

AGENDA

Finance and Economic Development Committee Meeting
Wednesday, June 9, 2010
5:30 p.m. – 7:00 p.m.
City Hall South Conference Room

1. Call to Order
2. Approval of minutes of the May 25, 2010, and June 3, 2010, meeting minutes.
3. Discussion of follow up steps regarding City Council direction given at the May 6, 2010 study session on downtown planning and zoning issues.
4. Discussion of creating an economic development position.
5. Committee member comments
6. Future meetings

MINUTES – FINANCE AND ECONOMIC DEVELOPMENT COMMITTEE MEETING

May 25, 2010

South Conference Room

21630 11th Avenue South, Des Moines, WA

Council Members

Carmen Scott – Chair
Melissa Musser
Matt Pina

City Staff

Tony Piasecki – City Manager
Lorri Ericson – Assistant City Manager

Grant Fredricks – Director PB&PW
Joe Dusenbury – Harbormaster
Robert Ruth – Development Services Manager
Denise Lathrop – Planning Manager

1. Call to Order

Chair Scott called the meeting to order at 5:05 p.m. Minutes were approved as amended.

2. Discussion of creating an economic development strategy

Economic Development Manager Marion Yoshino shared the following information about City revenue sources:

- Sales Taxes (\$.0084/\$1 paid)
- Property Taxes (\$.11/\$1 paid)
- Utility Taxes (up to \$.06/\$1 paid + franchise from Comcast and garbage)
- B&O Taxes (\$.002/\$1 of Business Gross Revenues)
- Excise Taxes (Sale of Real Property \$.25 - \$.50/\$1.25 received)
- Fees for Services (Marina, Parks & Rec, Permits, Courts, Etc.)
- Program Funds/Shared Revenues State, Fed, County Government
- Grants Government & Private
- Donations

She also presented suggestions about growing revenues. These were divided into 3 categories: Attract Tourists, Attract Shoppers and Attract Investors. Listed under Attract Tourists: Marina/Beach Park Redevelopment, Seattle Southside, DM Tourist Map and State Tourism Marketing. Listed under Attract Shoppers: Shop Waterland (Target Population Centers), Downtown Redevelopment, and Channel 21 (Busn/Promotional videos). Listed under Attract Investors: Developer Incentives (Pac Hwy, other areas?), DM Creek Business Park, Commercial Realtor Outreach, Foreign Investor Outreach and Downtown Code Changes.

Economic Development Manager, Yoshino also shared copies of redevelopment studies for the Cities of Mountlake Terrace and Normandy Park. These studies clearly showed the expected financial benefit each city could anticipate from the different types of redevelopment. Planning Manager Lathrop stated it was important to know what types of businesses our community can support before we seek to attract businesses. Councilmember Musser shared her opinion that a lot of people, particularly double income families, tend to shop where they work, so it may be equally or even more important to attract employers. Councilmember Pina stated we need to expand the perspective and look for a blend of retail and employers. He also felt it was imperative to hold landlords accountable for the decline of their property and possibly provide incentives for property owners to keep their property in good condition. He said downtown was an essential part of the blend, but not the only part. City Manager Piasecki stated that he was working with legal on a nuisance code that may address some of these issues.

Chair Scott stated she went on a 4 day road trip through Western Washington and visited various waterfront communities. She shared photographs and observations. There was detailed discussion about buildings, their uses and appearance in downtown Poulsbo. She stated we need to inventory the City's strongest assets and explore options. She believes we need things to attract people to our waterfront. Some examples were: a water tour, rentals, fishing trips, etc. She said we could tie these rentals to the events that were happening in downtown, the Marina or Beach Park. City Manager Piasecki shared the discussion at last night's Event planning and organization meeting about marketing the marina to bring boating tourists to town and give them something to do as an incentive.

Chair Scott stated that what happens on Pacific Ridge or Des Moines Creek Business Park will affect downtown. For example, retail at Des Moines Creek Business Park could kill retail in downtown.

The consensus was that Des Moines needs to stay authentic and not become a clone of what other towns or cities have done. Councilmember Pina stated we need to articulate and codify the vision. Great things are happening, but he does not believe there is clear, codified direction. Discussion ensued about which would come first, the people or the businesses.

Chair Scott stated she thought the City should consider joining the Southwest King County Chamber of Commerce.

Councilmember Pina reiterated his opinion that we should partner with our sister cities. One example was the 4th of July parade in Burien and the Des Moines fireworks show. Chair Scott stated we needed a long term vision with community input. City Manager Piasecki spoke about the downtown element of the City's Comprehensive Plan and stated that it seems to fit the vision the committee has expressed.

There was discussion about Marine View Drive and its designation as SR509. The question was asked, if we try to lose the SR509 designation what can we do that we can't do now? PBPW Director Fredricks pointed out that if we lose the SR509 designation all maintenance for SR509 and SR516 would become the responsibility of the City. This is a significant amount that is not currently budgeted in the transportation budget. Major maintenance of both is currently a State responsibility.

3. Discussion of follow up steps regarding City Council direction given at the May 6, 2010 study session on downtown planning and zoning issues.

We did not get to this agenda item. Consequently, an extra meeting was scheduled for June 9th. We'll begin this discussion at 5:30 pm on that date, when Planning Manager Lathrop arrives.

4. Committee member comments

5. Future meetings

June 9, 2010 at 5:00 p.m.

Adjourned at 6:30 p.m.

Respectfully submitted by:
Lorri Ericson, Assistant City Manager

MINUTES – FINANCE AND ECONOMIC DEVELOPMENT COMMITTEE MEETING

June 3, 2010

North Conference Room

21630 11th Avenue South, Des Moines, WA

Council Members

Carmen Scott – Chair

Melissa Musser

Matt Pina

City Staff

Tony Piasecki – City Manager

Lorri Ericson – Assistant City Manager

1. Call to Order

Chair Scott called the meeting to order at 6:40 p.m.

2. Discussion about creating Economic Development Position

Chair Scott stated the purpose of the meeting was to determine whether the committee should recommend to the rest of the council that the City hire an Economic Development position immediately. City Manager Piasecki indicated that there is revenue available in the 2009 budget to cover this position for the remainder of the year. The revenue source would be the B&O tax which is coming in at about \$14,000/quarter higher than expected. He also indicated that the Marina may be able to contribute based on the need to market the marina after its remodel.

City Manager Piasecki shared job descriptions and salary ranges for Economic Development positions in neighboring jurisdictions. He also reviewed the minimum qualifications, skills and abilities as well as the job duties required in these surrounding agencies.

The committee discussed the merits of a full time position vs. a part time position and a regular full time position vs. a contract or temporary position.

Chair Scott expressed her concern that no one would take the job with no guarantee that it would be funded in 2010.

Councilmember Musser stated she was concerned about the salary ranges indicated by the comparisons and she was not sure this is where Des Moines should be right now. She thinks maybe closer to the \$65,000 a year range and with fewer duties and responsibilities.

Councilmember Pina asked if we had the funds to sustain this position beyond the end of the year. He also talked about the need to define what we really want. Another question he believes needs to be answered before a permanent recommendation is made is the question of whether the Economic Development position we have now is the one we want? He suggested it may be better to hire a contractor to partner with Joe Jewell at the marina. He stated the City has a responsibility to help new businesses get established and remain in business. As a result, we have to find someone who is interested in connecting the businesses and leveraging them. Other criteria should be someone who is able to advise the City about specific challenges that businesses are having.

Councilmember Pina questioned if we were really ready to make this decision right now. We don't know if it would be better to hire a high powered, experienced Economic Developer part time or a less experienced one full time.

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Chair Scott indicated that she was concerned we might lose the services of our current volunteer if we fail to act promptly. She specifically mentioned the business survey and that it was important not to lose that information before the product is finished. She also talked about the walking map and she reiterated her concern that the position shouldn't disappear because too many things are under way.

Councilmember Pina stated he would support a recommendation to contract with Marion through January of next year and then work through the normal budget cycle for the 2011 budget. He stated his belief that the City does need an Economic Development position.

Chair Scott believes that marketing efforts must be timely and that much work needs to be done this Summer and Fall. In order to meet editing, publishing and distribution deadlines for maps and local and State Tourism materials in 2011, she is concerned about doing too little too late.

Councilmember Musser stated we may not need to rush in until we know exactly what we need this person to do. She would support trying to keep this going through the end of this year and making the decision during the budget process.

Councilmember Musser said she could make an argument for restoring other positions in the City. Councilmember Pina pointed out that the Economic Development position could raise and/or retain funds and should be able to pay for itself which is different than some of the other positions. If the position can generate enough funds to pay for itself, then we have the person we need. He pointed out that a contract for the remainder of the year does not commit the city funds over the long term.

Councilmember Musser also stated she does not believe the City has the retail base to support a position at the level indicated by the other pay ranges in the long term.

Chair Scott stated that a good argument for funding the position on a contract through the end of the year is that it will keep things in motion and give us time to see what happens with the FAA building and other development options.

City Manager Piasecki summarized the discussion stating that the committee direction is that they would like to keep the ball rolling on the short term things that Marion has put in place to date and add a few more things that may be necessary. In order to do this, staff will put together a Scope of Work for a contract employee to do these things between July 1, 2010 and March 31, 2011. Further, there should be some metrics or measurable outcomes to show some successes. Staff will prepare this and bring it before the committee at their next meeting.

5. Future meetings

June 9, 2010 at 5:00 p.m.

Adjourned at 7:25 p.m.

Respectfully submitted by:
Lorri Ericson, Assistant City Manager