

**CITY OF ISSAQUAH
Development Commission
SPECIAL MEETING**

6:30 PM
March 20, 2019

MINUTES

Council Chambers
135 E. Sunset Way

*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

CALL TO ORDER

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

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

- 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 [completed]
- Public Testimony
- Rebuttal Witnesses
- Discussion/Decision

Dunbar noted that questions were raised about the numbering of exhibits referred to during yesterday's public hearing, specifically the staff reports and attachments that have already been introduced. Liaw said some confusion may have arisen because of the use of a One Drive documentation system. She provided a copy to both attorneys of a proposed numbering system

for the staff report and attachments that the Commissioners have been using since the first public hearing.

Quarré confirmed that Gary Young remains under oath, and proceeded with her questioning. She asked him to provide information about his background and experience, including with development agreements, and the history of Shelter's property in the Highlands. She introduced new Exhibit S-111, which includes an email from Niven to Shelter officials [then Polygon] dated July 2, 2013 re: an initial meeting between the City and Polygon about how the property might be used, including as a donation to the City. She also distributed notes from a September 9, 2013 meeting (not introduced as an exhibit) between the City and Polygon about the transition of Polygon to Shelter that Eric Evans, Polygon staff present at the meeting, made and to which Young referred in his testimony. She asked Young to describe his recollection of the meeting and the subsequent events that took place over the next year to two years, including research and public outreach about potential development projects on the property.

Quarré continued her questioning of Young about the mixed-use proposal that Shelter presented to the community, the community's reaction, and the City's direction to Shelter about the proposal. She referred to the set of meeting notes previously entered as an exhibit, specifically notes from a meeting on September 21, 2016, attended by City and Shelter representatives. She asked Young for his understanding about comments made by the City at that meeting about Shelter's mitigation and future development options, and referred again to Exhibit S-111. She referenced the transcript of Heim's testimony from the January 15, 2019 public hearing about statements made during a meeting between the City and Shelter about Shelter's contractual rights under the Highlands Development Agreement, and Young confirmed that was consistent with his recollection as well.

Quarré referred to notes from a meeting on November 14, 2016 between the City and Shelter representatives, and asked Young to describe his understanding of what the City indicated at that meeting about what would occur in terms of Shelter's vesting when the Highlands Development Agreement expired; and to notes from a meeting on March 21, 2017 between City and Shelter representatives about what Shelter was told at that meeting about Shelter's vesting and its future applications.

SOWA called for a ten-minute break about 7:40 PM. BRENNAN suggested explaining when the public present tonight will have an opportunity to comment. SOWA clarified that public testimony will be taken in approximately 45 minutes. The meeting resumed at about 7:50 PM

Lell began his cross-examination of Young at 7:51 PM. He asked Young clarifying questions about his understanding of Polygon's/Shelter's purchase of its Highlands property; the 1996 Highlands Development Agreement and the build-out period; and mitigation previously provided under the Development Agreement. Lell referred to Exhibit S-111, and asked Young to clarify statements in it about what Polygon paid to acquire the property.

Lell referred to testimony given by Niven at the September 26, 2018 public hearing regarding actions taken by Shelter after it acquired the Highlands property and in connection with submitting its permit development applications to the City. Lell asked clarifying questions about Young's testimony about Shelter's public outreach activities from about 2016 to the present. Lell asked Young about his and Heim's earlier testimony about the City's request that property be donated by Shelter.

Lell introduced new Exhibit C-45, a two-page email string dated August 22, 2013 between Polygon and City individuals, and new Exhibit C-46, a Letter of Intent to Amend Grand Ridge Annexation and Development Agreement. He asked Young to clarify the contents of both documents. Lell introduced new Exhibit C-47, a letter signed by Young dated December 18, 2015 to the City's Development Services Department about approaches to working with the Highlands Development Agreement. Lell referred to previous references by Young about his interactions with Niven at a meeting on September 9, 2013, and to Eric Evans's (Polygon's) notes from that meeting, introduced as new Exhibit C-48. Lell introduced new Exhibit C-49, an email string from October 5-26, 2016 including an email from then-Mayor Fred Butler to Polygon, the members of the Council at that time, and staff about the City's perspective on Polygon's proposed concept for a mixed-use residential development project.

SOWA called for a short break at 8:50 PM. He called the meeting back to order at 8:57 PM.

Quarré proceeded with re-direct questioning of Young about his previous testimony. She also referred to the November 14, 2016 meeting notes previously discussed, specifically to the notation on vesting after the expiration of the Development Agreement.

PUBLIC COMMENT

SOWA opened the meeting for public comment at 9:05 PM.

Fred Nystrom, 391 SE Sycamore Creek Lane, spoke of the City's obligation to uphold its vesting commitments, including under the Issaquah Highlands Development Agreement, and to not engage in "de-permitting" developers of their vested rights.

Tracy Corgiat, Vice President of Marketing and Development, Polyclinic, expressed Polyclinic's interest in locating medical services on the Highlands property in question.

Charlie Conner, former Issaquah resident, builder, and concerned citizen, spoke of the importance of predictability and integrity for builders when working with the City. He said builders, particularly smaller building companies, need to be able to rely on a set of rules and vesting in working with jurisdictions.

Mike Zalewski, 943 Third Ave NE, West Highlands, referred to the concepts for development of Shelter's property presented to the public in July 2015, and gave his perspective on the application for the property adjacent to West Highlands Park on Block E-9 for a self-storage facility. He spoke against having a storage facility structure there as not being consistent with the surroundings, and asked Shelter to revisit its proposed development for Block E-9.

Jonathan Li Ong, 454 5th Ave., also spoke against a proposed storage facility for Block E-9, and expressed concerns about potential noise. He said a medical facility would be a better use of the property from a resident's point of view. He asked Shelter to reconsider its proposal.

Sathyaprasad Ramaseshan, 401 5th Ave. NE, also expressed concern about developing a storage facility in the neighborhood. He said another storage facility would be redundant and would present a property value issue. He said a bigger need exists for other things, like a child-care or pet-care facility, restaurant, or more retail in general. He said he would welcome a medical facility although careful consideration should be given to resulting traffic.

Geoff Walker, 2001 16th Ct. NE, Highlands, gave background on his residency at the Highlands and his involvement with the Urban Village Development Commission, including as Chair. He said he has been a strong proponent of individual property rights and described his dealings with City staff and Shelter. He said he is disappointed in Shelter's plans to build a storage facility and would ask them to investigate other opportunities for development of that property.

Hearing no additional requests to speak, SOWA closed the meeting for additional public comment at 9:30 PM.

OTHER

Schneider asked for clarification about paper documents and emails provided on the table at the beginning of the meeting by staff as part of the public comment process. Sloman clarified the documents are emails and letters received by staff and the City over the course of the application process, including emails and letters received this afternoon, and said she can provide the full transmittals of those documents. Schneider said he continues his previous objection to any public comment being taken as part of this process. He suggested resolving the One Drive documentation issue and deferring clarification of the exhibits until the next meeting when all parties can have a complete package of what staff intends to submit as part of the public comment documentation. He asked Sloman to clarify the City's process for maintaining the official record of this proceeding, including the exhibits. Sloman explained how the City is processing and maintaining the official record, including the exhibit list. Liaw explained the City Clerk is maintaining the official record; documentation via One Drive is being provided to be sure the Commissioners and all parties have the documentation available for review. She said any concerns or objections about the exhibits, documentation, and/or their labeling, or recommendations for maintaining the official file, can be addressed at a future meeting.

After some discussion of potential meeting dates, SOWA said the public hearing will be continued until April 16 and April 30, 2019, 6:30-10:00 PM in these Council Chambers. Sloman will research whether another meeting date in April is possible.

ADJOURNMENT

SOWA adjourned the meeting at 9:44 PM.

Respectfully submitted,

Susan Lowe
Recording Secretary

EXHIBITS

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