

CITY OF ISSAQUAH
Economic Vitality Commission Special Meeting

6:00 PM
 July 15, 2024

Tibbetts Manor, 750 17th Ave.
 NW, Issaquah

MINUTES

COMMISSION AND ADMINISTRATIVE PERSONNEL PRESENT

Commissioners:

Chris Reichley, Chair
 Anuradha Tanepalli, Vice Chair
 Shalini Bansal- excused absence
 Christy Garrard- excused absence
 Landon Halvorson- excused absence
 Kymberly Lee
 Jennifer Larson- excused absence
 Nicoleta Mocanu – excused absence
 Barb Pexa

Administration/Staff:

Jen Davis Hayes, Economic Development
 Manager
 Farel Otieno, Economic Development
 Coordinator - virtual
 Juliana da Cruz, Economic Development
 Coordinator

Adam Levensohn, Alternate – excused
 absence
 Jake McGill, Alternate- virtual
 Kelly Richardson, Alternate

CALL TO ORDER

CHAIR REICHLEY called the meeting to order at 6:01 PM.

Kelly Richardson and Jake McGill were moved forward to serve as regular members for tonight’s meeting.

APPROVAL OF MINUTES

- a) Minutes of June 18, 2024

A motion was made by Kelly Richardson to approve the minutes with a correction to note that Kelly Richardson was assigned to the Interview Committee, not the Data Committee. Anu Tadeballi seconded the motion and the motion passed.

PUBLIC COMMENTS

No public present.

AGENDA ITEMS

- a) **Business Survey Data Analysis**

Presented by:
Data Committee

Jen Davis Hayes provided a high-level overview of the results from the business survey as broken down by the four largest respondent business type: professional

services, healthcare & social services, creative industries, and retail. The group then compared these types to all business data. The top three challenges for businesses consistently included: lack of advertising, traffic, space. Next, the Data Committee did a deep dive into some of the business categories.

Professional Services Businesses: Interestingly, 72% of professional services businesses surveyed were home-based businesses. The vast majority of these home-based businesses were not interested in expanding to a brick-and-mortar space. One challenge noted by this group was with attracting customers (noted that they need advertising assistance). The majority of these businesses were satisfied with City services.

Most Health Care & Social Assistance businesses surveyed did better after COVID than prior to the pandemic. Most of these businesses surveyed were women-owned. Access to workforce is a challenge for these businesses: finding qualified applicants, difficulty paying competitive wages, housing and long commutes, not having enough qualified applicants were the top reasons cited. Most of the health care businesses surveyed had owners who lived in Issaquah. This group had a lower percentage of home-based businesses than the group at large. Marketing is also a noted challenge for this group.

The Creative industries businesses surveyed tended to be home-based. These businesses tended to have stable or increased profit trends since COVID, which was a surprising finding for the Commission. Lack of financing showed up as a top challenge for creatives, which was interesting because this was not a top challenge among the other business types surveyed.

The retail businesses surveyed were predominantly on Gilman Blvd. Over half of the respondent retail businesses identified as family owned. The top employment issues were candidates lacking technical skills, difficulty paying wages, housing affordability and lack of applicants. The businesses who said they chose an Issaquah business location because it was close to home had higher profit trends. Those who chose their business location because of a strong customer base had stable profit trends. The overall proportion of profit trends in the retail group was in line with the profit trend proportions of other business types. The top challenges in the retail group were traffic, B&O taxes, and a three-way tie between lack of advertising, space, and access to workforce. The top benefits cited by the retail group of having a business in Issaquah were safety, natural beauty, and quality of life. Safety was an interesting finding and there was almost no mention of petty crime being an issue in the survey comments. This perhaps speaks to the benefit of people having their businesses where they live. Only two respondents were dissatisfied with City services—one of these businesses was a stated minority owned business with a stated language barrier so that could be an opportunity for improved connection.

The EVC suggested that follow up questions in the interviews should include:

- For businesses that cite marketing/advertising challenges, find out what exactly this means to them?
 - What type of advertising? Digital, print, social media, etc.
 - If workshops, what medium is the best for you?
- Gauge the interviewee's awareness of existing resources like Small Business Administration's mentorship or workshops.
- For businesses who are interested in financial assistance: are they looking for grants or are they looking for loans?

The next steps will be follow-up interviews. 76 businesses indicated that they are interested in doing follow up interviews. We anticipate that we will interview between 15-20 businesses.

The Data Committee suggested some benchmarks for the follow up survey pool. The EVC reviewed the list of suggestions and noted that there should be diversity of business types in the interviews. We should consider reaching out deliberately to the family-owned businesses because they may indicate longevity in Issaquah and they may have seen changes in Issaquah over time. We should also target some startup businesses. We should also target businesses who have indicated that they plan to leave Issaquah and those who have indicated that they are extremely dissatisfied. There were a few retail businesses who indicated that they weren't sure how they would keep their business going, but didn't explain why: we should interview those businesses as well.

REPORTS

a) **Industry Trends, Business Openings & Closures (D)**

Presented by:

All Commissioners

New Xfinity store opened in Highlands; Nicolino's has new management; a Planet Fitness is going into the open space by PCC. Sound Children's Therapy is expanding, Good Lazy Donuts coming to the Highlands, Kumon is moving spaces within the Highlands, the dry cleaner in the Highlands is NOT closing. 9 Round is leaving the Highlands, Bricks & Minifig is opening in Meadows Shopping Center near the QFC.

b) **Economic Development Action Plan Update (I)**

Presented by:

Economic Development Staff

There will be another workshop on Team Building co-hosted with the Chamber of Commerce, Startup425, and City of Issaquah.

The City is working on the Issaquah Loyal Holiday Guide and the Commission discussed some ideas for expanding the guide and allowing businesses to cross promote. Consider: including services in the gift guide, a mixer for business cross-promotion efforts, and consider a mailer or flyer in utility billing to alert residents to the program.

c) **City Council Report Out (I)**

Presented by:

Farel Otieno, Economic Development Coordinator

At the Planning & Environment Committee, the Long-range planning staff presented the scope for the Housing Analysis study, a follow-up to a study completed last year exploring the potential to expand inclusionary zoning to other zones, middle housing options, and how to encourage condo development. This Housing Analysis study will explore the recommendations from the previous year's report about potential changes to the inclusionary zoning and development bonus

programs as well as providing the Multi-Family Tax Exemption (MFTE) in the Central Issaquah area.

We have noticed that many commercial properties, when listed for sale, are purchased by developers for residential housing. Previously, we had in our code that if we replaced a commercial building, whatever is built next must retain the same number of jobs. This was removed during Title 18 updates with the intention to replace with language that encourages commercial space within new developments. The EVC has been asked to consider what the City can do to discourage the conversion from commercial to residential only in our commercial areas, at least in some cases. We want to make sure that we retain jobs and commercial spaces—but recognizing that requiring it may result in empty storefronts. In August or September, Jen Davis Hayes will bring in research about what other programs, incentives, or discouragements have been done in other municipalities for EVC to consider. We don't want to create a barrier to people buying and developing, but we also don't want to eliminate all our commercial spaces. We will eventually meet with PPC to discuss any potential policy changes for early input.

d) **2024 Schedule (D)**

Presented by:

Chris Reichley, Chair

Business Leadership Forum will be October 1, 8 – 9:30 am at Costco. Invitation to follow for EVC members.

Our August meeting will have Thomas Valdriz to discuss light rail planning.

The PPC's upcoming meeting on July 25 is reviewing the comprehensive plan. They have an economic vitality section with four goals. This comprehensive plan is what feeds into and informs the Economic Development Action Plan. The EVC reviewed some of these piecemeal changes last year, but it may be worth the EVC reviewing it again.

The Strategic Plan Task Force's recommendations are going to the City Council on July 16. There are some proposed changes to the actions and objectives in the Strategic Plan. The Comprehensive Plan is for 30 years, the Strategic Plan is for 5 years, and the Economic Development Action Plan is for 3 years.

OTHER BUSINESS / ANNOUNCEMENTS

ADJOURNMENT

The meeting was adjourned at 8:04 PM.

The next meeting is currently scheduled for August 21, 2024.

INQUIRIES

Please contact Jen Davis Hayes at (425) 837-3414 or jenh@issaquahwa.gov.

Note: Times listed for meetings topics are approximate and items are subject to change.

07-15-24 Economic Vitality Commission Minutes

(A) Action, (D) Discussion, (I) Information