

Planning Policy Commission
9-22-16

**CITY OF ISSAQUAH
PLANNING POLICY COMMISSION
MINUTES**

September 22, 2016

City Hall South
Council Chambers

135 E. Sunset Way
Issaquah, WA 98027

PPC MEMBERS PRESENT

Joan Probala, Chair
Ron Faul
Troy Rahmig
Jon Stob
Larisa Kolcz, Alt.

STAFF PRESENT

Trish Heinonen, Long-Range Planning Manager
Christen Leeson, Senior Planner

CALL TO ORDER

PROBALA, Chair, called the meeting to order at 6:32 PM.

APPROVAL OF MINUTES

MOVED BY FAUL, SECONDED BY STOB that minutes of the PPC meeting on August 25, 2016 be approved as presented. MOTION CARRIED BY THE UNANIMOUS VOTE OF ALL PPC MEMBERS PRESENT.

2016 COMPREHENSIVE PLAN AMENDMENTS: Land Use Element and Capital Facilities Element

Heinonen said tonight staff will be providing the Commission with a preview of more of the Comprehensive Plan amendments that will be before the Commission at its October 13 public hearing. The public hearing will be on all of the amendments presented to date and those that have not had a preview. She briefly explained the status of the amendments listed in the 2016 Comprehensive Plan amendments docket, beginning on page 12 of 51.

Land Use Element

Leeson continued staff's presentation on the proposed amendments to the Land Use Element, as listed in Table L-6. She began with the Population and Household Projections, and explained updates to population estimates. She also explained the new housing units added toward the City's State target of 5,750 units from 2006 to 2031, as shown in the chart on page 15 of 51.

PROBALA noted all of these State targets are based on what the City is required to do, and that is how the housing target was determined. Leeson said that is correct; the housing target is what was established by the State. FAUL asked does the City Council have the ability to "push back" on these targets. Leeson said yes, and they did; and gave more background on the City's reaction to the State targets. STOB clarified that the target of 5,750 was determined after the City Council pushed back on the state's target. Leeson replied that is correct.

PROBALA asked does the State factor in that putting in another 5,000-plus housing units will affect traffic and other services. Leeson said no, they do not. FAUL said the remaining units needed to reach the state's target is 2,308 by 2031, and the projections indicate that by April 2020 the City will have exceeded the target by 1,750 units. So could the City Council "just say no" to more housing units until 2031 because we would still meet the target. Leeson replied no, a ten-year moratorium on development would not be possible. She noted the City is also a designated

Planning Policy Commission
9-22-16

Regional Growth Center, which has certain requirements because we now are designated as a Regional Growth Center. FAUL asked is it possible that the State could keep increasing the City's housing target. Leeson replied no; the target will remain 5,750 at least until 2021, which is when it will be renegotiated. The State could not increase the target because the City hit its target early, she stated. FAUL asked does hitting the target affect the City's ability to get fees and grants from the State. Leeson replied no. Heinonen added part of the capital facilities review will be to ensure the City is keeping up its investments in infrastructure, but to slow development down would require adopting higher levels of service or some other mechanism or regulation. A ten-year moratorium on development wouldn't be possible, she stated. FAUL asked if controls could be put into place by the City Council so that the City could still control its level of service. Leeson replied yes, and gave examples of controls the City could use. Heinonen gave an example of how development in the past was constrained by the City by using concurrency, which was not a moratorium but a method of growth control. FAUL said his interest is in understanding whether a system of checks and balances is in place so that growth could be controlled while other aspects catch up.

PROBALA said the City is still able to receive grants and money from the State as a Regional Growth Center as long as the City Council can show that we are working toward achieving the State's housing target. Leeson agreed, and said because we are a Regional Growth Center, the City also has an advantage in getting State grants and funding. Heinonen added there is no specific time limit on how fast the City has to grow; the growth is driven by the market.

STOB said the assumption in the projections is that the pace of growth will continue at the same pace as the last ten years, and asked FAUL is your assumption that pace will continue for the next ten years. FAUL explained how he used the figures given by the State in support of that assumption. Leeson explained we do our own estimates citywide, but we also make adjustments for local circumstances and urban villages, which are counted differently toward the target. Heinonen gave more information about how the State uses occupancy rates, building permits, and other data to get its population numbers. The year-to-year numbers you see here in this chart are projections that the City develops and uses, she continued, but are not the same ones that the State uses. Leeson added these numbers are not adopted by the State; the State is focused on the housing target of 5,750, which will remain until it is renegotiated in 2021. RAHMIG said so these numbers are for planning purposes. Leeson replied that is correct; these are the projections we use to show how we project that we will achieve the State's target.

PROBALA asked how many housing developments are approved and now in the pipeline. Leeson said there are about 550 units on the valley floor, about 200 in the Highlands, and about another 200 which may or may not be subject to the City Council's moratorium. That does not include the Atlas development, but does count Gateway, Riva, and the Senior Housing development, which are going forward, she added, and there is a proposed development at Inneswood that may or may not be subject to the moratorium. PROBALA said so there are basically about 2,000 units that are either in the pipeline or are being constructed now. Heinonen replied yes, and about 900 of those are in the Central Issaquah area. PROBALA noted so the City is well on its way to achieving the target. RAHMIG asked so these numbers are what we factor into the level of service. Leeson replied yes. Heinonen noted the City did not receive any credit toward achieving its target as a result of existing housing units that were part of annexations, such as South Cove or Providence Point.

Leeson continued her presentation, noting that a proposed adjustment will add a policy about being a designated Regional Growth Center and correct some language (page 17 of 51).

Planning Policy Commission
9-22-16

FAUL asked for clarification of the proposed changes to the first few sentences in the Discussion paragraph on that page, which would result in this wording: "*The Urban Core within Central Issaquah was certified as a Regional Growth Center...*" Leeson replied this change clarifies that Central Issaquah lies within the City's urban core and is part of the Central Issaquah Plan. The urban core is about 461 acres within the 1,100 acres that constitute central Issaquah, she continued.

She referred to an overhead map and described the areas that are being proposed to change zoning designations, including their existing and proposed designation, and their current and proposed zoning. FAUL asked do these properties count toward the City's open space goals. Leeson replied that depends, and clarified that some acquired properties are used by the City for needs such as shop space, and other properties become open space, depending on the City's needs and the characteristics of the property. FAUL said does the City evaluate whether the property is usable, or is it just interested in acquiring property, even property that is, say, unsuitable for development. Heinonen gave examples of the City acquiring flood-prone properties and using them for creek restoration. FAUL asked do they all go into the City's open space inventory. Leeson replied yes. RAHMIG asked does the funding for those properties also include funds for operation and maintenance, and referred specifically to the open space parcel on the Atlas Apartments property. Heinonen replied no. The City negotiated with the Atlas Apartments developer that they would maintain it into perpetuity because they have a strong interest in keeping it in great shape for their residents. However, she continued, the City did not make that kind of agreement with the Gateway Apartments, so it is done on a project-by-project basis, she added.

FAUL asked about a specific parcel near the salmon hatchery, and asked whether the City has made any attempts to purchase it. Heinonen said she is aware that the Parks Department has a list of properties that the City has its eye on and would like to acquire, yet she does not know specifically about the one mentioned. Sometimes it is a matter of waiting until the property is up for sale, she added.

FAUL asked on page 17 of 51, it seems like funding has already been prioritized for this area, and the new language just makes a change in the name. Leeson said the new language clarifies that this is where the money will go, and can serve as a reminder of what the Council intended for the future.

STOB asked what is the mechanism for ensuring that funding for, say, transportation, will go for areas that have been designated for growth. Heinonen showed on a map where there are "pinch points" with lower levels of service. That list is used to figure out impact fees, she continued, and is why we adopt a new Transportation Improvement Plan (TIP) every year. STOB asked can fees from development in one area be reallocated to "pinch points" in a different part of the City. Heinonen replied yes, fees can be directed to making improvements in another part of the system, and gave examples.

Heinonen showed a map of potential annexation areas (PAA), and gave some background about the request to remove the entire East Cougar Mountain area out of the Urban Growth Boundary. She continued the County agreed to remove twenty-four percent of the property from the annexation boundary, and showed the parcels on a map. The City was not totally satisfied that the County will not remove all of the property from the City's annexation boundary, she continued, but the County indicated they were unwilling to create a rural "island" there. The proposed amendment would take 24 parcels out of the PAA and show a new boundary, she stated.

Planning Policy Commission
9-22-16

FAUL asked clarifying questions about why the City would not want to bring those 24 parcels into the City's boundary so that they could become open space. Heinonen explained that ownership would also include responsibility for providing sewer, water, and other services to that area. The City has already met its growth targets and those areas are not needed for additional growth, and the City doesn't feel this property is capable of having urban growth density. FAUL asked why wouldn't the City want to just leave it as virgin open space. Heinonen said the City has strongly encouraged the County to do just that and continue to purchase the land for open space. If there was concern that the County might pursue development there, the City might have a different strategy for the property, but all indications are that the County has no development plans for that property. She continued neither the City nor the City of Bellevue had any interest in assuming jurisdictional responsibilities for the PAA property. FAUL asked is there any potential for the County to develop the 24 parcels of property. Heinonen said more information will be available at the public hearing, but to date the County has indicated they would like to have that area be part of the Cougar Mountain Regional Wildland Park.

Heinonen continued her presentation on proposed amendments to capital facilities. She explained the State's intention is to make sure that cities are allocating enough funding to meet projected needs for fire, police, parks, and municipal facilities. She gave more details about the population growth, budget, and capital facilities data used in this section, noting that it uses an older list of capital facilities that does not include projects in the pipeline. STOB asked why an updated list of capital facilities is not available. Heinonen said normally an update is done annually, but was not done since 2014.

She continued her presentation on fire service facilities. She said before the City joined Eastside Fire and Rescue, it had its own fire trucks and facilities, and still uses that basis for calculating its fire service facility needs. So the City bases its level of service on what would be required for it to have its own fire facilities, even though we continue to participate with EF&R. STOB noted the figures show a deficit, and asked whether that is a concern. Heinonen explained the deficit numbers and said we haven't heard of any issues from EF&R. FAUL said in a particularly dry year, is it possible that unexpectedly heavy needs from, say, Sammamish could leave the City with less fire service than it needs. Heinonen replied EF&R has plans in place for interagency sharing in case of a major event as part of their capital planning. She continued fire stations are based on total land area, and the City has one more than what would be needed if it were not part of EF&R.

Heinonen continued her presentation by explaining that police officers are not capital expenses and therefore do not have a level of service measurement the way that police buildings and vehicles do. She said the amount of officers needed is calculated from the number of vehicles. She noted that projections show that the City will have a deficit of space for police operations by 2020, and the City has started looking at that issue.

FAUL said it appears that the City has a surplus of one vehicle. As our population grows, he continued, wouldn't we want that vehicle to be used without increasing the police force by not assigning two officers per vehicle. Heinonen replied that and other staffing decisions would be a policy decision made by the Police Department and not part of the capital facilities plan.

Heinonen continued that current information on parks and open space is not available, but using what we have, the City would have a parks and open space deficit of over \$1 million using 2015 budget data, and a projected deficit of over \$50 million by 2020. RAHMIG asked why would this one be chosen for review when the information is not really available. Heinonen gave some background on the Parks Department's work plan under its new Director and an updated parks impact fee rate study to be implemented next year. She continued the City uses a per capita

Planning Policy Commission
9-22-16

investment figure in budgeting for parks and recreation, which has allowed the Council to buy open space over the past few years rather than make smaller investments in, say, tennis courts, for example.

PROBALA said in looking at the list of parks on page 28 of 41, how does the City decide what it wants, what the people want, what is most needed, and so on. Heinonen referred to Parks Department surveys and the Parks Element Vision as sources of that information. FAUL asked what is the percentage breakdown of the mitigation fees paid by developers vs. the City's contribution for parks and open space. Heinonen said she will get that information for the Commission before the public hearing.

Heinonen continued projections indicate that the City will have a surplus of properties in the municipal facilities category by 2020.

She concluded all property owners within 300 feet of any proposed rezoning will be notified of the public hearing on October 13 so they are aware of the proposals and can make public comments. STOB asked for more details on the protocol for the upcoming public hearing. Heinonen explained the process for hearing public comment. She noted the City has until the end of the year to get the amendments reviewed and submitted to the State. She encouraged Commissioners to e-mail staff with any questions so members will have the information they need to feel comfortable taking action at the public hearing.

PUBLIC COMMENT

PROBALA said she received a comment from a citizen who said it was difficult for the public to ascertain what will be discussed at each City meeting from the information given on the City's Web site. She said she agrees with the suggestion, and would like to see the City consider putting a box on the website that clearly indicates the board/commission and topic to be discussed; for example:

Planning Policy Commission (PPC) Public Hearing at 6:30 Tonight on 2016 Proposed Comprehensive Plan Amendments
--

Heinonen made a note of it and said she would route the suggestion to the appropriate staff.

Mary Lynch, 2690 Oakcrest Drive, Issaquah, gave her perspective on the City's decision to not take ownership of the property discussed earlier, and how that makes the land more affordable for private conservancy, although it also makes it open for potential development as well. She said she thought the City has reacted quickly and positively on that issue. She continued her comments on the need for policy on new development. For example, the open space that Atlas Apartments is giving to the City will not give residents much open space. She said her fear is that the Atlas development will now think of that property as theirs. She continued with her perception of what's happening with open space at the Gateway development, and said Gateway didn't know what to do with a two-acre plot there, which will have no development, but which will be counted as park credit. She said to build a sustainable, livable City, the City needs to look more closely at policy for parks and open space in new development.

She continued the Council hasn't updated its capital plan since 2013. She gave an example of spending over \$1 million on a temporary water system, and the subsequent spending that will likely be required for water system infrastructure, traffic projects, and road projects, and noted the City is

Planning Policy Commission
9-22-16

using a four-year-old capital plan. That's what the City is basing its levels of service on. The police level of service data is from 2008, and a lot has changed since then, including the addition of traffic cameras. She gave an example of how traffic cameras require additional time just for reviewing traffic citations, time that is not accounted for. The Police Department says they are understaffed, she continued, but we don't have current data that would support the need for additional staff or infrastructure that would support that claim. She concluded we need that capital plan before some of these important decisions are made.

Connie Marsh, business owner at 1175 N.W. Gilman Blvd., Suite B-11, Issaquah, and Issaquah resident, said she thinks growth is outpacing targets, and sees infrastructure failures every day. Our roads, parks, capital facilities and so on are not keeping up even with the growth we have at the moment, she continued. She said with the development already in the pipeline, which looks like something like 1600 units, the City only needs to grow by about 50 units a year to meet the state's target, so we have grown almost as much as we are required to. Yet there is tremendous focus on "how do we accommodate growth." She said this is an enormous question of public policy, and what is being presented here does not address the question of how much do we as a community want to grow. She also addressed the focus on investments in the urban core, versus what is actually happening, which is development on west Newport Way. She said she disagrees with putting most of the new development there. She said the City is proposing a policy that would allow it to throw all transportation fees paid by developers into a single pot that the City Council can spend wherever it chooses, and she disagrees with that change. The focus should be where most development is taking place at any given point in time to make sure the City is still meeting its standards. She also spoke of the lack of recent updates to the capital infrastructure information used in the proposed amendments to the comprehensive plan, as described by Ms. Lynch. Without that data, these proposed changes are potentially a waste of time, she stated.

She continued her remarks by reading from the Capital Facilities Element—Vision language. She said it is qualitative in nature, but these changes only address buying buildings and cars. The entire point of the vision is being missed, she stated, and gave more examples of how she thinks the vision is not being fulfilled. She also spoke in favor of discussions of capital infrastructure that also include information on maintenance and capital funding.

Steve Pereira, 170 NE Dogwood Street, Issaquah, expressed concern on a variety of topics, including at what level do we want development in our City; the need to stop growth in other areas if we want to focus it in central Issaquah; doing a better job of defining and directing growth to the central Issaquah area; zero-lot lines on development in the central area and the affect on the City's canopy cover percentage; and the redevelopment of Sunset Way, particularly the need for more monitoring of excessive speeds through the area and how controlling that will require capital facilities for more enforcement and officer training.

OTHER BUSINESS/ANNOUNCEMENTS/ADJOURN

The next PPC meeting will be a public hearing on October 13, as discussed earlier in the meeting. Heinonen noted other upcoming meetings that may be of interest to Commission members are next Tuesday's Committee of the Whole meeting (September 27, 6:30 PM), at which housing strategy/phase one and mixed use will be discussed; and the Council's public hearing on the proposed moratorium in October.

With no further business to conduct, PROBALA adjourned the meeting at 8:15 PM.

Respectfully submitted,

Planning Policy Commission
9-22-16

Susan Lowe
Recording Secretary