



Economic Development
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Economic Vitality Commission Meeting Minutes

Sept. 21st, 2016

Pickering Room

Attendees:

COMMISSIONERS PRESENT

Kristi Tripple
 Laura Milikan
 Jeff Howlett
 Richard Gabel

STAFF PRESENT

Keith Niven, Economic Development Director
 Andrea Snyder, Economic Development Manager
 Jen Davis Hayes, Economic Development Manager
 Maia Knox, Management Analyst
 Lucy Sloman, Development Services Manager

CALL TO ORDER

TRIPPLE called the meeting to order at 5:31 p.m.

MIXED – USE DEVELOPMENT STUDY

Morgan Shook with ECONorthwest, presented a Powerpoint on their mixed use development study (see slides)

GABEL asked how do we get from wanting to create a great place to the reality of having a vacant place for many years? Shook replied no—it's not a pipe dream, it just takes time. Issaquah has a strong value proposition, combined with a strong growth trajectory of the region means we'll get the economics to make this happen. Cynthia Berne with Long Bay Enterprizes, stated scale of the projects may be different. Maybe the retail isn't the whole bottom floor, maybe it is half of the bottom floor. Maybe it is a corner of the building. Shook stated you need increased density (aka more Atlas projects) in order to make the economics work of construction vs rents.

TRIPPLE said that this data is in alignment with what was originally behind the CIP. We know it is growing, but may not get everything we want today. Put in the framework so we are ready when it does. Expecting vertical mixed use right now everything will be challenging and could be detrimental. TRIPPLE stated this is why the EVC has been focused on a specific area of focus.

HOWLETT agreed that focusing more finely on an area of the CIP will help us get there. Choose a node and make it happen there (possible consider incentives mentioned to help do so.)

TRIPPLE stated, maybe build it to accommodate retail, but with TI's. It may be residential at first but can be adapted later to retail once the rents are in place.

Lucy Sloman answered that she is not sure if that is actually feasible given fire code and costs of conversion.

HOWLETT asked what the recommendations are.

Shook replied, that that it is still yet to be determined. Midway point with the city council and their questions.

Jen Davis Hayes asked what are the incentives presented, what are the ones that resonate or really don't resonate? And what are the criteria that are important.

GABEL stated that the most effective investment is a tax abatement according to the presentation, but this means a whole in the city's budget that seems not feasible. Maybe we take advantage of the Atlas and the increased density there paired with the big shopping center nearby.

PUBLIC COMMENT

Jolie Imperatori: Flexibility should be put in the beginning, rather than tweaking in the middle. This causes a lot of financial strain for the property owners. Policy change takes too long to make it happen.

Connie Marsh: I don't understand the problem with not getting any mixed use so far. I understand council is interested in this, but not sure why this is a problem that needs to be addressed at this point. Also, we already have a commercial core, so Community is not ready for the high density that is required for this mixed use. I think the community would not support developer incentives to get taller mixed use buildings.

Eric Evans: Mixed use development is what we do at Shelter Holdings. I would be happy to share some of our tools we have used to make projects happen and experience in the projects we have done in the markets presented today and some of the emerging markets. A lot of what you say is true and Issaquah does have a great value proposition with its open space, schools, etc.

BUSINESS COMMUNITY SURVEY

Maia Knox used a PowerPoint presentation to discuss the results of the Community Survey.

Keith Niven asked any sense of the ratings of planning and zoning and their relationship to permitting itself?

Andrea Snyder stated that maybe but it is hard to tell.

TRIPPLE answered yes, I got that from my one of my interviews.

PUBLIC COMMENT

Connie Marsh stated that one thing I don't see that I think is pertinent. How many businesses are using online strategies to help revenue streams of the brick and mortar side of their business?

MORTATORIUM

Niven provided the Commissioners on where the City is with the Moratorium. He stated that the scope was city wide, most of the concerns came from things in Central Issaquah. Also concerns in the rest of the city over the lack of affordable housing development. If you had a complete land use application in, then you were considered vested, which means you may proceed with the development plans. So what things so far have been stopped? 170 residential units were being planned, but now not able to proceed at this time Lots of SF subdivided involved in this. The hotel on Black Nugget road, next to Pogacha for commercial loft space, and a new car dealership all are the biggest projects that are not allowed to proceed, plus the remodel of the Shells Station on Gilman.

What is going forward:

Gateway on Newport

7th and Locust

Juniper and Newport (MF)

Everything in a Development Agreement

There will continue to be platting in the Highlands that will continue and so with any future building with Costco HQ.

Davis Hayes made the point that there were several projects that we were in discussion about that now are not able to go forward.

GABEL asked how will the costs to the City be covered by the impacts to revenue? Staff reductions?

Niven stated that we will not notice the reduction in revenues right away, but there will be a reduction from a number of related sources. We are not sure what that number is for the impacts to our revenue yet.

GABEL asked how long will this be?

Niven answered that based on the number of things council wants us to do, it is likely that it will take us a year and a half to address everything the city council wants to address. Oct 17 is a hearing that has everything pro and con comments. They could make the moratorium more or less restrictive or even lift the moratorium at any time.

Joli Imperatori asked if traffic was not the basis for this moratorium.

Niven answered that this moratorium will not affect traffic right now. Council was aware when they made this decision.

TRIPPLE stated that one of the challenges for this commission is that the moratorium sends a mixed message about our vision for economic development. Even potential in the future for some loss in property tax revenues if it continues for a while and that will have its own impacts on financials.

TRIPPLE asked if there was interest from the commission on doing a letter or sending a unified message to council about this issue? HOWLETT and GABEL replied yes.

HOWLETT the way I look at, things either stay the way they are and we address specific issues such as traffic, or we have more of a managed vision that we are trying to get to or we have more of the randomness happening right now. The problem is that we don't seem like we are getting to the vision ever and that is the problem.

PUBLIC COMMENT

Jolie Imperatori stated that I have been here for 44 years and developed a lot of things here. The trouble is people are going to come and development is going to come and there are many people who are NIMBYS.

Connie Marsh stated that in looking at the growth mandates, we are blowing it out of the water. We will hit our growth targets in advance of what we are, so that our infrastructure to support the growth it. I am not a moratorium fan, but I think we are out of balance with

growth and infrastructure. I don't think a moratorium is going to do much considering what is vested, but we should adopt a capital facilities plan that addresses this. Last year we skipped it.

ANNOUNCEMENTS

Davis Hayes announced that the Housing strategy will help us address affordable housing and the housing types/mix that are needed in the community. EVC will be asked to help contribute to this effort. We will be looking at sitting in with these focus groups. EVC, Human Svcs, Planning and Policy Commission. Focus groups between these commissions will start in October. More info later. Our Oct 20th meeting will be in the Eagle Room and will be starting those housing strategy conversations with this group.

District visions for the CIP. We will have focus groups to re-doing those. EVC may be involved in focus groups starting early 2017.

Davis Hayes mentioned that the brokers forum is scheduled for Oct 20. We invite folks from the real estate community in to talk about things happening in Issaquah.

TRIPPLE stated that we want to make sure we are showing up and inviting our peers

ADJOURNMENT

TRIPPLE closed the meeting at 7:26 p.m.

These minutes are a brief summary of the Economic Vitality Commission Meeting. For more information or clarification, please contact the Economic Development Department at 425-837-3444.

Respectfully Submitted, Candy Baer, Economic Development Specialist