

Development Commission  
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**CITY OF ISSAQUAH  
Development Commission  
MINUTES  
September 5, 2018**

City Hall South  
Council Chambers

135 E. Sunset Way  
Issaquah, WA 98027

<b>Commission Members Present</b>	<b>Administration/Staff Present</b>
Richard Sowa, Chair	Jean Lin, Senior Planner
Mel Morgan, Jr., Vice Chair	Lucy Sloman, Land Development Mgr.
Michael Brennan	Keith Niven, Economic and Dev. Services Dir.
Kevin Price	Dan Ervin, Consultant Engineer
Richard Sanford	
Ryan Roeter, Alt.	<b>Others Present</b>
Nischitha Venkatesh, Alt.	Steve Bullock, MG2
	Jackie Frank, Costco
<b>Members Excused/Not Present</b>	Shannon Seuss, MG2
Randy Harrison	
Jasmina Milhova	
Mark Rigos, Alt.	

**1. CALL TO ORDER**

SOWA, Chair, called the meeting to order at 7:00 PM.

**2. APPROVAL OF MINUTES**

MOVED BY BRENNAN, SECONDED BY SANFORD that minutes of the Development Commission meeting on June 6, 2018 be approved as presented. MOTION CARRIED UNANIMOUSLY.

**3. AGENDA ITEMS**

Sloman explained that tonight's public hearing is a quasi-judicial matter, and explained procedural due process and substantive due process. She asked Commissioners to read through a series of questions intended to determine their ability to be fair and impartial, and asked whether there were any "yes" replies. There were none. She asked whether any Commissioners had had ex parte communications on the issues to be discussed tonight, and none were disclosed. There were no objections or challenges from the applicant.

**a. COSTCO CAMPUS EXPANSION, BUILDING 4, COMMUNITY CONFERENCE (I)**

*Presented by: Jean Lin, Senior Planner*

**b. COSTCO CAMPUS EXPANSION, BUILDING 5 (Q)**

*Presented by: Jean Lin, Senior Planner*

**Staff Presentation**

Lin continued staff's presentation on two permits submitted by Costco as part of its campus expansion. She described the permits for Buildings #4 and #5, and noted that although they are separately permitted projects, they will be reviewed concurrently in staff's presentation tonight for maximum efficiency due to the high number of shared elements. She referred to three pieces of communications received after the staff report was issued, and said copies of those communications have been e-mailed to Commissioners and are available tonight, as well as a

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materials board. She described the two segments of the Costco campus expansion that are being presented tonight: an Administrative Site Development Permit, or ASDP, for Building #4, and a Site Development Permit, or SDP, for Building #5.

She began her presentation on the sequence of review meetings that has taken place to date; how tonight's presentation will be structured; an overview and some background on the existing Costco Development Agreement (DA) between Costco and the City; diagrams and maps of the site location; existing conditions; the City's Master Transportation Funding Agreement (MTFA) with Costco for funding three related transportation projects; the Land Plan for the project; the sustainability component of the DA; the proposed site plan for both Building #4 and Building #5; and surrounding zoning, including the Urban Core zone.

She described the purpose of the Community Conference being held tonight for the ASDP for Building #4, and the Development Commission's role as advisory. She gave more details about the two-part public hearing process for the SDP for Building #5, and the Development Commission's role as decision maker. She briefly described the Administrative Adjustments of Standards (AAS) that the applicant is seeking, and the role of the Commission in reviewing them.

She continued her presentation on the environmental review (SEPA) results, noting that both proposed buildings #4 and #5 are consistent with the Planned Action Determination adopted in 2014 for the Costco Campus Expansion Project, so no additional SEPA review is required. She described the plan for pedestrian circulation and connectivity, including the use of through-block passages and connections to the existing trail network; proposed vehicular circulation throughout the campus; and drawings of the anticipated views and vistas through the skybridge along Lake Drive, from Lake Drive looking east and west, and a view of Pickering Pond through the existing Building 1 skybridge. She continued her presentation on the AAS the applicant is seeking with regard to tree retention, as described in the staff report. She noted an AAS is being requested to bring the project into compliance with City code on tree retention, and would require the replanting of about 211 trees to replace those removed by construction. She described the applicant's proposal to provide both vehicle and bicycle parking for both buildings.

She said her comments now will focus on the Community Conference for the ASDP for Building #4 only, and showed drawings of the community spaces, plaza amenities, and so on that are proposed for the building. She described the building as a nine-story office building with one level of underground parking, and described the building elements and materials that would bring it into compliance with applicable City standards. She also noted where the proposed building elements do not comply with standards, namely blank walls, and described the conditions the City has placed on the design. She continued by describing an existing wetland on the site, which is proposed be removed, with offsite mitigation provided by the applicant through the King County Mitigation Reserves Program.

Lin continued her presentation on the SDP for Building #5, and described it as a 10-story parking garage building with exhibit space and a fitness facility for employees on the ground floor. She showed proposed drawings of the building and explained how the building elements comply with applicable City standards. She continued with a description of where building elements do not comply with standards, specifically blank walls, and described the conditions the City has placed on the design.

She concluded her remarks by saying that the Administration finds the ASDP for Building #4 as presented tonight is consistent with the Land Plan and all City applicable requirements, and is recommending it move forward; and that based on staff's review of the submitted plans and

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information from the applicant as well as the City's conditions, the Administration recommends approval of the SDP for Building #5.

### **Applicant Presentation**

Jackie Frank, Vice President for Real Estate Development, Costco, said he has appreciated the positive, collaborative working partnership Costco has had with the City on this project. He introduced other members of the applicant team, and addressed why Costco is doing this. He gave some background on other structures in Costco's Pickering Place Corporate Campus, including the square footage and capacity of each. He said Costco's current capacity to house its employees has been somewhat constrained because of a lack of space, and explained where Costco has leased additional office space in the City to accommodate Costco's growth and expansion. He described Costco's growth projections and its desire to return about 2,500 offsite employees to the main campus as well as provide for future growth of the company. With these two new buildings, he stated, Costco's headquarters would be about 1.1 million square feet of office space, with about 5,700 parking stalls, and be able to house about 7,000 onsite employees, with another 1,500 Costco Travel employees located offsite. He gave more background on the partnership between the City and Costco from 1990 to the present. He described the goals of the City, Costco, and this project, and indicated where they intersect and overlap. He also addressed Costco's commitment to sustainability and its proposal for energy efficiency for the campus expansion project, including a commitment to LEED Silver standards.

Steve Bullock, Senior Associate at MG2, addressed the planning and design determinants, using diagrams; displayed diagrams of the irregular nature of the lots; described the lots' adjacent uses and features, including Issaquah Creek and view opportunities; explained how the existing and proposed campus site is organized; and noted how thinking has evolved since the initial concept plan that would apply some of the CIDDS standards, which led to the proposal to create a separate parking garage (Building #5). He continued with diagrams of the proposed site plan that addressed entry spaces, plazas, skybridges, landscaping, pedestrian circulation patterns, and uses of the first-floor space of the proposed parking garage.

Shannon Seuss, Senior Designer at MG2, explained how the design intends to enhance and utilize what is in the City's design guidelines. She described the proposed design solutions, and how they address Costco's needs and goals. She characterized Costco as "efficient, Northwest, sensible, and people-centric," so the proposed design to meet those characteristics is "purposeful, natural, lasting, and human." She referred to a statement in the design objectives, specifically that, "The design infuses natural surroundings into the workplace and building design to create a warm, inviting, and healthy environment." She continued her presentation with renderings of how space on different floors of both buildings #4 and #5 will be used. She described new building materials to be used, which will be compatible with existing campus materials, including brick, vertical slat screens, patterned glass, curtain wall glazing, wood soffits, and patterned feature walls. She showed renderings of what the team anticipates the new campus will look like from a 3-D aerial view and views from SE 62nd. She also showed views of the buildings from a pedestrian and vehicle perspective, for visitors coming down Lake Place, and how plazas will appear from the street. She explained how the softly lit lantern entrance and preserved vistas of the surrounding mountains will act as focal points in the design. She showed how the new buildings will connect to the existing campus and how the new buildings will appear at nighttime.

### **Public Comments**

SOWA opened the public hearing for public comment at 8:35 PM.

David Kappler, 255 SE Andrews Street, Issaquah, referred to a letter he submitted earlier today as a representative of the Issaquah Alps Trails Club expressing concern about retention of trees,

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especially on the Building #4 site. His comments also included the need to select replacement trees that are appropriate for our changing climate and are not high maintenance; the opportunity for some drainage improvements in the area where the parking garage will be built; the need to be sure the skybridge is ventilated properly; and making sure Costco's recycling efforts, which are commendable, are made obvious to visitors and employees. He continued speaking that, as a resident, he is concerned about the 55,000 yards of material that would potentially be exported from this site as well as the transport of building materials into the site, and noted that the negative impacts of this type of construction on May Valley Road residents is tremendous.

Hart Sugarman, 2550 NW Oak Crest Drive, Issaquah, spoke about the unprecedented growth Issaquah is experiencing and the big impact traffic is having on the community. He specifically noted that the intersection of 17th and 12th needs attention, and suggested adding a right-turn-only lane there to facilitate egress. He also spoke about constructing a bridge across I-90 to assist with traffic congestion on East Lake Sammamish Parkway and other roadways. He said he understands how Costco employees will be able to walk through the Costco property to access the public trail, but when he walks or bikes there, he sees "No Trespassing" signs. He said he thinks Costco should allow someone walking on the trail, not just Costco employees, to be able to get from the trail to Lake Drive. He also suggested creating a rooftop terrace for employees on the proposed buildings, and said the views and vistas from there will be stunning.

Connie Marsh, Squak Mountain resident, said Costco is apparently committed to being sustainable except for the environment in which they are building. She continued they are filling in a flood plain and don't want to replant the trees they are removing. Costco says it wants to emulate the natural beauty of the Northwest, but is beating this site up. She continued with the need for a SEPA decision on the flood hazard issue, or at least a condition, and noted that taking out the trees will leave Pickering Trail denuded of trees. She said the design of the overlook and trail access will make Costco employees happy, but users of Pickering Trail are losing what is supposed to be a community benefit. She addressed the need to replant trees on the site, not just put funds into a tree fund, and said the City should add a condition that the trails on either side of the new buildings will not be impacted. She encouraged Costco to make improvements that will benefit the City and also meet Costco's needs.

Hearing no additional requests to speak, at 8:52 PM SOWA continued the public hearing until the next regular Commission meeting on October 3, 2018 at 7:00 PM.

### **Joint Discussion**

SOWA asked for Commissioner questions on Building #4. SANFORD referred to the geotechnical study of the site, and asked are there any special safety concerns about the skybridge. Bullock replied we have a structural engineer on our team, and they will have to submit a substantial justification as part of the project permit. SANFORD spoke in favor of the sustainability features in the plan, and asked will any of the trellis on the roof of the parking garage be planted. Frank replied no, but we have planned for quite a bit of landscaped area at the top. SANFORD asked are any of the windows in Building #4 operable, or are they sealed. Bullock replied they will all be sealed. He said we have discussed and considering the options, and briefly described some of the difficulties with operable windows, including the proximity of I-90. SANFORD referred to pages 40 and 41 of the design document, and asked whether the images, particularly those of windows, are representative of the plan in terms of color. Bullock replied no; they are provided by Google Earth's model and we don't have much control over the colors they use.

BRENNAN asked whether any thought has been given to how the applicant will address Condition 3 ("The east end of the east-west through-block passage pedestrian path between Building #4 and the Trading Building must be designed to prioritize pedestrians..."). Bullock showed a photo of the

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existing loading dock zone at the Trading Building and explained how it functions now. He said the new design and materials will emphasize the pedestrian crossing in that zone. BRENNAN asked for details about the type of trucks that use that loading area. Bullock replied they are mostly step-type vans; there is a separate loading dock for larger trailer-type vehicles, and added it is not a high-traffic area.

MORGAN asked the applicant for his thoughts on staff's suggestion to move the crossing from north to south on the underside of Building #5, instead of Building #4. Bullock said we studied it and thought it was better located on the north side, although there are advantages to the south side as well. He said the City's condition there is acceptable to us. Frank added the plan intends to result in sidewalks on both sides, north and south; the southerly one will be slightly wider.

MORGAN asked what is the difference between the roadway elevation and the wall elevation on the southeast corner of Building #5. Bullock replied the difference is about five feet; the finished floor is 64 feet above grade and the sidewalk is 69 feet above grade. MORGAN asked how far is that from the corner. Bullock replied it is about five feet from the corner, and noted the regulations say it must be within ten feet.

MORGAN referred to the description of "sense of arrival" (Section 11.2.E), which states that "The skybridge across Lake Drive... would convey an impressionable sense of arrival along Lake Drive." He said the staff report includes information about lanterns between Buildings #4 and #5, but a large number of people will be coming to this location from the east and south. Once they come across SE 62nd, he continued, that will be their "sense of arrival," which seems missing. Sloman said the blank wall there will be buried about five feet, and staff has spoken with Costco about how to modify that. What is shown in the plans is kind of preliminary, she continued. On the question of "sense of arrival," she continued, every corner that is exposed needs to be detailed and visually strong; however, it's possible that the roundabout there will create people's "sense of arrival." The design team has selected a different place to designate as the place where people will feel they have arrived, she added. Bullock said we are not at the end-game stage yet on treatments for the blank wall; it was our thought that we would get some feedback tonight before doing any further design work. We do plan to make it interesting and not just be a solid wall. Seuss added we have done a fly-through model of how it will feel to come across SE 62nd, and can show that to you at our next meeting. She continued with more information about the applicant team's work with a lighting designer, and noted the plan includes uplighting from the outside of the buildings and lit focal points at the corners of the four main intersections. Sloman said staff and the City need to spend more time about how to strengthen the sense of having arrived in the district when someone crosses the bridge there.

MORGAN asked for clarification of how the proposed project complies with the 75-percent minimum build-to line regulations for properties in the Urban Core, as stipulated in the CIDDS (City of Issaquah Design and Development Standards). Sloman explained how the use of community spaces and alternate frontage elements reduces the 75-percent minimum requirement to 45 percent of that minimum. She referred to the calculation shown on page 11 of the site plan that explains how the project satisfies the 75 percent minimum due to the use of community spaces and alternate frontage elements, and said we can do a more fine-grained analysis of that for the Commission. Bullock referred to pages 10 and 11 of the plan drawings for more details about how the plan meets the requirement. Frank said Costco's DA also addresses the minimum build-to line, and quoted the appropriate passage. He continued this is a huge issue that Costco has discussed at length with staff. He showed how moving the building forward makes the building get shorter and shorter, and explained the difficulties with other options to siting the building.

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BRENNAN asked what the experience will be like at the east plaza to accommodate the City's goals for the design standards. Bullock said we plan to work with raised planting beds of varying heights and possibly use street trees to create a street wall, among other options. BRENNAN said that will be important for the pedestrian experience. Sloman noted a variety of vertical architectural elements as appropriate can be used there.

MORGAN noted CIDDS requires that a pedestrian facility connection should be included when a block is more than 300 feet long such that there is a separation of no more than 250 feet between connections. He asked does that apply to the south half of Building #4. Sloman explained that because a lot of the foot traffic will be from the Costco campus, the ability to go through the building also "counts" toward meeting the "no more than 250 feet" requirement. Lin referred to calculations on page 10 of the project plan. Bullock referred to language that appears in the CIDDS and Costco's DA requirements. Sloman said staff can bring diagrams and pictures from original SDP to the next discussion to make it more clear how the plan meets the CIDDS requirement.

MORGAN referred to 14.3 A-1 in the building standards, which stipulates modulation and setback requirements on all buildings over three stories. He asked what is the intent of this; can buildings be compliant when they are not set back, as is the case with these two buildings. Sloman replied yes; buildings can use material changes, not just physical setbacks, to address setback issues. Bullock noted the building design does have a stepped-back top floor.

BRENNAN said a public comment made tonight addressed the employee experience of the proposed trail access and the public experience. He continued he understands the challenge of attracting and retaining high-level employees by providing high-quality workplaces, but is also concerned about ensuring public access, particularly those who want to get from the streets through the campus to the public trails. Frank replied his observation is that the public has easy and frequently-used access to the trails now, and there is no intention to change that with this new design. He referred to Costco's DA, and said while it is not our intention to preclude access to public trails, this is private property.

MORGAN asked for clarification of the bicycle parking question. Bullock explained why the design originally proposed bicycle parking is primarily located in the garage, and said we fully intend to comply with the City's condition to provide bicycle parking so that it is equally attractive and convenient to residents of both buildings. MORGAN asked whether the number of bike stalls could just be stipulated as "as appropriate" rather than using the 25-percent requirement. Sloman said having a number is an attempt at predictability, but it's a good point. Bullock added the actual users of the bicycle parking at the buildings may provide the best guidance on that. Frank said it is our intention to have locking subterranean bicycle parking at both buildings and in the breezeways, similar to what exists for Buildings #1 and #2, and we will do that regardless of whether it is conditioned.

MORGAN asked what is the basis for the standard on loading dock space ("1 loading space per 30,000 NSF"), and said he understands why the applicant is seeking an AAS. Sloman said the standard is of long-standing, and she isn't really sure of its basis, but that is why an AAS exists.

SOWA asked for Commissioner comments on Building #4. MORGAN said his concerns are the blank wall, which he understands will be partially below grade and is being addressed by the applicant, and the comments he made earlier about a "sense of arrival." He said the buildings are attractive and the applicant team has done a lot to make the project an excellent site for both employees and the public.

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BRENNAN said he echoes MORGAN's comments about the project's attractive buildings. He continued he likes the variations in proposed materials, and thinks the applicant team has done a good job of integrating plaza spaces and mid-block connections. He said he still has some concern about the connection across the vehicular drive but has less concern after hearing the applicant's explanation on how they intend to address it in ways that are safe and effective. He added he likes the lantern effect, and it is interesting to think about night as well as daytime views there. In general, he said, it appears to be an inviting place for people to work, and will be attractive for those just passing by as well.

ROETER said the proposed plan is great for Costco employees, and will help bring more economic vitality to Issaquah. He continued any measures Costco can do to add to or complement the adjacent trail system will go a long way for Costco.

SOWA asked for Commissioner questions on Building #5. STANFORD referred to 14.2 on page 180, "The exhibit space and fitness center... offer opportunities... to evolve over time" and asked does that mean the space would be used for a different purpose. Lin clarified the first floor could be repurposed over time from the current plan to use it for exhibits and a fitness center, and doesn't apply to the rest of the parking facility.

MORGAN said thinking about cars leaving at the end of the workday from the parking garage, coming out of the northeast corner, he has concern about the visibility and safety of pedestrians and employees coming out of the buildings to access the trail. Sloman said there is a proposed walkway on both sides of both buildings, and referred to how the plan will address visibility. It's hard to anticipate how the buildings will actually be used, she continued. The thinking was to emphasize walkability on the north side rather than the south side because many people will be walking there at lunch and on breaks during the day, not necessarily when traffic will be the heaviest. That's why staff was comfortable with what the architect has proposed, she added.

BRENNAN asked what is the width from wall to wall on the through-block. Bullock replied 37 feet, with a 24-foot-wide drive aisle, a five-foot sidewalk on the north side, and a 7.5-foot sidewalk on the south side. BRENNAN said he's trying to visualize how it will be feel to be in that space when the garage is active, and said it is not going to be a very comfortable space to be in. He asked what can be done to make that feel safer and perhaps more comfortable. Sloman said staff made that a preliminary condition so that final solutions could be developed using more detailed studies of that through-block passage. So we plan to come back with more materials and visuals to give the Commission a better sense of what the experience will be, she added.

MORGAN expressed concern about the somewhat utilitarian, monolithic look of the upper levels of Building #5, particularly from the view going south on Lake Drive. BRENNAN agreed, and said maybe that corner needs a gateway element or something more striking.

BRENNAN asked whether the skybridge from the garage to Building #4 will be a conditioned space or open air. Bullock replied we are still working on the ventilation issue, but the bridge itself will be unconditioned.

SOWA asked for Commissioner comments on Building #5. He said he likes the parking structure's appearance, and the lantern effect on the corner with a glass first-floor really helps the look of the building. MORGAN agreed. He said he likes the uses proposed for the first floor, namely for vendor exhibits and an exercise facility. BRENNAN spoke in favor of the sustainability emphasis, which is a positive for both Costco and the community. He said he agrees it is challenging to keep the design of a parking structure interesting, and while there may be a bit more design work to do, the architectural treatments presented so far look good. He said having more information on the

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interface with the trail for the next meeting would be good, and he would like to see more on the interface of the north plaza and the street.

SOWA noted the public hearing will be continued until October 3, 2018 at 7:00 PM.

**4. OTHER BUSINESS/ANNOUNCEMENTS**

Sloman noted the Commission will hold an election for Chair and Vice Chair at its next regularly scheduled meeting on October 3. She briefly described the special meeting scheduled for September 26 and said the issue to be discussed, pertaining to the end of the Highlands Development Agreement, may require several additional meetings to conclude.

**5. ADJOURNMENT**

With no additional business to discuss, SOWA adjourned the meeting at 10:13 PM.

Respectfully submitted,

Susan Lowe  
Recording Secretary

*(Note: Alternate Member(s) did not vote at tonight's meeting as there was a quorum of Regular Members present.)*