

Economic Vitality Commission
10-18-17

**CITY OF ISSAQUAH
Economic Vitality Commission
SUMMARY MINUTES**

October 18, 2017

City Administrative Offices
Pickering Room

1775 12th Avenue NW
Issaquah, WA 98027

<p>MEMBERS PRESENT Ethan Stiles, Chair Jeff Howlett, Vice Chair Karl Leigh Kathy McCorry Saikat Sen</p>	<p>STAFF PRESENT Jen Davis Hayes, Economic Development Manager Tim Dutter, Economic Development Manager Keith Niven, Economic Dev. & Dev. Services Director</p>
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CALL TO ORDER

STILES, Chair, called the meeting to order at 5:32 PM.

APPROVAL OF MINUTES

MOVED BY McCORRY, SECONDED BY SEN that minutes of the Economic Vitality Commission (EVC) meeting on July 19, 2017 be approved as presented. MOTION CARRIED UNANIMOUSLY.

AGENDA ITEMS: *Commissioner Update*

Davis Hayes explained recent changes in EVC membership, and noted that EVC now has nine of ten positions filled. She said unless there are concerns, staff is proposing that the current vacancy go unfilled until member recruitment starts at the beginning of 2018. The Commissioners agreed with that approach.

Moratorium Update

Niven gave an update on the status of work on the Council's moratorium items, and began his remarks on parking. He noted that Council has adopted a requirement for new projects over 25,000 square feet to include structured parking. LEIGH asked for a recap of why the moratorium was enacted in the first place. Niven summarized the moratorium as an outcome of the Council's view that the development under the Central Issaquah Plan (CIP) was not happening as was envisioned and anticipated.

Niven continued his remarks on work done on the vertical mixed use issue, specifically a recently approved mandate that a portion of central Issaquah be developed or redeveloped as vertical mixed use, especially Mall Street. Davis Hayes showed the area on a map and described the three basic areas that will be required to be mixed use. Niven continued when that property redevelops, the Council has mandated that it has to be redeveloped as mixed use, and explained why Mall Street was a better candidate for more pedestrian-oriented mixed use than, say, Gilman Boulevard. STILES asked what has been the reaction from developers. Hayes Davis said comments she has heard have been more about what is currently required.

Niven continued with progress on addressing another moratorium issue, architectural fit and urban design. He described the manual that was developed by the City's consultant to guide architectural style for new development and redevelopment within the urban core. STILES asked would

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guidelines in the manual apply to building a house in central Issaquah. Niven replied yes, although the chances of anyone wanting to build a single-family home in the urban core are pretty remote. He noted Olde Town will probably have its own style guidelines.

Davis Hayes made a note to send results of a recent survey of Eastside residents on development and community concerns, which will be presented to Council next week, to EVC members.

Niven continued his remarks on the moratorium work on housing, and noted that a Housing Strategy Work Plan has been developed and approved by Council. He described the two immediate action items in that work plan. He continued with the status of work on neighborhood visions, and noted that staff is working on that now and hopes to have a work product to present to Council for consideration in mid-December. He continued the moratorium is expected to be lifted in December but the City will continue to monitor activity around new projects and make adjustments. He gave some background on the Council's recent decision to place a moratorium on the issue of safe injection sites while more study is done.

The Commission discussed how the moratorium may or may not have influenced an imbalance between jobs and housing available in the City. Niven noted the City expects to bring the issue of condominium liability to Olympia in the next legislative session, which could result in a huge pendulum swing in what builders are interested in building. SEN asked whether momentum for micro-apartments and smaller housing is building in Issaquah, and spoke of its popularity in Seattle and elsewhere. Niven said there is a general perception by many builders that Issaquah attracts primarily people with children, who aren't seeking micro-housing. The data may have changed, he continued, but builders tend to be conservative and their perception is that micro-housing and smaller residences won't pencil out here.

SEN asked what is the status of the former Staples property. Davis Hayes said several companies indicated interest in occupying that property. It appears Laz-Y-Boy will open its doors there in the first quarter of 2018, she concluded.

Strategic Plan 101: How We Got Here; Business Trends Update; and 2018 Work Plan Development

Davis Hayes briefly addressed the EVC's existing work plan. STILES noted he is also interested in hearing from staff about where EVC could be most useful. Dutter continued staff's presentation, including a quick review of EVC, its composition and objective; SWOT analysis (strengths, weaknesses, opportunities, and threats); Issaquah's advantages and opportunities in terms of economic vitality; and how EVC can help promote and support the City's economic health. Dutter described specific actions that EVC members can take to help facilitate communication between the City and business owners. Staff also described the current status of tourism-promotion and branding activities in the City and what actions are planned.

Davis Hayes continued staff's presentation with some suggested criteria for potential EVC projects; a Strategic Plan update to the EVC's current work plan (2015 to 2018); and regional economic development changes. Dutter described the City's business partnerships and possible projects with the Chamber, Downtown Issaquah Association, the Highlands, and so on. Niven spoke to the results of the recent downtown parking study and merchants' perceptions of parking problems.

Dutter asked EVC members what they would like to have communicated to potential, new and existing business owners. HOWLETT suggested the quality of the workforce available in Issaquah is a big advantage. Davis Hayes continued staff's presentation with a description of business retention and expansion activities, including the annual Job Fair.

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SEN asked is there a demand for more frequent job fairs, and stated he thought that could be a good idea. Davis Hayes replied yes, particularly from retailers, but the City's resources can't really support more frequent job fairs.

HOWLETT commented that small business owners would likely be interested in participating in roundtable discussions of shared information in a non-competitive situation to hear from other small business owners. Staff made a note of it.


Davis Hayes continued staff's presentation on opportunities for City branding; business recruitment; a sports medicine IPZ (innovation partnership zone); and a brokers' forum.

The Commission briefly discussed how upcoming changes in the City leadership next year, including a new Mayor and at least two new Councilmembers, could impact EVC's contributions.


SEN asked what incentives can the City offer to enhance the sports medicine IPZ concept in Issaquah. Davis Hayes replied the City can emphasize its advantages, including a great work force, and help create an ecosystem of referrals and partnerships that could be an incentive. Niven said one approach would be for the City to offer a specific incentive, such as exempting qualifying sports medicine businesses from B&O taxes; that is a tool that the Council could use. HOWLETT asked for examples of other Council-initiated incentive programs. Niven referred to the Costco development agreement and partnership with the Village Theater. The Commissioners and staff discussed the legal limitations of providing direct incentives to businesses and the need for creative approaches.

STILES suggested that EVC members indicate their top three choices from the items in red that staff has presented tonight for more discussion at the next meeting. The Commission agreed that "incubator" should be included in the list. Members will submit their choices to staff via e-mail.

Below is the PowerPoint presentation Davis Hayes used.


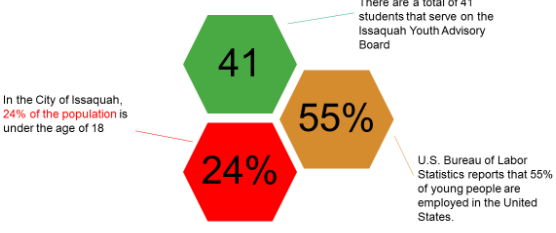
 <p>ECONOMIC VITALITY COMMISSION Strategic plan 101</p>	<p>STRATEGIC PLAN 101 (QUICK REVIEW!)</p> <ul style="list-style-type: none"> • The EVC was established in what year? • 2012 • How many regular members? • 10 • The main objective is to _____ and _____ economic development. • enhance, facilitate
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<p>SWOT ANALYSIS...</p> 	<p>STRENGTHS: FACTORS THAT GIVE ISSAQUAH AN ADVANTAGE.</p> <ul style="list-style-type: none"> Four main strengths in the SWOT. Can anybody name all 4? Hints...   
<p>WEAKNESS: FACTORS THAT PLACE ISSAQUAH AT A DISADVANTAGE.</p> <ul style="list-style-type: none"> Can we name a few? Limited transportation mobility High cost of living/housing High cost of doing business Retail-dominated economic base Limitations of Capital, Land, Labor Lack of Brand/Image? Undefined Value Proposition? 	<p>OPPORTUNITIES: FACTORS POSITIVELY INFLUENCING ISSAQUAH'S BUSINESS ENVIRONMENT.</p> <p>What are a few?</p> <ul style="list-style-type: none"> Growth of existing companies. Regional growth (Puget Sound). Smart growth policies. Strong arts/culture community. Influential demographic. Outdoor recreation Positive small town character <p>How do we convey the good stuff?</p> 
<p>THREATS: THINGS THAT COULD HAVE A NEGATIVE IMPACT</p> <ul style="list-style-type: none"> What could have a negative impact? Moratoriums ☹️ Regional competition Shifts to urbanization Reversion to old policies Shrinking transportation budgets (at all levels) Commercial vacancies  	<p>WE'RE ACTUALLY IN A GOOD PLACE...</p> <p>ISSAQUAH</p> <ul style="list-style-type: none"> Low commercial vacancy rate (not a lot of empty "silos") Top of the charts in education (Statewide) No corporate income tax Quality of life a 10 Booming economy (Not a lot of chains, entrepreneurship encouraged, regional large companies) Top notch workforce Diverse population Aircraft carriers (Costco, Rowley properties, SanMar, Lakeside)
<p>BACK TO "OPPORTUNITIES" ...LEAD</p> 	<p>BACK TO "OPPORTUNITIES" ...SUPPORT</p> <p>We are here to help your business.</p> 

<p>LET'S GET MORE SPECIFIC...</p> <p><i>Where to focus?</i></p> <p>Suggested Criteria for EVC project(s):</p> <ul style="list-style-type: none"> • Important to improving economic vitality • Ability for our commission to have substantial impact • Not highly overlapped with the scope of another commission • Alignment with Economic Vitality Strategic Plan • Regional/other City involvement 	<p>OVERALL ECONOMIC DEVELOPMENT</p> <p>Strategic Plan update (current plan 2015-2018)</p> <ul style="list-style-type: none"> • Facilitated update process • No need to reinvent the wheel; just minor tweaks here and there • List priorities <p>Regional Economic Development Changes</p> <ul style="list-style-type: none"> • As needed, keep Issaquah involved in organizational changes (attend meeting with staff, write letters, etc.)
<p>BUSINESS</p> <p>Business Partnerships (Chamber/DIA/Highlands)</p> <ul style="list-style-type: none"> • Business Welcome Wagon – identify/create pertinent info for new businesses (i.e. sign regulations, community info/resources, etc.) • Downtown Parking Study <p>Business Retention & Expansion</p> <ul style="list-style-type: none"> • Assist with visits/solutions. • Support, communicate, connect. <p>Job Fair</p> <ul style="list-style-type: none"> • Strategic refocusing • Focused business recruitment • Outreach to job seekers • Day of event assistance (typically late April/May) <p>Workforce training</p> <ul style="list-style-type: none"> • Business internships: work with businesses to increase knowledge of resources; work with ISD, colleges to connect students to businesses, Career Panels at HS? Shadow Program? <p>Startup425 (business assistance workshops)</p> <ul style="list-style-type: none"> • Focused business recruitment/marketing • Attendance at workshops <p>Incubator</p> <p>Facilitate Venture Capital</p> <p>Incentives – tax free zone</p> <p>Taxes – B&O, head tax</p>	<p>MARKET</p> <ul style="list-style-type: none"> • City Branding <ul style="list-style-type: none"> • Serve on committee • Assist with outreach/collaboration • Business Recruitment <ul style="list-style-type: none"> • Attend business networking events • Research opportunities to pursue • Provide personnel/expertise/tours • Sports Medicine IPZ <ul style="list-style-type: none"> • Work with Steering Committee to identify work plan items • Recruit/plan educational/conference event 
<p>BUILD</p> <ul style="list-style-type: none"> • Brokers Forum <ul style="list-style-type: none"> • Focused outreach to commercial real estate community (facilitate this forum). • Present at event <ul style="list-style-type: none"> • Anchor Project (note – 1 of 4 sites identified was the Transit Oriented Development (TOD) which is proceeding) • Comprehensive Plan • Moratorium 2.0 - completion, impacts • Incentives – tax free zone • Support retail 'center' – mall, vertical mixed use areas 	

Discuss Youth Participation

Arijun Malhotra, member of the Issaquah Youth Council, used a PowerPoint presentation and made a proposal to include a youth representative on the EVC. He gave some background on youth in Issaquah, the Issaquah Youth Council's mission, and how participation on the EVC could benefit both youth and the Commission. He proposed a pilot project through May 1, 2018 to add one youth representative to EVC, at which time the pilot project could be assessed and any adjustments made. He proposed that he be the first representative, and explained his interest in the City and the EVC specifically.

 <p>Issaquah EVC Youth Representative Discussion</p> <p>Arjun Malhotra</p>	<p>Issaquah Youth Advisory Board Mission Statement</p> <p>The City of Issaquah believes that youth are not only future leaders of tomorrow, but also active civic contributors today.</p>
<p># By the Numbers Youth In Issaquah</p>  <p>There are a total of 41 students that serve on the Issaquah Youth Advisory Board</p> <p>In the City of Issaquah, 24% of the population is under the age of 18</p> <p>U.S. Bureau of Labor Statistics reports that 55% of young people are employed in the United States.</p>	<p>Youth Involvement Benefits to Commission</p> <ul style="list-style-type: none"> Develop a connection with the youth of Issaquah Give youth a chance to express their opinion on a policy, and youth that are able to provide their input are much more vested in the success of the decision. Create a two-way avenue for dialogue and the expression of ideas from a youth perspective
<p>Youth Involvement Benefits to Youth</p> <ul style="list-style-type: none"> Engage with adults in the community Serve a pulse on the youth and be able to understand their preferences Increase the trust and understanding between the two age groups to break down the stigmas between them. 	<p>Youth Involvement Position Outline</p> <ul style="list-style-type: none"> • Term: 1 Year • Pilot program through May 1, 2018 • Makes Policy recommendations to council • Use youth-centric knowledge/skills/ability to review proposed City initiatives • Assist with implementation of specific projects of Economic Vitality Strategic Plan – via subcommittees • Brings issues/concerns related to economic vitality to the group for discussion, possible action • Is an active part of the discussion • When speaking as a Commissioner, represent what the group has discussed, agreed/voted upon even if you don't 100% agree with outcome

STILES asked staff about youth representation on other boards and commissions. Staff affirmed that youth has been represented on other City boards and commissions including the Human Services Commission, Sister Cities Commission, and Arts Commission.

The Commission discussed the role of youth in the City as consumers, employers, and residents. It was the general consensus that representation could be positive for the City, the EVC, and the youth representative. It was also the general consensus that a youth representative should be a non-voting member of EVC.

MOVED BY LEIGH, SECONDED BY McCORRY that EVC membership include a non-voting youth representative, Arjun Malhotra, to participate in EVC discussions, as outlined in the proposal made tonight with the exception of bullet item 3 (“Makes policy recommendations to Council”), and that the pilot project be assessed and adjustments made at the end of the membership cycle (May 2018). MOTION CARRIED UNANIMOUSLY.

PUBLIC COMMENT

SEN noted that the voices of seniors and those making minimum wage are among those that are absent from the EVC. Davis Hayes suggested the Commission discuss recruitment of members

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whose voices you think should be here when the new membership/recruitment cycle begins at the first of next year.

OTHER BUSINESS/ANNOUNCEMENTS/NEXT MEETING/ADJOURNMENT

With no additional business to conduct, STILES adjourned the meeting at 7:27 PM.

Respectfully submitted,

Susan Lowe
Recording Secretary

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.