

**CITY OF ISSAQUAH
Development Commission
SPECIAL MEETING**

6:30 PM
March 19, 2019

Council Chambers
135 E. Sunset Way

MINUTES

*These minutes are provided as a written record pursuant to IMC18.03.100(C).
A video recording of the meeting and a full transcript of the proceedings also exist.*

COMMISSION AND ADMINISTRATIVE PERSONNEL PRESENT

Commissioners Present:

Richard Sowa, Chair
Mel Morgan, Vice Chair
Michael Brennan
Kevin Price

Richard Sanford

Commissioners Not Present (Excused):

Randolph Harrison
Jasmina Mihova
Mark Rigos, Alternate
Ryan Roeter, Alternate
Nischitha Venkatesh, Alternate

Administration/Staff:

Keith Niven, Econ. & Dev. SrCs. Dir.
Lucy Sloman, Land Development Mgr.

Others Present:

Jeffrey Dunbar, City Attorney's Office
Tia Heim, Shelter Holdings
Zachary Lell, City Attorney's Office
Ray Liaw, Van Ness Feldman, LLP
Jackie Quarré, Foster Pepper PLLC
Patrick Schneider, Foster Pepper PLLC
Gary Young, Shelter Holdings
[Geoff Walker, UVDC Chair, audience]

CALL TO ORDER

SOWA called the meeting to order at 6:30 PM.

APPROVAL OF MINUTES

- a) MOVED BY MORGAN, SECONDED BY BRENNAN that minutes of the meeting on March 5, 2019 be approved as presented. MOTION CARRIED UNANIMOUSLY, 5-0.
- b) MOVED BY MORGAN, SECONDED BY BRENNAN that minutes of the meeting on March 6, 2019 be approved as presented. MOTION CARRIED UNANIMOUSLY, 5-0.

PUBLIC HEARING(S) - Continued from 3/6/19

- a) **Issaquah Highlands Retail (High Street Collection) Site Development Permit, (Q)***
Application No. SDP18-00001; PRJ17-00027

Issaquah Highlands Medical Office Administrative Site Development Permit, (Q)*
Application No. ASDP18-00007; PRJ17-00023

Issaquah Highlands Self-Storage Administrative Site Development Permit, (Q)*
Application No. ASDP18-00006; PRJ17-00028

- Preliminary Matters [completed]
- Staff Presentation/Witnesses [completed]
- Applicant Presentation/Witnesses
- Public Testimony
- Rebuttal Witnesses

- Discussion/Decision

Lell continued his cross-examination of Heim from the March 6, 2019 meeting after verifying that Heim continues to be under oath. He asked clarifying questions of the notes prepared by Heim following meetings and discussions between Shelter Holdings and the City, and to which she previously referred in her testimony, including on February 6, 2018, February 8, 2018, and February 15, 2018.

Lell asked Heim clarifying questions about her understanding of how Shelter Holdings acquired its property in the Highlands and the entitlements that were both included and purchased after acquisition. Lell also asked Heim clarifying questions about her understanding of a property development assessment report prepared for Shelter Holdings in 2015; the City's communications with Shelter Holdings about a potential educational institution on Shelter's property in the Highlands, including written documentation by the City that relates to the City's requests to Shelter about donating property; Heim's employment with Shelter in 2015, specifically in working with the City; and clarifying questions from Heim's previous testimony. Lell continued his questioning of Heim about her understanding of mitigation provisions in the Highlands Development Agreement, and her work experience both prior to joining Shelter Holdings and with Shelter Holdings.

Lell continued his questioning of Heim, specifically about Exhibit C-9 (Shelter Holdings' initial land use application for Shelter Holdings' preliminary plat application) and Shelter's supplemental application submitted in December 2017.

SOWA called for a short break at 7:32 PM, and reconvened the meeting at 7:44 PM.

Lell, Liaw, and Quarré clarified labeling of several exhibits referred to in the previous discussion and identified them for ease in continued questioning of Heim. Lell continued his questioning, which included questions about Exhibit S-22; Shelter's work with consultants on development opportunities for Shelter's property in the Highlands; Shelter's initial land use application packet (Exhibit C-9); any studies Shelter has commissioned on the effect of the replacement regulations on Shelter's applications; and previous testimony given by Heim, including from her September 7, 2017 notes.

Lell continued asking clarifying questions about Heim's previous testimony and her understanding of the events and timeframes surrounding Shelter's submittal of its applications. He continued with questions about Heim's understanding of Exhibit S-9 and Exhibit S-25.

SOWA called for a short break at 8:38 PM. He reconvened the meeting at 8:49 PM.

Lell continued questioning Heim about her previous testimony, specifically her statements about Shelter's actions in submitting its applications to the City. He asked her to clarify her testimony at the February 5, 2019 Development Commission meeting about her understanding of the floor-to-area (FAR) ratio requirement in the replacement regulations. He referred to sections in the Issaquah Municipal Code that speak to FAR and that were adopted by the City in 2018; to Exhibit S-11, an email chain relating to Shelter's High Street Collection preliminary plat, specifically the reference to Administrative Minor Modifications (AMM); Heim's testimony at the February 6 Development Commission meeting; Exhibit S-31, a letter from Shelter's attorney at Foster Pepper to the City Attorney at Ogden Murphy Wallace asking for an interpretation on vesting; Exhibit S-25, a portion of the Highlands Development Agreement, specifically the section that addresses a complete application; Exhibit S-36, an attachment to the City's Staff Report, specifically a letter of

agreement between the City and Shelter; and Heim's understanding of state law vesting rights provisions.

Quarré began her redirect questioning of Heim's testimony at 9:25 PM and ended at 9:28 PM. SOWA called for a five-minute break, and reconvened the meeting at 9:34 PM.

Quarré called Gary Young, Co-Founder, Shelter Holdings, as a witness. Young was sworn in. Quarré asked Young about his background as a founding partner of Shelter; his current role at Shelter; the relationship of IHIF-C and Shelter; his professional experience, both before and since becoming a founding partner of Shelter; how Shelter typically works with jurisdictions and communities on its projects; and Shelter's involvement with development projects in Issaquah and the Highlands, including partnering with community organizations.

OTHER/ADJOURNMENT

Quarré asked for clarification of the agenda for tomorrow's meeting, which includes an opportunity for public testimony. SOWA suggested that Young continue his testimony as a witness, followed by an opportunity for cross-examination, before public testimony is taken. He said his concern is that adequate time be assured for public comment, and asked all parties to be mindful of that in their presentations tomorrow. The parties agreed.

The parties had a brief discussion about scheduling options for meetings in April. Quarré noted the applicant team prefers that meetings be scheduled at the earliest opportunities. Sloman confirmed it appears from initial polling that Development Commission meetings can be scheduled for Tuesday, April 17 and Wednesday, April 24, 2019, but she will confirm those dates as soon as possible.

MORGAN asked what are the next steps after hearing public testimony. Quarré and Lell confirmed with SOWA that both the City and the applicant will have an opportunity to call rebuttal witnesses after public testimony is heard.

SOWA continued the public hearing until a special Development Commission meeting at 6:30 PM on Wednesday, March 20, 2019 in the Council Chambers, and adjourned the meeting at 10:00 PM.

Respectfully submitted,

Susan Lowe
Recording Secretary

EXHIBITS

Please contact City staff Carla Zabriske at 425-837-3100 for exhibits related to these permits.