230	Definition of Planning Official	Change for Consistency with new Department Director or to City Manager or Designee
11	Short Subdivisions, 17.12.070	Public Notice section requires the City provide notice of the public hearing per DMMC 17.40.070	A public hearing is not required for Type II Land Use Actions per DMMC 18.56.040 and DMMC 18.86.160
12	Short Subdivisions, 17.12.080	Deadline for Comments only 15 days	Change timeline to be more consistent with state law
22	Application Requirement, 17.40.010	Blue Line Paper Required	Blue Line Paper no longer used. Additional only 3 copies required – City Typically requires 5 copies
23	Subdivision Applications, 17.40.050	Requires all final plats, alterations, vacations, binding site plans to submit on mylar	Amend as necessary to coincide with current King County Recorder's Office requirements
26	Zoning Definitions, 18.04.090	Board defined as City Council	Change to be consistent with DMMC 18.94.340 which defines board of adjustment as Hearing Examiner
39	Single Family Residential Zone, 18.08.090	Permissible lot coverage	Amend for clarity – does not address eaves/overhangs
47	R-SF Residential: Suburban Residential Zone, 18.30.070	25' height limit	Purpose? Raise to 30' consistent with other SF zones?
50	Noise Levels, 18.38	Noise Levels	Entire chapter invalid as written – Noise levels can regulated if Chapter is consistent with state law – rewrite for consistency with WAC 173-060
56	Land Use Review Procedures, 18.56.040(8) 18.56.050(3)	Townhouse with 4 or less lots Type II Land Use Action	Listed as Type II land use, but short plats is now up to 9 should be changed to 9 or less lots

PROPOSED CODE CHANGES 2011 WORK PROGRAM FOR PB&PW

(Ranked per 10/12/10 F&ED Discussion)

58	Land Use Review Procedures, 18.56.050(4)	Shoreline Substantial Development Permit	Listed as Type III land use, but SMP states it is Administrative as such should be Type II
59	Land Use Review, 18.56.060(13)	Type IV land use action – Preliminary Townhouse Developments with more than 4 lots Type IV LUA	Revise for consistency with new short subdivision increase. Listed as Type IV land use, but short plats is now up to 9 should be changed to 10 or more lots.
60	Land Use Review Procedures, 18.56.060(14) (15)(16)?	Shoreline Substantial Development Permit w/ EIS	Listed as Type IV land use, but SMP states it is Administrative as such should be Type II
62	Land Use Review Procedures, 18.56.060(16)	Shoreline Substantial Variance	Listed as Type IV land use, but SMP states it is Board of Adjustment/Hearing Examiner as such should be Type III
63	Land Use Review Procedures, 18.56.070(11)	Final Townhouse Development with more than 4 lots Type V Land Use Action	Listed as Type V land use, but short plats is now up to 9 should be changed to 10 or more lots
70	Environmentally Critical Areas 18.86.300(1)	"shall be of a dimension of not less than 5,000 square feet"	Revise to read 4,000 consistent with new RS-4000 zoning.
~~71~~ 21	Hearing Examiner, 18.94.112	Matter to be heard by Hearing Examiner	Should be in Chapter 18.56
77	Landscaping & Screening, 18.41	Scenic View Preservation	Eliminate City obligation to preserve scenic views between private properties because it is unenforceable
80	Unauthorized Use of Land, 18.72.040	Shipping Containers	Prohibit use on commercial or residential properties

PROPOSED CODE CHANGES 2011 WORK PROGRAM FOR PB&PW

(Ranked per 10/12/10 F&ED Discussion)

Remaining Items

1	Title 5, Business Licensing	Business Licenses	Modernize and make more staff and business efficient
2	Building Code, 14.08,	Ventilation & Indoor Air Quality Code	This section refers to the WA State Ventilation & Indoor Air Quality Code. This document will disappear once the State Bldg. Code Council implements the new Energy Code.
3	Building Code, 14.XX	High rise buildings	South King Fire wishes us to add a few items that reflect what Federal Way has done. They would also reflect what City of Seattle currently has in their Code and brings some smoke control issues and other items into focus where the code is currently silent. This is also in preparation for our new wave of high rise buildings that are coming.
4	Building Code, 14.08	Noise Reduction Zone	14.08.180, Article 1, Sound Decibel Reduction Zone, should be updated when the Port's 150 study is completed.
5	Building Code, 14.08	Sprinkler requirements	At our last building adoption, "B" occupancies somehow got left out of the requirement for sprinklers for buildings over 5,000 square feet. I know how it happened upon reflection and do want to "fix" this item.
8	14.24.170	New/Green Technology	Certain technologies are emerging but our codes/fees appear to be punitive compared to traditional technologies, e.g., Geo-thermal heat/cooling systems. Modify code to provide incentives for these technologies. Start with Grading Code, but other may be discovered as well.
13	Short Subdivisions, 17.12.180(3)	Time limit for short plats to file for final plat within six months of preliminary approval	Extend to reflect time needed to review/construct civil improvements associated with most short plats. Add extension language?
14	Short Subdivisions, 17.28.010	Limits lot line adjustments to 2-4 lots	Authority to limit?
15	Layout & Design of Subdivisions, 17.36.010	Layout Requirements Applicability	Why does a plat vacation require compliance with the plat layout requirements?

PROPOSED CODE CHANGES 2011 WORK PROGRAM FOR PB&PW

(Ranked per 10/12/10 F&ED Discussion)

16	**Layout & Design of Subdivisions, 17.36.020(2)**	**Lot to Depth Width Ratio**	**Change to exempt Townhouse Developments from the requirement**
17	Layout & Design of Subdivisions, 17.36.030(3)	Street Connectivity	Change for consistency with Case Law which prevents the requiring improvements that benefit other property owners
18	**Layout & Design of Subdivisions, 17.36.100**	**City owned tracts required for all drainage facilities**	**Change to City operate facilities must be in City owned tract – private facilities for commercial projects not required to be separate tract**
19	Layout & Design of Subdivisions, 17.36.120(1)	Requires existing above-ground electrical and communication systems in all rights-of-way adjoining the subdivision to be undergrounded	Commensurate with project impacts? Inconsistent with 12.48.050
24	**Zoning Definitions, 18.04.xx**	**State defined terms that are preempted in residential zones**	**Verify that all definitions for Group homes, halfway houses, Adult Family Homes, etc., are consistent with the States definitions.**
25	Zoning Definitions, 18.04.018	Adult Family Home definition	Check for consistency with RCW/WAC
27	**Zoning Definitions, 18.04.094**	**Def of Boarding Home**	**Verify Def consistent with State Law regarding Boarding Homes**
28	Zoning Definitions, 18.04.095	Def of Boarding House	Verify Def consistent with State Law regarding Boarding Homes
29	**Zoning Definitions, 18.04.XXX**	**Lot Coverage**	**Add definition of Lot Coverage – what is included? How is it calculated?**
30	Zoning Definitions, 18.04.XXX	Building Height for Commercial Buildings with partial exposed basements or parking garages	Add definition of How it is determined – what is included? How is it calculated?
31	**Zoning Definitions, 18.04.120**	**Building height definition**	**Revise for clarity and consistency with subsequent code interpretations**
32	Zoning Definitions, 18.04.XXX		Add definition of 'vacation/short-term rental'? And separate license process?
33	**Zoning Definitions, 18.04.252**	**'Environmentally sensitive areas'**	**Update for consistency with 18.86 terminology**
34	Zoning Definitions, 18.04.270	Definition of 'Family'	Enforceable? Consistent with State?
35	**Zoning Definitions, 18.04.320**	**Definition of 'Grade'**	**Revise for clarity and consistency with subsequent code interpretations**
36	Zoning Definitions, 18.04.385	Definition of 'Lot'	Add 'legal lot of record' definition?

PROPOSED CODE CHANGES 2011 WORK PROGRAM FOR PB&PW

(Ranked per 10/12/10 F&ED Discussion)

37	Zoning Definitions, 18.04.395	Definition of 'Lot Lines'	Simplify/clarify? Add definitions of terms like 'gore-shaped',
38	Zoning Definitions, 18.04.432	Definition of 'Ordinary High Water Mark'	Consistent with State definitions?
41	Zoning, 18.10 – 18.18	Permitted Uses and Density	All Sections refer back to SF zone is that appropriate or should have own specific list. Not clear how density for MF zones is calculated see 18.12.040 as an example of confusion
42	N-C Neighborhood Commercial Zone, 18.20	Neighborhood Commercial – Only 4 properties zoned NC of which 1 is City Hall and the other is the Police Station	Rezone 4 properties and Delete Chapter
43	B-C Business Commercial Zone, 18.24	Business Commercial – Only a small portion of one lot is zoned BC and the remainder is zoned RM 900. Property current has an apartment complex on the site – creates nonconforming problems for the owner	Rezone portion of property for consistency with other portion and Delete Chapter
44	C-G General Commercial Zone, 18.28	General Commercial - No Properties in the City Zone General Commercial	Delete General Commercial Chapter
45	C-G General Commercial Zone, 18.28	C-G General Commercial Zone	No lots currently under this zoning – remove?
46	H-C Highway Commercial Zone, 18.29.070(1)	Minimum front yard Setback 60 feet	Given depth of remaining HC lots – no front should be required
48	Unclassified Uses, 18.32	All Unclassified Uses and Conditional Uses allowed in all zones	Need to clarify which are acceptable in the different zones or add Unclassified and Conditional use section to each zone chapter – Please note some chapters already do this see DMMC 18.26.050 (CC zone) and DMMC 18.29.030 (HC zone) for examples
49	Keeping of Animals in Residential Zone, 18.33	Keeping of animals in residential zone	Rewrite in conjunction with Animal Control?
51	Height, Yards, Area & Open Space, 18.40.130	Permitted intrusions into required yards	Include mechanical units (e.g. HVAC?)

PROPOSED CODE CHANGES 2011 WORK PROGRAM FOR PB&PW

(Ranked per 10/12/10 F&ED Discussion)

52	Substandard Lots, 18. 40.230	Substandard Lots	Rewrite to be consistent with numerous code interpretations to address question related to date of enforcement and substandard lots created by judicial decision or purchased from different owners
53	Off Street Parking, 18.44.060	Required Number of Stalls	Modify section to allow number of stalls to be established by parking study as option for uses listed and for uses not listed.
54	Nonconforming Buildings & Uses, 18.48.XXX	Abandonment of Non-Conforming Use	Create section address how long a building with a non-conforming use can be unoccupied before the City considers that non-conforming use abandoned and no longer "grandfathered"
52	Planned Unit Development, 18.52.100	Permissive Variations	Section is very difficult to understand and read – rewrite for clarity
64	Land Use Review Procedures, 18.56.130	Notice of Complete Application	Section not clear and is no longer consistent with RCW 36.70B.
65	Land Use Review Procedures, 18.56.260	Final Decision	Section not clear and is no longer consistent with RCW 36.70B. Additional reference sections not longer applicable and does not correctly reference applicable sections
66	Procedures, Fees, Hearings & Notices, 18.64	Procedural Requirements	Additional procedural requirements for permit reviews and hearings and notices – should be combined with 18.56
67	Environmentally Critical Areas 18.86		Incorporate language re. repair/replacement of non-conforming structures
68	Environmentally Critical Areas, 18.86.190	Ravines, bluffs	Reinstate option to reduce opposite yard setback to 10'
69	Environmentally Critical Areas, 18.86	Emergencies	Should have exemption for Emergency Actions needed to protect property
72	Hearing Examiner, 18.94.130 – 18.94.300 and 18.94.330	Review and Appeal Procedures, and Noticing Requirements	More review and appeal procedures and **very good noticing language and procedures – superior to language in SEPA but not used because not referenced in other portions of the Code** – should be moved to DMMC 18.56 and all noticing sections in code except SEPA should refer to these new sections
73	Hearing Examiner, 18.94.320	Conditional Use Permit Criteria	Should be in the Conditional Use Chapter not in Hearing Examiner Code for ease of use
74	Zoning, 18.xx.xxx	Public Facilities Zone	Should created Public Facilities Zone to overlay on these facilities

PROPOSED CODE CHANGES 2011 WORK PROGRAM FOR PB&PW

(Ranked per 10/12/10 F&ED Discussion)

76	**Zoning, 18.xx.xxx**	**Churches**	**Review regulation of churches city-wide and eliminate loophole for housing for sex offenders, drug addicts, alcohol treatment in conjunction with churches as a treatment facility when not consistent with the "Oxford House" court supported scenario.**

City of Des Moines

Economic Development Strategy

January 2011

Economic Vitality Vision Statement

Des Moines is an economically self-sustaining community that maximizes the potential of its natural assets. Development is encouraged in order to support City services and healthy commercial areas. Successful local businesses are patronized by residents as well as visitors. Developed areas incorporate green space, public art, residential density and mixed use, and draw people to work, shop, play and invest in Des Moines.

Economic Development Policy Statement

"Creating a Financially Sustainable Des Moines"

For the year 2011, the City of Des Moines is experiencing a dramatic shortfall in necessary operating revenues, with essential staff positions going unfilled and basic City services at reduced levels. At least a $3 million to $4 million revenue increase is necessary to bring the budget back to comfortable operating levels and replenish reserves.

There are some large-scale development projects that are scheduled for the coming year, which will relieve some but not all of the projected gap. If the shortfall is to be realistically addressed for the long-term, it is essential that the City make a formal and explicit commitment to economic development, and that Council and staff at all levels are aware of agreed-upon action steps and each individual's role as a part of a coordinated team effort.

Highlights of the following plan include:

- An aggressive City promotion program to attract local populations to patronize Des Moines businesses
- Commitment to gateway and facade improvement
- Reducing regulation and restriction on development

CONTENTS

I. REGULATORY ENVIRONMENT

1. Staff and Services: A Customer Service Climate

2. Facilitating City Development: Codes, Zoning and Infrastructure

II. SUPPORT & OUTREACH ACTIVITIES

1. Growing Local Business: Resources & Programs

2. Marketing the City

3. Recruiting Companies and Investors

III. MEASURING PERFORMANCE IMPROVEMENT

Goal I: Create a Business and Development Climate That Facilitates Desirable Investment

A. Continue to monitor and enhance customer service orientation of the City's business, development, and permitting services. Engage with businesses and developers throughout the permitting process to build confidence and strengthen the City's image as a good place to do business.

Conduct an annual survey to gather feedback from the business community - some of the recent results are incorporated in this economic development plan.

Contact customers who have received permits and licenses to gather feedback on their experiences and suggestions on process improvement (ombudsman)

Conduct roundtable forums that include developers, realtors and property owners on a regularly scheduled basis

The new on-line permit processing software "Bitco Permit Trax" will give customers the convenience of completing and submitting forms via internet.

B. Create strong **support mechanisms** for the business community

It is important to acknowledge the **partnerships** that play an important role in supporting economic activity in the City, including:
Destination Des Moines, Des Moines Farmers' Market, Des Moines Rotary, Des Moines Legacy Foundation, SW King County Chamber of Commerce, the Small Business Development Center, South King County Economic Development Initiative, Seattle South Side, and the Highline School District.
These organizations provide various types of support, both direct and indirect, and bring the residents and the business community together. Supporting these volunteer efforts ensures a healthy community and builds community pride as well as boosting economic activity. It is important for the City to be aware of volunteer efforts, particularly when regulations may create obstacles for events and activities.

Ensure the requirements for event permits are not so burdensome that events cease or relocate. Each local organization should have a "point person" for at the City to assure citizen volunteer efforts are facilitated.

Offer City staff support for events when possible.

C. **Code enforcement** must continue to be emphasized as essential to economic vitality.

D. **Anticipate Redevelopment Opportunities**

Wesley Homes renovation may necessitate a change in height restrictions and other regulations.

Des Moines Elementary School redevelopment may also require changes to code – **note current zoning is not commercial.**

E. CODE REVIEW: Evaluate building code requirements and building department policies to determine if regulatory oversight of development can be eased.

Goal II: Facilitate City Development

Underlying infrastructure – Transportation and Utilities

The City currently enjoys many infrastructure strengths including:

- Excellent freeway access to both Hwy 509 and Interstate 5
- Four brand-new school buildings, and a fifth under consideration
- Good mass transit connections including new "RapidRide" stations
- Access to SeaTac International Airport via highway and mass transit

These strengths create a strong set of selling points for promoting the area to new businesses.

Seek out public ART opportunities in City infrastructure. Use the City's unique heritage to create interpretive contributions. Incorporate decorative elements that are thematic, artistic, distinctive, authentic. Possibilities include: fences along the Marine View Drive bridge, water towers, large signs at gateway points, sides of City buildings. Consultants hired for capital projects should engage early on with the Arts Commission, public, and Council, before the decision making process is begun, to allow input on artistic emphases.

Develop and Build Out City Attractions

Des Moines has terrific attractions such as Saltwater State Park, and the Redondo boardwalk/beach area with the Marine Science and Technology Center. Central to the City are the Des Moines Marina and the historic Beach Park, which will finish current improvement projects at the end of 2011.

Complete Renovation of four additional Beach Park buildings. Councilmatic bonds could be issued to finance projects, however revenues are not currently sufficient to afford annual payments

Complete Marina Redevelopment Plan

Facilitate Renovation of Landmark on the Sound - encourage investor interest in financing hotel or similar use

CODE REVIEW: Evaluate City ordinances by geographic area to determines where zoning and other restrictions could be eased.

Improve City Gateway Points

In conjunction with the development of the Des Moines Creek Business Park, the gateway project at 216th is in progress, with 85% of the design completed. The Port is now approving nearly $3 million in payments to the City to acquire all of the rights of way, and complete the environmental work. A decision will be made in December 2011 on a $4.9 million EDA grant application, if it is approved then Construction can begin. This will pay for 60% of the first phase, and the remainder may come through builder's in-lieu funds or transportation impact fees.

Encourage Redevelopment of QFC plaza & surrounding area. The dilapidated buildings are a deterrent to visitors and prospective businesses. Strategically, this area needs to become inviting, in order to draw people into the City and down toward the Marina.

Additional gateway opportunities are 216th at 24th, Marine View Drive at Des Moines Memorial Drive, Kent-Des Moines Road at Pacific Highway, and Kent-Des Moines Road at Marine View Drive.

Facilitate Structural Development of the Marina District

A. Encourage investment in the Marina District to create a healthy commercial and economic center.

In 2005, the City commissioned an Economic Development Strategy Report from Ravenhurst Development Inc. Two of the recommendations from that study for the Marina District were not acted upon, and are repeated here in this 2011 strategy:

Raise maximum height allowance via zoning – there are several areas where heights can be raised without intruding into view corridors, for example increasing building heights by ten feet to 45' in the areas from the mid-block alley between Seventh and Sixth, due to the sloping topography. (R.S.)

Eliminate the requirement for ground floor commercial space in buildings fronting on Seventh Avenue (R.S.)

Study Opportunities for developer incentives through King County's "Transfer of Development Rights" program.

Phase Three electrical power is not available to all of the lots in downtown, and it may be possible to work with Puget Sound Electric to improve service.

Traffic roundabouts are an infrastructure suggestion recently raised at the stakeholders' forums, and could provide attractive gateway points and opportunities for public art.

An Electronic Monument Sign for Big Catch plaza could add to the appeal of the gateway location, and notify residents of events and activities.

B. Develop Marina District streetscapes to strengthen sense of place and attract users

Take aggressive facade improvement action along Marine View Drive. Work with landlords and tenants to encourage superficial improvements where redevelopment is not yet possible, such as awnings, flowerpots, fresh paint. Keep moving forward with the inspirations from Storefront Studio project. There are already examples of clear improvement since those illustrations were done. An appealing face for the City is **essential** to attracting shoppers, visitors and **new business investment**. Pursue possibility of Community Development Block Grant funding and other sources.

Supply and maintain flags and flowerpots, along Marine View Drive, S. 223rd and S. 227th - at City expense or co-ordinate support with businesses.

Facilitate the Development of the Pacific Ridge Commercial Zone

The Pacific Ridge commercial zoning codes are intended to produce a pedestrian-oriented, urban environment to support a residential community. In order to attract development projects, code restrictions could be reconsidered, including those that prohibit auto-oriented development. The current prohibited uses include single-story retail, fast food and gas stations.

The zoning code is scheduled for review through the Economic Development Committee in early 2011.

Prepare for the Development of the Des Moines Creek Business Park

Many of the checklist items necessary to develop the 89-acre DMCBP have been completed, such as SEPA review, documentation and approval. Others are in progress, such as street vacation and consolidation of ownership.

The property can soon be marketed as "shovel ready," with remaining obligations reduced to writing. The development time will be reduced from the original two to three years to only 9-12 months.

The City would like to have the southern 27 acres be used for destination retail. The Port of Seattle is offering the City a five-year option on a lease agreement for this portion, and the Council will be deciding upon this offer in 2011.

However, the Port must be encouraged to put out an "RFQ" to solicit a developer for the north portion as soon as preparations have been completed. Currently it is difficult to recruit individual businesses for the site, because the Port wants to lease the property in its entirety.

The 509 freeway extension would greatly increase the property value of the DMCBP, and stimulate growth throughout the City and surrounding area. It is important to continue civic and political support to speed the funding and construction of the connection of 509 and I-5.

Goal III: Develop Des Moines Businesses

A. Work to retain and expand existing base of businesses

Business retention and expansion (BRE) is often said to be the first priority of any economic development plan.

Des Moines is extremely fortunate to have a federally subsidized **Small Business Development Center** where business can get quality professional assistance in basic areas. The Center is not utilized to the degree that it could be, and businesses must be further educated and encouraged to take advantage of the free services.

Create Marketing Campaigns to pockets of dense population surrounding the City, such as Highline Community College (18,000) SeaTac Airport employees (16,000) Highline School District employees (2700), Alaska Airlines employees (8,000), and airport hotel guests (10,000?). If partnerships are created and a regular monthly marketing campaign is initiated, these populations could be brought to Des Moines' businesses for entertainment, shopping, and recreation. A seasonal theme could be highlighted for each month, and local events and activities could support the promotion. A campaign would not only boost the business districts but serve as a selling point for recruiting additional businesses.

Raising height restrictions and allowing a larger residential population is another means of creating a captive market to support the community business base.

Channel 21 programming is a free medium that is now starting to be used by the business community to encourage residents to buy locally.

Goal IV: Market and Promote the City

A. Fund a new City of Des Moines website

The stock of professional quality photographs and spectacular scenery available to the City is an excellent basis for a promotional website. Use revolving slides of waterfront and scenic locations to build and promote City identity.

The State tourism website also provides opportunity for on-line promotion of the City through "ExperienceWa.gov."

B. Define Des Moines' boundaries through signage and way finding

Signs leading from I-5 down to the Marina represent an opportunity to reach out to hundreds of thousands of motorists and build name recognition. Commit to way-finding signs that lead visitors along Kent-Des Moines Road into the City.

Des Moines Creek Business Park is another opportune location for signage

The kiosk project by the Des Moines Rotary provides way-finding to local businesses, and can be pursued in additional locations.

C. Support Community Events

Some great events that can form the basis for City promotion include: the Poverty Bay Wine Festival, Car Shows, the Waterland Parade, Squidman Triathlon, Strongman Competition, Poverty Bay Arts Festival , Poverty Bay Blues & Brews

Goal V: Actively Encourage Desirable Investment in Des Moines

NWProperty.net is a paid service which lists available commercial properties, providing internet visibility and exposure to commercial realtors.

Start Zone offers business assistance, in conjunction with the Small Business Development Center, for start-ups and emerging enterprise.

A. Recognize and encourage **foreign investor** interest in Des Moines.

Foreign investor outreach shows promise as American real estate is currently perceived as relatively inexpensive, and the timing is good to capitalize on this interest for the benefit of the City.

The City now has **promotional materials,** in Chinese as well as English, and a Chinese link has been created on the City home page to emphasize the City's commitment to and support for investors from that country.

B. **Raise the City's profile** among developers and employers through web presence and the cultivation of individual relationships

C. **Target and Recruit** appropriate businesses for the Marina District

Suggestions for new businesses in the Marina District include **boutique shopping, art galleries, pizza parlor, and artisan specialty shops**. However, it is crucial to create success for existing businesses if new ones are to be recruited. The lack of a quality **hotel or bed & breakfast accommodations** in the Marina District is an important area to be addressed.

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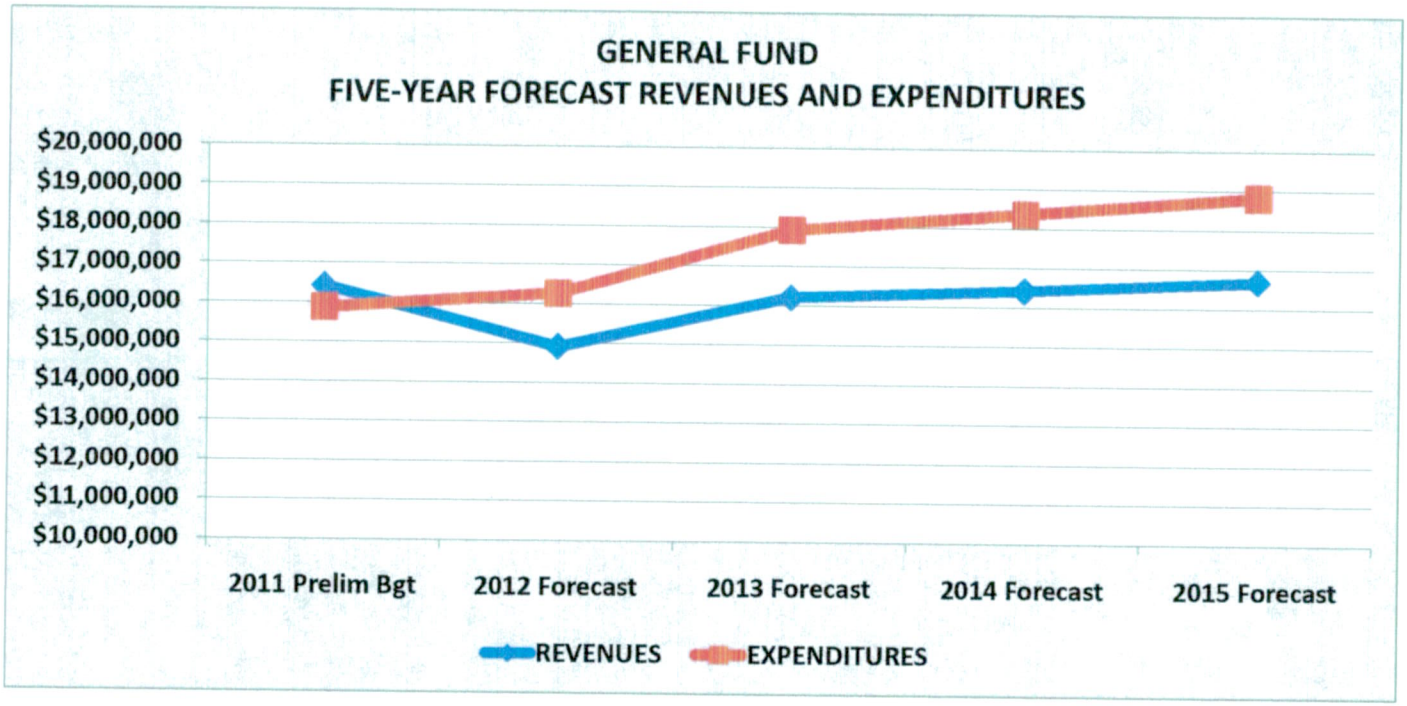

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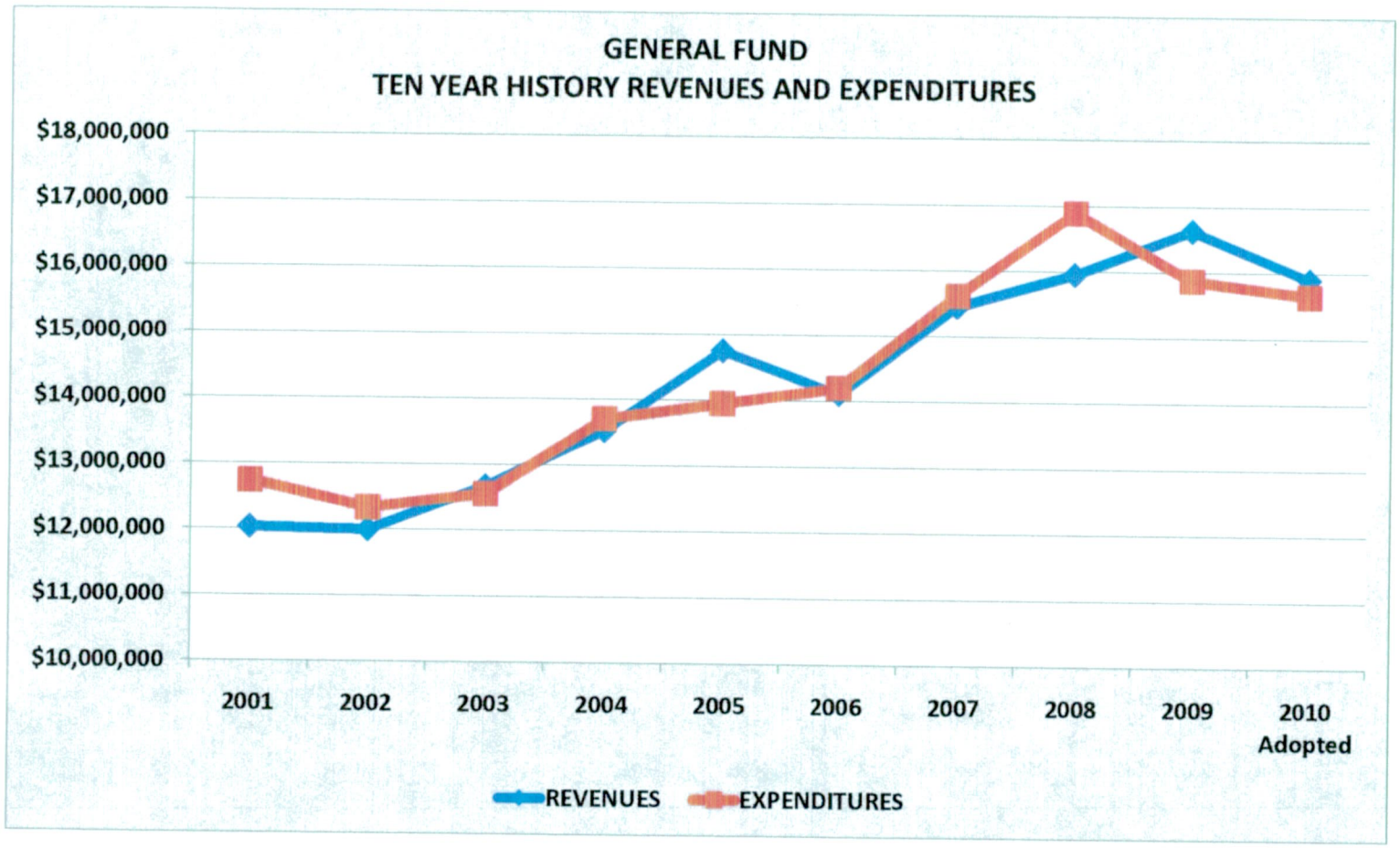
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