

Economic Vitality Commission
11-15-17

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

November 15, 2017

City Administrative Offices
Pickering Room

1775 12th Avenue NW
Issaquah, WA 98027

<p>MEMBERS PRESENT Ethan Stiles, Chair Jeff Howlett, Vice Chair Amit Bhardwaj Therese Garcia</p>	<p>STAFF PRESENT Jen Davis Hayes, Economic Development Manager Tim Dutter, Economic Development Manager Keith Niven, Economic Dev. & Dev. Services Director</p> <p>OTHERS PRESENT Kari Magill, CEO, Rowley Properties Arjun Malhotra, Youth Advisory Board</p>
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CALL TO ORDER

STILES, Chair, called the meeting to order at 5:30 PM.

APPROVAL OF MINUTES

Approval of minutes from the October 18, 2017 EVC meeting was deferred until the next meeting.

AGENDA ITEMS

Moratorium Update.

Niven provided Commissioners with an update on the items included in the moratorium, which is scheduled to expire on December 31, 2017. He noted that the Council is scheduled to review the Architectural and Urban Design Guidelines manual at its December 4 meeting. Council will also be considering multi-family tax exemption (MFTE) and an increase in the inclusionary requirements for new development as strategies in response to the housing portion of the moratorium. Niven explained how the inclusionary requirement would result in more affordable housing in the Central Issaquah area. The final moratorium item the Council is expected to deliberate this year is neighborhood visions, which the Planning and Policy Commission and Land and Shore Committee will be working on in the next few weeks. He explained that at the last PPC meeting, it was proposed that the ten neighborhoods identified in the Central Issaquah Plan be reduced to four, and showed them on a map. He said PPC will meet again on this issue on November 30, and Council is expected to take action at its December 18 meeting. He described the four proposed neighborhoods and their working titles. STILES suggested "Confluence" instead of "South Central."

Niven continued his presentation on the issue of a safe injection site in Issaquah, and noted that the City enacted a six-month moratorium on that issue in October. At Council's direction, he said, in January staff will be writing draft code to preclude a safe injection site in the City for the Council's deliberation.

STILES gave some comments from the meeting he attended last night of the Council's Services and Safety Committee. He said there was a fair amount of discussion about how close the City is to meeting its housing target, but also how far it is from reaching its jobs target. Niven gave some of his reactions to comments made at the meeting, and said his observation is that

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Councilmembers need and want more information about the jobs-housing balance in the City, and about growth in jobs specifically. He added he expects the Council to take a more active interest in jobs in the coming year. HOWLETT asked how is the City's jobs target set, and why is focusing on jobs in the City's interest. Niven explained how Issaquah receives its jobs target from King County, who derives the target from information given by jurisdictions to the State. He gave reasons why jobs serve the community, and noted that housing creates more costs than revenue, whereas the right housing-jobs balance creates financial health for a community. Employers pay B&O taxes, for example, and employees tend to shop and eat in the community in which they also work. He said the City's obligation is to zone in such a way to allow the job growth target given to us by King County to be met, which we have done. It is up to the market whether or not that target is met.

Business Trends Update.



Dutter described his recent work conducting business retention and expansion (BRE) visits to local businesses. He explained that some businesses have been initially reluctant to participate but he expects that they will be less resistant in subsequent years. He referred to four areas of focus for businesses in Issaquah: outdoor recreation and tourism; health and wellness; information technology and research; and company management and services. He encouraged Commissioners to e-mail him with names of any businesses or business owners that would be good candidates for a visit, and also asked for Commissioners' help with creating a target list of businesses for visits. He noted that results from the visits will be issued in quarterly reports. He also referred to a survey used during the visits, although he also noted sometimes the conversation does not follow the survey format. The survey covers the facility that houses the business, workforce issues, government affairs, sales, trends, where the business is in terms of its lifecycle, and so on. He noted that some business owners have indicated that homelessness in the City is affecting their business.

STILES asked are the owners you have contacted so far generally satisfied with doing business in Issaquah. Dutter replied yes. GARCIA asked are you contacting the owners of the businesses. Dutter replied yes, usually the contact is the owner, president, or CEO, and sometimes the business development manager. HOWLETT asked do you ask whether the business owner lives in Issaquah. Davis Hayes said that's a good question, and we will add it to the survey. GARCIA asked are you targeting specific locations to be sure all areas of the City are being represented. Davis Hayes replied yes, staff does try to visit as wide a variety of businesses as possible. STILES asked how can Commissioners help. Dutter replied assistance with providing a potential contact list for visits, including primary employers as well as those that fall into the four areas of focus, would be a great way for Commissioners to help. Davis Hayes encouraged Commissioners to also e-mail staff with any names of potential contacts that Commissioners may read about in print or online.

2018 Economic Vitality Commission Work Plan.

Davis Hayes referred to the conversation at the last EVC meeting on developing a work plan for 2018, and displayed the results of feedback from Commissioners since that meeting.

HOWLETT suggested that "incubator," listed on "Other Topics", be moved as a bullet item under "Business Recruitment" on the "Top Three" slide. After some discussion, the Commissioners agreed to that change.

<h3 style="text-align: center;">FOCUSED WORK PLAN DISCUSSION</h3> <p>What does selecting a topic mean?</p> <ul style="list-style-type: none"> ▪ Will be EVC's focus – but not only work – in 2018 <ul style="list-style-type: none"> ▪ Updating Economic Vitality Strategic Plan ▪ Emerging topics ▪ Commissioners can still volunteer on other existing economic development projects to lend expertise and assistance ▪ Consider <i>your</i> time commitment and connections ▪ All topics are important 	<h3 style="text-align: center;">FOCUSED WORK PLAN DISCUSSION</h3> <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
<h3 style="text-align: center;">TOP THREE</h3> <ul style="list-style-type: none"> ▪ Business Retention & Expansion (6 votes) <ul style="list-style-type: none"> ▪ Assist with visits/solutions. ▪ Support, communicate, connect. ▪ City Branding (6 votes) <ul style="list-style-type: none"> ▪ Serve on committee ▪ Assist with outreach/collaboration ▪ Business Recruitment (4 votes) <ul style="list-style-type: none"> ▪ Attend business networking events ▪ Research opportunities to pursue ▪ Provide personnel/expertise/tours 	<h3 style="text-align: center;">OTHER TOPICS</h3> <ul style="list-style-type: none"> ▪ Job Fair (2 votes) ▪ Incentives (2 votes) ▪ Business Welcome Wagon (1 vote) ▪ Incubator (1 vote) ▪ Anchor Project (1 vote) ▪ Comprehensive Plan (1 vote) ▪ Brokers Forum (1 vote) ▪ Sports Medicine (1 vote) ▪ Moratorium 2.0 (1 vote) 

Kari Magill, CEO of Rowley Properties, gave her perspective on what attracts office space tenants, and how Rowley's efforts to work with first-time tenants is a kind of "incubator" activity. We would be interested in doing more of that, which now happens organically, she stated, including bringing a "WeWork Workspace" facility to Issaquah. She gave her observations on recent trends that are affecting the demand for more jobs in the suburbs.

Malhotra asked for examples of other kinds of incentives the City could offer. Davis Hayes said the City is prohibited from giving gifts of public funds to businesses, but could opt to waive B&O taxes and other fees for start-ups, for example.

The Commissioners discussed how "business retention and expansion" and "business recruitment" activities are interlinked. HOWLETT asked for an update on work on City branding. Davis Hayes replied no work has started yet.

The Commissioners discussed influences on business retention and recruitment, including market changes, property tax increases, increases in rents, and fluctuations in business cycles. Magill added the lack of robust transit is also a big issue for potential employers.

STILES suggested that the Commission seems to be in general agreement on the top three issues for the work plan, with the suggestion added tonight, and that a formal vote be taken at the next meeting. Davis Hayes said staff will refine the list for final approval. She also gave her perspective on how well the use of EVC subcommittees and quarterly meetings has worked in previous years. STILES said we will discuss that with the larger group as well. He noted that with a new Mayor, the ending of the moratorium, and a general renewed interest in the state

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and health of City businesses, he expects that the EVC will be asked to take an active role in 2018.

Annual Report.

STILES said the EVC gave its annual report to the Council's Services and Safety Committee last night about the work of the EVC over the last year and a bit about EVC's upcoming 2018 work plan. He continued it seemed to him that Councilmembers are somewhat more focused on business development and retention now than over the past year, particularly with the moratorium expiring at the end of the year. Davis Hayes noted that staff will prepare a written annual report for EVC's review and present it to the Council in January.

The Commission discussed how recent power outages negatively impacted local businesses, and how the City could advocate for improvements in making sure power to the City's central core is sustained during storm events. Commissioners asked staff to schedule an opportunity for a PSE (Puget Sound Energy) representative to attend a future EVC meeting and discuss plans for making improvements.

Davis Hayes noted that last night's Council's Services and Safety Committee meeting is available for viewing on YouTube.

PUBLIC COMMENT

Magill thanked the Commission for allowing her to participate in tonight's discussions.

OTHER BUSINESS/ANNOUNCEMENTS/NEXT MEETING/ADJOURNMENT

Staff will poll EVC members to see whether enough attendees are available for the December 20, 2017 meeting. With no additional business to conduct, STILES adjourned the meeting at 7:08 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.