

CITY OF ISSAQUAH
Economic Vitality Commission

5:30 PM
 August 18, 2021

Virtual Meeting

MINUTES

COMMISSION AND ADMINISTRATIVE PERSONNEL PRESENT

Alternate Meeting Format: On March 6, 2020 the Mayor declared a civil emergency due to the outbreak of novel coronavirus (COVID-19). On March 24, 2020 the Governor issued Proclamation 20-28 relating to the COVID-19 emergency and open public meetings. The proclamation has been extended. Due to these factors, the meeting was held using a remote meeting platform.

Commissioners Present:

Jon Edwards, Vice Chair
 Kathy McCorry, Chair
 Christopher Beaudoin
 Therese Garcia
 Joan Probala
 Art Freas, Alternate
 Anjali Remme, Alternate

Administration/Staff:

Jen Davis Hayes, Economic
 Development Manager
 Benton Coblentz, Economic Development
 and Recovery Coordinator

Commissioners Not Present (Excused):

Thomas Brown
 Corby Casler
 Ashwin Muthuvenkataraman
 Tom Rogers
 Chris Reichley, Alternate

CALL TO ORDER

The meeting was called to order by Vice Chair EDWARDS at 5:37 PM.

APPROVAL OF MINUTES

EDWARDS asked for any corrections or additions to the minutes of July 21, 2021, and there were none. Minutes are approved.

PUBLIC COMMENTS

None.

AGENDA ITEMS

a) **Commission Work Plan, (D)**

Presented by:

Jon Edwards Commission Vice Chair

EDWARDS asked Commissioners for their thoughts about information circulated by Davis Hayes about employment data and properties for sale in the City. He noted that at the last meeting, the Commissioners agreed to look at the employment data and note two or three pieces of data of particular interest for discussion tonight.

EDWARDS said he was particularly interested in data on properties available for lease in the City. He asked staff for their perceptions of why the space that is available is not being leased. Davis Hayes replied there is not a lot of space available for retail, mostly just scattered around the City. Prices are pretty much in line with what they have been for some time, she continued,

and it's hard to say why a specific space is empty. Costs are about the same as other Eastside cities with the exception of Bellevue.

The Commissioners discussed what kinds of office space would attract larger and mid-size businesses, particularly those that pay a "living wage," as well as light manufacturing. FREAS noted one challenge is that some lease arrangements require a percentage of income, paid month by month, as well as the lease payment. The Commissioners discussed potential space at Marketing Masters at 12th NW and space recently vacated by GE Health Care.

REMME noted that new coffee shops, restaurants, ice cream shops, and so on seem to be opening regularly in downtown Bellevue, and suggested that Issaquah residents would appreciate having more of those kinds of options. PROBALA noted some business owners are experiencing problems hiring workers, both because of Covid and also because traffic in the City is difficult. FREAS agreed, and said transportation and affordable housing are both barriers to working in Issaquah. He noted that places like Bellevue have many more public transportation options for workers. The Commission discussed how the lack of affordable housing in Issaquah contributes to traffic in the City and makes it difficult to hire workers for retail and other jobs that are not high-wage jobs.

EDWARDS noted the City's Strategic Plan lists a goal as making the City a place to live and work. The Commissioners discussed that approach. REMME noted not everyone wants to live and work in the same city, and gave examples. FREAS noted the cost of an average new house in the City is not affordable for many who do not work in higher-wage jobs. PROBALA added her conversations with builders also indicate that the City is the most expensive place to build outside Bellevue, largely because of its permitting process and City requirements. FREAS gave examples from his experience building affordable housing with Habitat for Humanity in Virginia. The Commissioners discussed progress on the transit-oriented development project planned across from the Transit Center, which will provide some affordable housing. Davis Hayes gave a brief summary of affordable housing in the City, such as that managed by ARCH (A Regional Coalition for Housing) and Habitat, and noted the City Council plans to discuss affordable housing in upcoming discussions.

EDWARDS asked for additional observations on the employment data. McCORRY noted Issaquah's strength is the quality of life it offers residents, including cultural amenities and proximity to the outdoors. PROBALA added a reputation for having good schools is also one of the City's strengths. She noted Issaquah is not a big city like Bellevue, which is why people like living here. It is a community, and we need to build on that. Others agreed. EDWARDS asked whether some of the City's summertime activities and events could be offered on a more year-round basis. PROBALA added not just in downtown, but all around the City. FREAS noted a better connection between Gilman and downtown would also be mutually beneficial. Staff made a note of the suggestions.

The Commissioners discussed the advisability of doing a SWOT analysis (strengths, weaknesses, opportunities, threats) for the City's economic vitality. They agreed to place it on the next agenda for more discussion. Davis Hayes will share a similar SWOT analysis from 2013. EDWARDS suggested the Commissioners look at the data and have a working session at the next meeting to update it, then develop some suggested actions based on the results.

PROBALA suggested that Commissioners contact the top, leading companies in the City and ask them directly why they decided to locate in Issaquah, then add that information to the analysis. Staff suggested Costco, Swedish, REI, Microsoft, and Timber Ridge. Davis Hayes said some of those contacts have been made in the past but current information would also be useful. GARCIA suggested it would be useful to expand on the information we have about why

businesses chose not to locate in Issaquah, as well as why some did. Knowing the factors in addition to land and space constraints would be very helpful, she added.

REMME spoke in favor of advertising, radio spots, and so on that would promote the City as a good place to start a business. Davis Hayes provided information about the City and Chamber's marketing tools. Commissioners made suggestions for marketing efforts, including video, YouTube, and making the City's permitting process easier, faster, and less expensive. Davis Hayes suggested making permitting be part of the agenda for the next meeting, when the Department of Community Planning and Development (CP&D) Director will be presenting information in preparation for EVC's upcoming discussions on the Title 18 update.

b) American Rescue Plan Update, (I)

Presented by: Benton Coblantz, Economic Development and Recovery Coordinator

Coblantz gave a presentation on the recovery actions the City is undertaking as a result of the pandemic. He noted the City Council received an update on these efforts at its August 2 meeting. He described the five areas that have been determined as most critical to the recovery of Issaquah businesses: lack of workforce, access to capital, non-profit capacity, access to behavioral and mental health, and connection to human services. He described preliminary discussions with the City Council about investment opportunities for the federal funding the City will receive from the American Rescue Plan. He described the next steps in the process, and said staff is working now to develop plans. A study session with the Council is expected in late September or early October about how best to proceed.

PROBALA asked how much federal funding does the City expect to receive. Coblantz replied the total amount is over \$11 million. The City has until December 2024 to appropriate the funds, and until December 2026 to spend them. He described the City expenses identified over the last few months that will be funded from the American Rescue Plan fund, as well as some capital programs in the Capital Improvement Program that will be funded.

EDWARDS said it was his understanding that the Mayor and City Council are interested in using the funding for something that would make a notable difference, perhaps something that would stand for generations. Has that focus changed, he asked. Coblantz replied the Council has expressed interested in several goals. One is to look at broad, future-oriented investments. Another is to meet some immediate, urgent needs. He continued the immediate needs represent a relatively small portion of the total, something like \$1 million. The bulk of the funds will be spent through the City's normal spending process.

REPORTS

- a) Business Openings, Closures, and Industry Trends. None.
- b) City Council Report Out. Davis Hayes reported on the sign code update, which will be discussed at a public hearing at City Council on September 7, with potential action on September 20. She briefly reviewed the sign code update discussions to date.
- c) 2021 Schedule. Davis Hayes noted transportation discussions with EVC will be delayed due to changes at Metro Transit until the end of 2021 or early 2022. The CP&D Director, Minnie Dhaliwal, will present information on Title 18 changes at the next meeting. Staff polled members present to determine an alternate meeting date to September 15, and will confirm that the meeting will be moved to September 8. At the Commissioners' request, staff will also ask Dhaliwal to include the permitting process in her presentation

PUBLIC COMMENT

None.

OTHER BUSINESS / ANNOUNCEMENTS

Coblentz noted that City Hall offices will be open in August on Tuesdays and Thursdays only, from 9:00 AM to 1:00 PM.

PROBALA asked is there any information available on the Big Picture, which is going in where Rogue Brewery was located. Davis Hayes noted the permits were just issued last week.

ADJOURNMENT

With no further business to conduct, it was the consensus of all Commissioners present that the meeting be adjourned at 7:10 PM.

Respectfully submitted,

Susan Lowe
Recording Secretary