



## **CITY COUNCIL BUSINESS DEVELOPMENT COMMITTEE MINUTES**

**March 30, 2022, 6:00 PM**

**IN PERSON - Sedro-Woolley Municipal Building, Council Chambers  
325 Metcalf Street, Sedro-Woolley**

**Committee:** Councilmembers Joe Burns (Chair); Sarah Diamond; and Glenn Allen

**Lead Staff:** Charlie Bush, City Administrator

### **a. Call to Order**

### **b. Approval of Minutes from February 16, 2022**

### **c. Discussion and Possible Action Items**

#### **1) Economic Development Alliance of Skagit County (EDASC), CEO John Sternlicht**

John Sternlicht provided an overview of EDASC activities during 2021. Statistics included 1,200 business-retention-expansion interactions, business attraction, entrepreneurial support, and other projects. Mr. Sternlicht mentioned that EDASC had helped Sedro-Woolley award \$342,000 in business grants during the pandemic. He explained how EDASC looks for business attraction projects that fit and works with communities to market their sites. He talked about trends, for example younger generations moving to areas where they want to live first and then figuring out where they are going to work. Mr. Sternlicht mentioned that the outdoors is a huge advantage for the region.

The Committee discussed the pitfalls of becoming a bedroom community with Mr. Sternlicht, who agreed that being a bedroom community was not a goal for economic development and that residential units do not provide enough tax revenue to support a city. He mentioned that EDASC loves working with communities to attract employers.

The Committee asked whether we had received feedback from businesses not choosing to locate here. Mr. Sternlicht mentioned that the City had done a good job presenting itself but real estate limitations, particularly a lack of buildings and land, were most often the reason we were not chosen for a new business location.

The Committee discussed infrastructure, particularly transportation capacity, with Mr. Sternlicht, who admitted that limited transportation options are an issue for some employers considering Sedro-Woolley.

The committee asked about fees as a deterrent for development. Mr. Sternlicht mentioned that processes and the need for additional infrastructure often are more of a deterrent. For example, environmental processes for constructing a new building are a deterrent if an existing building can accommodate a business and it can avoid that process (and time delay).

The Committee discussed EDASC's efforts to provide information to the State Legislature about the economic impacts of public policy.

The Committee asked about EDASC's role at the SWIFT Center. Mr. Sternlicht stated that EDASC supports it and is ready to recruit when the Port (of Skagit) is ready for recruitment to occur. He stated that the Port is doing well.

The Committee asked what else they could do to support business development. Mr. Sternlicht mentioned that visioning, determining what the City wants in its business community, is important and can help guide what happens here. The committee discussed technology companies, agriculture manufacturing, assembly of products, sporting goods, solar/wind turbines, and shoe manufacturing. Mr. Sternlicht mentioned that outdoor recreation is perfect for the area and that companies that are headquartered here retain and generate the most money in the community. Mr. Sternlicht suggested that the City focus on 1-2 properties, look at their needs, and then work with EDASC to market them from there.

## 2) Conversation with John Coleman, City of Sedro-Woolley Planning Director/Building Official

John Coleman spoke to the committee. He thanked the committee for helping to protect commercial land because of its importance, as mentioned by John Sternlicht in his presentation.

John discussed industrial land on the west side of Sedro-Woolley served by rail. There is industrial property along the tracks there. Sunset has been a successful business park. State Street is also industrial into the City's core. From there, the tracks curl north along the railroad tracks and that continue to Jones Road. Rail sidings would be difficult as the tracks go north of State Route 20, due to their elevation. Industrial land is limited.

There was a discussion of agriculture being capped.

The committee asked what do you do to widen infrastructure/roads to accommodate more economic development? Mr. Coleman stated that the urban growth area can only go north due to protections to the east and west, the river is to the south so we can only

go north. There is a hill to the north. Where does growth go? It has to stay south of Duke's Hill but where is it going to go? We are not anticipating any opportunity to expand our industrial zoning. If we want these types of businesses, we must also keep in mind the landscape we have available to accommodate it.

The committee asked about zoning options in the area, beyond adding neighborhoods. Mr. Coleman responded that there is not a lot of undeveloped land in the City in that area. There is a bit west of Highway 9. There is one potential area for industrial but it is limited.

With little property available, the Committee discussed options and the need to hone in on what industry we are seeking due to the limited building types, the number of employees that could be accommodated, etc. Car dealerships were mentioned, as they generate a lot of revenue.

The Committee asked about projects on the west side of town. Mr. Coleman described how development could occur in the area and talked about mixed use in the Downtown. The Committee asked about the justification for having some commercial below to justify the residents that live above. Mr. Coleman responded that we are not seeing anything coming in without incentive but we need to have a place for catalytic commercial development.

There was discussion about emphasizing industrial property development overall for the City and engaging property owners on the possibilities where they can get assistance, etc. – bringing in EDASC, etc.

The Committee also talked about the types of housing that are needed to support the types of businesses that we are trying to attract. Mr. Coleman mentioned that we are trying to provide a balance of housing with a wide variety of options and that we are lacking big houses to support higher income residents.

The Committee discussed further what it can legally do as a City to support economic development. It discussed ballfields for tournaments that would drive tourism and bring additional lodging. The idea was discussed a year or two ago but nothing has been mentioned since.

When asked if there was anything further from Mr. Coleman, he mentioned that the business license for a food truck is \$1,000. We are mention it to you as a business had concerns about it recently and could not open here. The Committee agreed this would be a good discussion with Council and requested some background data first, in the form of an email/memo with information about what other communities are charging regarding fees and what regulations they have in place. Mr. Coleman shared that there are parameters currently for food trucks in the code. They have to be in a private

parking lot with property owner permission. Business licenses are required for special events.

Mr. Coleman also mentioned that we don't have a brewery in town. What comes along with it is a restaurant or a tasting room. We don't have good zoning for that type of business. Breweries are often in the industrial zone but you can't have a restaurant there. This would be a specific brewery exemption for restaurants. We would have a specific brewery exemption. Right now you'd need a Conditional Use Permit to go about the process of getting approval. This approach would eliminate that approval. The Committee liked this idea and supporting it coming forward in the future.

### 3) Planning for Next Meeting – Ideas include Chamber of Commerce, Port of Skagit

The Committee was in favor of inviting the Port of Skagit to its next meeting.

**d. Next Meeting:** Possibly Tuesday, April 19, 2022. The Business Development Committee meets the third Wednesday of each month, unless otherwise posted.

The committee determined that its next meeting would be on Thursday, April 28<sup>th</sup> at 6:00 PM in the City Council Chambers.

### **e. Adjournment**

The Committee adjourned at t 8:00 PM.

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