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**AGENDA**

**Finance and Economic Development Committee Meeting  
Wednesday February 15, 2012  
5:00 p.m. – 6:00 p.m.  
City Hall South Conference Room**

- 1. Call to Order**
- 2. Approval of the January 31, 2012 Committee meeting minutes**
- 3. Economic Development Update – 10 minutes**
  - **Artemis Hotel**
  - **Des Moines Creek Business Park**
  - **Medical Arts Building (Salvation Army Store site 264<sup>th</sup>/Pac Hwy)**
  - **SeaMar Medical Arts Building**
  - **Pacific Heights subdivision**
  - **Ed Young's project**
- 4. Fencing Regulations Policy Discussion – 10 minutes**
- 5. Master Builders Association Breakfast 2/16/12 – 5 minutes**
- 6. Development Incentives – 10 minutes**
- 7. Institutional Campus Zoning Policy Discussion – 10 minutes**
- 8. Committee 2012 Work Plan – 5 minutes**
- 9. Committee member comments – 5 minutes**
- 10. Future meetings**

1 5:00 pm  
Bob, Matt, Mary, Joan, Robert, Jr.,  
Denise, Marion, TP, Warren

2 P. 2 Item 6

- Leadership should be noted
- note Council "dot" discussion was at a Council retreat
- note public open house during Marina district zoning effort

P. 2 & Item 5 - ~~at~~ 6 staff years

3 - Artemis - not in yet - talk to engineers, website

- DMCKP - expands to 60 acres - 1<sup>st</sup> tenant

- ditches on site - federal problem

- site vs. national permit

- med arts bldg - ~~pre~~ pre-app mty held

- Sea Mar - presentation to Jntay

- design review 3<sup>rd</sup> quarter

- med bldg.

- Pacific Heights - civil plan review occurring

- done by end of Feb.

- Ed Young - Harwood Hotel said no

- Hilton coming by

- Probably a Panama

4. Robert explained issue (see handouts)  
- yes on Q1  
- yes on Q2

5. All set to go

6. see handout  
- Hotel/Motel Tax Waiver  
- Protocol for 1 & 2 yrs  
- B+O - partial

7. - 1st on next agenda

8. - permit process reviewed

9. - Carmen - did you do marketing - SKEDI,  
Rest-DM, various, Arts Comm. etc. Pottery  
- need some approval by all  
- need to coord.  
- Bob - helped Pottery re: Werley intg.  
- not needed right away  
- conceptual plan only

6:20

# Planning, Building, Development Services & Economic Development

## 2012-2013 Work Plan

### Council Strategic Objectives (*working*)

- Develop DMCBP
- Implement economic development & marketing strategy
- Encourage and facilitate City-wide economic development
- Improve development regulations
- Determine light rail alignment (S 200<sup>th</sup> - S 272<sup>nd</sup> St)
- Update commercial corridor and institutional zoning regulations

### Strategies with Significant Council Involvement

1. Economic Development Plan Implementation
2. City Branding /Marketing/Marina District Theme (3/22)/wayfinding & signage
3. Development Incentive B&O & Hotel/Motel Tax Ordinances (3/22)
4. Marina/Beach Park Business & Development Plan (starts 3/6)
5. DMCBP Master Plan (5/24) & 2<sup>nd</sup> Development Agreement
6. Institutional Campus Zoning Ordinance (4/5)
7. Park-In Lieu Code Amendments Ordinance (2/23)/ Transition to Park Impact Fee System
8. Property Code Enforcement & Abatement (5/3)
9. Business Park Zoning Ordinance and neighborhood subarea re-assessment with integrated 216th Street commercial corridor emphasis (starts 5/3)
10. Sound Transmission Control Code Ordinance (3/1)
11. Pacific Highway South (entire length) land use and environmental review (4/12)
12. Planned Unit Development Code Ordinance
13. Comprehensive Plan amendments (10 year Update) /SEIS
14. Land Use Review Procedures Ordinance
15. Marina District SEPA Infill Exemption Ordinance

### Plus Other Strategies with Some Council Involvement

- A. Artemis Hotel Design Review and Permitting
- B. Benaroya Design Review & Permitting
- C. New Land Use & Building Permitting System
- D. Matrix Building Division Performance Audit Recommendations
- E. Permit Record Inventory and Managements/Public Records Accessibility
- F. Healthy Des Moines Initiative

### Performance Measures

- New business/investment in Marina District & throughout City
- New jobs
- Annual growth in commercial property tax valuation
- Faster & cheaper development review, permitting & inspection process
- Comprehensive Plan that complies with GMA/State Law
- Improved Marina District & City identity
- Light rail alignment that supports City economic development
- Reduced costs and time for public records requests

# MINUTES – FINANCE AND ECONOMIC DEVELOPMENT COMMITTEE MEETING

January 31, 2012  
South Conference Room  
21630 11<sup>th</sup> Avenue South, Des Moines, WA

## Council Members

Chair Bob Sheckler  
Matt Pina  
Carman Scott

## City Staff

Tony Piasecki – City Manager  
Lorri Ericson – Assistant City Manager  
Grant Fredricks – PBPW Director  
Marion Yoshino – Economic Development Mgr  
Larry Pickard – Building Official  
Robert Ruth – Development Services Manager  
Denise Lathrop – Planning Manager  
Jason Sullivan – Senior Planner  
Joe Dusenbury – Harbormaster

### 1. Call to Order

Meeting called to order at 5:07 pm by Chair Scott who advised that the committee had appointed Councilmember Sheckler as the new chair.

### 2. Approval of the 10/25 Meeting Minutes

Minutes from the October 25, 2011 were approved as corrected. (CM Scott requested her reasons for being unhappy with the approval of the SeaMar development be included in the minutes and the spelling for ED Mgr Yoshino's name was corrected).

### 3. Economic Development Update

Chair Sheckler asked ED Manager Yoshino to review what is happening in Economic Development. This will be a regular portion of the meeting. ED Manager Yoshino detailed the following items:

- Staff met with potential developers of a proposed hotel across from the McDonald's on Pacific Hwy who hope to get started sometime this year.
- Legislator lunch in Olympia proved that our legislators are very supportive of the 509 project and willing to work with us to complete the project.
- ED Manager Yoshino met with a local developer who is looking for a location to build a 25,000 Sq ft. building, and they toured potential locations in the City.
- ED Manager Yoshino has been talking with a local car dealership that may be interested in moving to a location along Pacific Hwy north of 216<sup>th</sup>. However, it is not currently a permitted use and the city would need to change its regulations. City Manager Piasecki will have staff put together an information piece for council.
- PBPW Director Fredricks and CM Piasecki gave a brief update on the status of current city projects.

### 4. Review of list of items/issues remanded to the Committee by the City Council

The following list was accepted with the caveat that the Municipal Facilities Committee and the Finance and Economic Development Committee would work together and make sure they did not duplicate efforts:

- Zoning Code Changes
- Streamlining and Improving Permitting
- City Borrowing, Bonding and Investing
- Monitoring City Revenues

## **5. Committee 2012 Work Plan**

PBPW Director Fredricks shared the 2012-2013 work plan. He stated that staff priority will be those items that bring in revenue. He mentioned he included item #4 even though it was not on council's 2012 list because it last year's #1 objective. Other areas staff wanted to highlight for direction were the code enforcement issues, sound code review and the way finding signage. There was council consensus to add Way finding Signs as a 16<sup>th</sup> item. PBPW Director feels the work plan is 6 years worth of work. MPT Pina felt that the items needed to be prioritized based on ROI. CM Piasecki in conjunction with Chair Sheckler will work with staff to determine a schedule.

Discussion ensued about institutional zoning and height restrictions specifically Wesley Homes and Highline Community College. Chair Sheckler and staff will follow up with the appropriate business members.

Director Fredricks passed out the Customer Survey's from the Matrix Building study.

CM Piasecki identified some additional items that the committee should request the full council remand to the committee. They are: 1) oversee implementation of the Economic Development Plan, 2) develop a list of potential economic development incentives for the Council to Consider, and 3) monitor economic development activity/projects occurring in Des Moines. He will prepare an Agenda Item for a council meeting to be identified in the future.

## **6. Downtown "Theme"**

Chair Sheckler suggested that based on the "dot" exercise that council did on the downtown theme as well as the public open house "dot" exercise the committee should consider working toward adopting a "Cape Cod" theme. As a result of the discussion, CM Piasecki stated he would have staff prepare an agenda item around a downtown theme. The goal of the agenda item will be to ask the council if they would like to recommend or require a specific theme and if so, what theme. Also, how detailed the guidelines should be and if the theme is recommended or required. If the theme is only a recommendation, the council will be asked if they want to provide incentives to those developers who include the theme.

## **7. Review of Current and Proposed Development Incentives**

ED Manager Yoshino shared a sample, "Develop Des Moines Incentive Program." Discussion ensued about what a potential package would look like. Staff will expand upon the sample and bring it back to the Economic Development Committee for review before taking it forward to the entire council if the committee so directs.

## **8. Review of request from Alex White to allow multi-family use at property zone Neighborhood Commercial**

Development Services Manager Ruth outlined the options for accommodating this request. One is to change the zone itself, the second is to change the existing zone to allow multi-family housing in the NC

zone. The committee directed staff to prepare an ordinance for the text change option and bring it forward to the full council.

**10. Future meetings**

The committee would like to consider meeting every other week. The potential next meeting are February 15<sup>th</sup> and February 21<sup>st</sup> from 5:00 to 6:00 p.m.

Adjourned at 6:40 p.m.

Respectfully submitted by:

Lorri Ericson, Assistant City Manager

DRAFT

# Fencing Regulations

*Preliminary Policy Discussion – Finance & Economic Development Committee  
February 15, 2012*

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## Basic Policy Questions

Should the City's fence regulations be amended to reflect current public expectations?

Are fence regulations best achieved with prescriptive standards or should administrative discretion be afforded based on set criteria?

## Overview

City staff is seeking the direction of the Finance and Economic Development Committee to determine if our fence regulations need changing. The City of Des Moines has regulations which control how fences are constructed in the City and they are regulated in different ways depending on the situation. The section of the DMMC that provides these regulations (18.40.150) is essentially the same code that the City adopted when Des Moines first became a City and adopted its first zoning code. This first zoning code, for lack of a better description, was a cut and paste exercise of regulations from the King County code that existed at that time. It has not been substantively reviewed or modified for about 48 years.

Fencing regulations are a part of the Zoning Code and as such are administered by Planners in the Development Services Division. Planners have responded to many questions about fencing requirements over the years. Many people that Planners explain City fence regulations to are not happy when it is discovered that fence heights are limited to 42 inches in the first 20 feet of the front yard area and 10 feet in a side yard area that is adjacent to a street. These are primarily residential property owners—either single-family home owners or condominium residents. Some of the reasons people are upset with the current fence height requirements as it relates to the front and side yard areas are:

1. I can't mark my property boundaries and protect people from encroaching on my land.
2. I need more privacy—hot tubs, patios, gardens, BBQ's.
3. It makes it difficult for me to maintain my yard.
4. I have a dog and want it to stay in my yard.
5. I want to secure my property and discourage trespassing, solicitation, or possible crime from occurring.

6. There is a large, undeveloped ROW section adjacent to my front yard and setting my fence back just looks peculiar.
7. I live on or next to a busy street and need to deflect the noise.
8. I live next to a bus stop, school, or other high use area and need to mitigate that condition.
9. I don't like my neighbor.
10. People park their cars in front of my house and I'm tired of looking at them.

So, with all the good reasons to change the fence heights that are mentioned above, it seems like an easy call to just change the fence heights in our zoning code, right? Well, in addition to receiving negative feedback about our fence codes being too stringent, City Staff also receives numerous complaints about fences from citizens reporting that their neighbors have built fences that present problems. Coupled with these complaints below are also reasons why staff understands fences are regulated the way they are in the first place.

1. It's in the best public interest to provide for open air space and a community that is not "walled-off," gated, or segmented from other properties whether they are public or private.
2. Driveways and streets need proper sight distance to safely maneuver from private properties to public streets and vice-versa.
3. The perception of communities that have tall fenced properties is that they are crime-ridden which creates the wrong public image (not welcoming small town charm).
4. Currently, the code does not specify what materials can be used in certain circumstances. If taller fences are allowed they can be materials like concrete walls, solid wood boards, or plant materials like laurel, or cypress hedges. These all present various issues depending on the exact application.
5. I'm suspicious of my neighbor and can't see what he is doing.
6. The tall fence casts a shadow in my yard and I don't get enough sun.
7. My neighbors fence/hedge started out small, but now it is grown tall and he won't cut it down to a manageable size.

## Conclusion

Fundamentally, the need to strike a balance between regulating for the public good and providing private property owners proper freedom to use their property as they desire is at issue here. It appears from City staff's perspective that a slight imbalance currently exists weighing toward the over regulation of fences in residential situations. Staff believes that the common good can continue to be served while at the same time the codes can be tempered to allow for unique situations that will not compromise safety and yet allow people to have greater peace of mind in their own homes. The solution will undoubtedly not be a "one-size-fits-all" approach.

**18.40.150 Location of wall, fence, or hedge.**

In any residential zone a wall, fence, or hedge is permitted under the following conditions:

- (1) Where a fence or hedge is located directly on the ground, the height of the fence shall be the vertical distance from the top board, rail, or wire to the ground directly below the fence; where a masonry wall is used as a fence, the height shall be the vertical distance from the top surface of the wall to the ground on the high side of the wall;
- (2) In any zone a wall, fence, or hedge not more than 42 inches in height may be located and maintained on any part of a lot;
- (3) On interior lots a wall, fence, or hedge not exceeding six feet in height may be located on any lot line to the rear of the rear line of the required front yard; provided, where a lot rear upon an alley any such wall, fence, or hedge along the lot rear line shall contain a gate affording access to the alley;
- (4) On corner lots a fence, wall, or hedge not exceeding six feet in height may be located on the lot interior side line to the rear of the rear line of the required front yard, and on the lot rear line except that along the portion of the lot rear line constituting the width of the required side yard on the side street side, the wall, fence, or hedge shall not exceed a height of 42 inches; on the side street side of a corner lot a wall, fence, or hedge exceeding 42 inches in height shall observe the required side yard;
- (5) On reverse corner lots a wall, fence, or hedge not exceeding six feet in height may be located on the lot interior side line to the rear of the rear line of the required front yard; if the lot rear upon an alley, a wall, fence, or hedge not exceeding six feet in height may be located on the lot rear line except that along the portion of the lot rear line constituting the width of the required side yard on the side street side, such wall, fence, or hedge shall not exceed a height of 42 inches; on the side street side, a wall, fence, or hedge exceeding 42 inches in height shall observe the required side yard;
- (6) Where a retaining wall protecting a cut below the natural grade is located on the line separating lots or parcels, such retaining wall may be topped by a fence, wall, or hedge of the same height that would otherwise be permitted at the location if no retaining wall existed, and the top of the retaining wall shall be considered the bottom of the fence;
- (7) Where a retaining wall contains a fill, the height of the retaining wall built to retain the fill shall be considered as contributing to the permissible height of a wall, fence, or hedge, and shall be measured from the ground on the low side; provided, that in any event a protective fence not more than 42 inches in height may be erected at the top of the retaining wall and any portion of such fence above the six-foot maximum height shall be an open-work fence; an open-work fence means a fence in which the component solid portions are evenly distributed and constitute not more than 50 percent of the total surface area of the face of the fence;
- (8) Electric fences shall not be permitted in any residential zone;

(9) No fence shall be located in any public right-of-way;

(10) Any fence exceeding a height of six feet, and any retaining wall exceeding a height of 48 inches shall require a building permit; the provisions and conditions of this section shall not apply to fences required by state law to surround and enclose public utility installations, or to chain link fences enclosing school grounds and public playgrounds. [Ord. 1237 § 4, 1999; Ord. 175 § 1(24.48.150), 1964.]

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# Develop Des Moines Incentive Program

## AN ECONOMIC INCENTIVE PROPOSAL FOR LONG-TERM CAPITAL INVESTMENT IN THE CITY OF DES MOINES

### MULTI-UNIT HOUSING DEVELOPMENT TAX CREDIT

*Exemption*  
This tax credit has already been approved for a small area of Pacific Ridge. Expanding the boundaries could encourage more development, and specifically support plans for a 'condotel' development that is currently outside the approved area.

### PERMIT FEE DISCOUNT PROGRAM

This successful program is already in place, reducing City permit fees by 10-20% for large scale projects. It was expanded City-wide last year.

### QUALIFIED SMALL ISSUE BOND SPONSORSHIP

This is an existing State program; the City would simply support applicants to the program.

### SINGLE-SOURCE LTGO BONDS FOR INFRASTRUCTURE IMPROVEMENTS

This State bond program allows the developer to be repaid for infrastructure improvements concurrent with the development, using the City's portion of future sales tax revenues.

### HOTEL/MOTEL TAX WAIVER

Offering to waive the City's current lodging tax, for one or several years, would provide an immediate boost to a hotel operator's bottom line. A new hotel could have the tax fully or partially waived for one or two years.

Substantially renovated hotels could also be included. If membership in Seattle Southside were to continue, then it may have to be partially supported by the City's general fund, if several existing hotels chose to remodel.

### B & O TAX WAIVER

*New businesses* could be given a temporary full or partial reprieve from the City's B& O tax, for one or several years.