

## AGENDA

### **Finance and Economic Development Committee Meeting**

**Thursday March 12, 2015**

**5:00 p.m. – 6:50 p.m.**

**South Conference Room**

- 1. Call to Order**
- 2. Approval of the February 12, 2015 meeting minutes**
- 3. Sound Transit Update – Transit Orientated Development (TOD) Analysis**  
*Sound Transit Staff will provide the Committee an update on the TOD analysis for the FWLE.*
- 4. Discussion of Business Park Zoning**  
*Staff will provide a discussion of Business Park Zoning and potential Policy related work along the South 216<sup>th</sup> Street Corridor.*
- 5. Business and parking improvement options for the Marina District**  
*Staff will provide a discussion of options for improving the Marina District.*
- 6. Committee member comments**

## **MINUTES – FINANCE AND ECONOMIC DEVELOPMENT COMMITTEE MEETING**

February 12, 2015

South Conference Room

21630 11<sup>th</sup> Avenue South, Des Moines, WA

### **Council Members**

Chair Matt Pina

Jeremy Nutting

Jeanette Burrage

### **City Staff**

Michael Matthias – Asst. City Manager

Dan Brewer – PBPW Director

Denise Lathrop – Community Development Mgr

Grant Fredricks – Consultant

Nikole Coleman – Land Use Planner II

Autumn Lingle – Exec. Asst.

### **1. Call to Order**

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

### **2. Approval of the January 8, 2015 meeting minutes**

Minutes approved as submitted

### **3. Draft Ordinance No. 14-240 Community Commercial (C-C) Zone**

The following topics relating to Draft Ordinance No. 14-240 were discussed:

- Advantages and disadvantages of heights, mixed use and retail options
- Specified permitting for this zone, perhaps unclassified use
- Weighing all options to determine best use of commercial space
- It was noted that there are other parcels in the City with commercial potential
- Consider transit station when planning
- Adding screened outside boat storage as a C-C permitted use
- Is there a need for boat storage

### **4. 2015 Comprehensive Plan Periodic Update (see note below):**

General discussion involved the following topics

- General Planning Element
- Land Use Element
- Housing Element
- Community Character Element
- Healthy Des Moines Element
  - Planning partnership with Highline School District
- Possibly Seeking Designated Regional Growth Area with Puget Sound Regional Council
- Council position on reconciling irregular city boundaries:
  - Effective planning for split parcels
  - Property owners petitioning for change of City for their parcel
  - Public safety regarding split parcels

### **5. Committee member comments**

Chair Pina suggested conferring with Harbormaster regarding use of the marina floor/boat storage

The next regular meeting is scheduled for March 12, from 5:30-6:50 p.m. in the South Conference room.

Adjourned at 6:50 p.m.

Respectfully submitted by,

Autumn Lingle, Executive Administrative Assistant

DRAFT

## DOWNTOWN MARINA DISTRICT

This provides two examples of Districts that could be useful to Downtown development, in the context of establishing a distinct district to create the sense of place that makes the downtown a unique experience, emphasizing vibrant economic activity, pedestrian walkability, traffic calming to ensure pedestrian safety, improved aesthetics and infrastructure. The recent sale of the theater provides a catalyst to consider ways to enhance other development opportunities downtown.

### Intent/Goal

- Establish the sense of a distinct district
- Address parking
- Identify and implement aesthetic improvements (flower baskets, other visual options)
- Identify low cost infrastructure improvements (traffic calming/pavers/pedestrian walkability)
- Identify significant infrastructure improvements (roadway improvements, etc).
- Integrate Downtown District with Marina development

### Options to finance and implement improvements

- ***Parking and Business Improvement Area*** (RCW provides for the following activities)
  - The acquisition, construction or maintenance of parking facilities for the benefit of the area;
  - (b) Decoration of any public place in the area;
  - (c) promotion of public events in public places in the area
  - (d) Sponsorship or promotion of public events which are to take place on or in public places in the area;
  - (e) Furnishing of music in any public place in the area;
  - (f) Providing professional management, planning, and promotion for the area, including the management and promotion of retail trade activities in the area;
  - (g) Providing maintenance and security for common, public areas; or
  - (h) Providing transportation services for the benefit of the area
- The activities in a parking and business improvement area are financed through a special assessment that is imposed on businesses, multifamily residential developments, and mixed-use developments located within the geographic boundaries of the area.
- How Is a PBIA Formed?
- A parking and business improvement area may be established by either having:
  - The owners of businesses located within the geographic boundaries of the proposed parking and business improvement submit an initiation petition to the legislative authority of the local government having jurisdiction over the area; or

- The legislative authority of the local government passes an initiation resolution to create the parking and business improvement area. (Source MRSC)

- **Public Development Authority**

- A. What Are Public Development Authorities?

PDA's are public corporations created by a city or county to perform a particular public purpose or public function specified in the ordinance or resolution creating the PDA and its charter. RCW 35.21.730. Although PDA's may be created for a general purpose, PDA's are more often created for a specific project or undertaking reflected in the PDA's charter.

Legislative intent: PDA's are often created to manage the development and operation of a single project, which the city or county determines is best managed outside of its traditional bureaucracy and lines of authority. The particular project may be entrepreneurial in nature and intersect with the private sector in ways that would strain public resources and personnel.

- B. Why Are Public Development Authorities Formed?

PDA's are created to (1) administer and execute federal grants or programs; (2) receive and administer private funds, goods or services for any lawful purpose; and (3) to perform any lawful public purpose or public function. RCW 35.21.730(5). Such undertakings may be specified in the PDA's charter. PDA's are frequently created to undertake a specific project or activity requiring focused attention. PDA's tend to be more entrepreneurial than their sponsoring municipality, involving private sector participants as board members or partners. PDA's allow municipalities to participate in projects that they may be otherwise disinclined to partake in due to project risks and competing priorities of the municipality.

- C. What Powers Do Public Development Authorities Have?

The powers of a PDA are provided in chapter 35.21 RCW. PDA's may:

- Own and sell real and personal property;
- Contract with a city, town or county to conduct community renewal activities;
- Contract with individuals, associations, corporations, the State of Washington and the United States;
- Sue and be sued;

- Loan and borrow funds and issue bonds and other instruments evidencing indebtedness;
- Transfer funds, real or personal property, property interests or services; and
- Perform all types of community services.

While PDAs have broad statutory authority to perform any lawful public purpose or public function, PDAs cannot undertake a public function that the creating city or county could not lawfully perform. See Memorandum Opinion of the Attorney General of Washington to Robert V. Graham, State Auditor, March 10, 1989. A PDA is thus limited to perform only public purposes or public functions that the creating municipality may undertake directly. A PDA may be limited further by specific reference to a particular undertaking in the PDA's charter.

#### D. How Are Public Development Authorities Formed?

A city or county may form a PDA by passing an ordinance or resolution approving the PDA's charter. The charter will include the PDA's name, scope of the project or purpose, the term of the PDA, and board characteristics. The charter may provide for municipal oversight and will limit the liability of the creating municipality. Because PDAs are separate legal entities, all liabilities incurred by the PDA must be satisfied exclusively from the assets of the PDA, except as otherwise agreed by contract. PDA creditors do not have any right of action against or recourse to the creating municipality, or its assets, on account of the PDA's debts, obligations, liabilities or acts or omissions.

#### E. How Are Public Development Authorities Governed?

The PDA's charter establishes the PDA's governing body composition, size, and nomination process.

RCW 35.21.730 et seq. does not require any particular board composition and, therefore, the creating city or county has significant latitude in crafting a governance structure suited to the PDA's purpose. For example, PDA boards are often composed of persons with particular technical expertise (financing, construction or legal) and persons who represent key stakeholders.

The PDA's charter also usually determines the term of the PDA. The charter may include a sunset provision, which may automatically dissolve the PDA upon completion of the project or its financing.

Alternatively, if the PDA has a broader mandate encompassing numerous phases of an ongoing project or a general endeavor, the PDA's existence may be indefinite. PDA staffing, administrative costs, and oversight requirements may vary as the particular undertakings differ.

The creating municipality will have limited control over the PDA, but will not be relieved of all oversight responsibility. By statute, the city or county is required to oversee and

control the PDA's operations and funds in order to correct any deficiency and to assure that the purposes of each project are reasonably accomplished. See RCW 35.21.745. The PDA's accounting and other responsibilities to its creating city or county may be identified in the PDA's charter and serve to assist the city or county in meeting its oversight obligations. The municipality may further specify the level of autonomy, accountability, and control it will have over the PDA in the PDA's charter or in any contracts or leases the municipality executes with the PDA.

F. What Type of Projects Can Public Development Authorities Construct, Operate and Finance?

A PDA may undertake any "public purpose" specified in the PDA's charter and that is a lawful public purpose or undertaking of the creating municipality. Examples of projects include developing the Seattle Art Museum, assisting in the development of the Museum of Flight at Boeing Field in King County, developing City Hall on Mercer Island, restoring Officers' Row in Vancouver, managing the Pike Place Market in Seattle, and developing the Convention Center in Bellevue.

*The Pike Place Market is a City of Seattle PDA and essentially acts as the landlord to scores of retail establishments and nonprofit services provided in a series of historic buildings. The City of Seattle has determined that day to day operations of such an enterprise is best managed by professionals independent of the City, given the untraditional nature of the enterprise and the importance of responding to the unique needs of the private retail marketplace.*

*SCORE is a PDA structure.*

*Grays Harbor Public Development Authority - Satsop Development Park*

In 1998 the Grays Harbor County Commissioners passed a resolution, charter and bylaws, which created the Grays Harbor Public Development Authority. The authority was organized to facilitate the redevelopment of the Washington Public Power Supply System (WPPSS) site. It began operations in July 1999. It is the successor organization to the Satsop Redevelopment Project (SRP), which was created by an inter-local agreement between the elected commissioners of Grays Harbor County, the Port of Grays Harbor and the Grays Harbor Public Utility District (PUD). The SRP was organized to examine the economic potential of the site of the never completed WPPSS Satsop nuclear plant. A seven-member board of directors governs the authority. The Grays Harbor County Commission, the Grays Harbor PUD and the Port of Grays Harbor each appoint one of their current commissioners. Those three commissioners select the remaining four members who are to be civic or business leaders with expertise in finance, real estate development and law or construction projects and must also reside in Grays Harbor County. The Grays Harbor County commissioners have final approval over all

appointments made to the authority's board. The authority's employees operate on an average \$2.8 million annual budget that focuses on developing the site into a business park. (Washington State Auditor's Office Accountability Audit Report, issued June 10, 2013.

(Resource: MRSC & Summary paper by Preston, Gates, Ellis 2003)