

**CITY OF ISSAQUAH
PLANNING POLICY COMMISSION
MINUTES**

**June 22, 2017
6:30**

City Hall South
Council Chambers
6:30

135 E Sunset Way
Issaquah, WA 98027

PPC MEMBERS PRESENT

Joy Lewis
Althea Saldanha
Joan Probala, Chair
Carl Swedberg, Vice Chair
Lindsey Walsh
Ron Faul
AJ McGauley

STAFF/OTHERS PRESENT

Lucy Slocum, Land Develop Manager
Jennifer R. Woods, Associate Planner
Sherry Smith, Recording Secretary
Keith Niven, ED Services Director

VISITORS PRESENT

Mel Morgan
Christy Triple – Rowley Enterprises
Steve Pereira

MEMBERS NOT PRESENT

Jon Stob
Troy Rahmig
Vacant

CALL TO ORDER

PROBALA called the meeting to order at 6:30 p.m.

PROBALA shared condolences for the Extract family for the passing of Ray Extract, and appreciation of his service to the City.

APPROVAL OF MINUTES

MOVED BY FAUL, SECONDED BY WALSH that minutes of the PPC meeting on June 8, 2017, be approved as presented. MOTION CARRIED UNANIMOUSLY

AGENDA ITEMS

PROBALA moved the election to the end of the meeting.

Public Hearing: First Moratorium Work Plan Item -Lucy Slocum – Land Development Manager

Slocum reviewed the history of the Work Plan History
July 11, 2016 Central Issaquah evaluation,
All seven residential projects had structured parking
All but one of the seven commercial projects didn't have structured parking

The City Council enacted a six-month moratorium approved on September 6, 2016. Parking was one of six work plan items.

Two questions were asked:

Is Issaquah 'right parked' or not?
Should structured parking be required?

Consultant team was hired in March 2017
Fehr and Peers with sub-consultant EcoNorthwest

On June 7, 2017, Land and Shore recommended:
Leaving the parking standards unchanged
Implementing a structured parking requirement

Slocum explained the recommendation:

The Administration recommends the following,

Office: for buildings over 5,000 square feet 33percent of required parking must be in a structure
Residential: 33 percent of required parking must be in a structure
Retail: No requirement for structured parking (only encourage)

No exemptions or adjustments to the requirements.

Staff evaluated a number of retail and office projects.

Amounts of structured parking in select City projects.

0-93 percent of parking in six office projects, average 43 percent, median 31 percent
0-25 percent of parking in four retail projects, average 21 percent, median 12 percent
30-100 percent of parking in 14 residential projects, average 45 percent, median 31 percent

EcoNorthwest's analysis showed the following for feasibility of structure parking:

Office: between 25 percent and 50 percent structured parking in office projects becomes infeasible
Residential: between 25 percent and 50% structured parking in podium residential projects becomes infeasible; for townhouses, structured parking is feasible up to 100 percent
Retail: between 25 percent and 50 percent structured parking in retail projects becomes infeasible

Goals:

Achieve the Central Issaquah vision
Avoid unintended consequences

Next Steps

July – Return to Council Land and shore Committee
July 17, 2017, proposed Council adoption

SWEDBERG – If 25 and 50% of structured parking is infeasible why are we proposing 33 percent?

Slocum - They looked at it in 25% increments. At 25 percent it was feasible. At 50 percent it was infeasible so it's somewhere between 25-50 it went from feasible to infeasible.

LEWIS – Why is that? *Slocum* – There is a limit as to how much a model can predict. Eco Northwest was using a financial model not using specific projects from Issaquah. They were looking at things such as land values, and costs of structured parking and different kinds of lease rates. LEWIS: How many retail did staff look at? *Slocum* – We were looking at recent projects that had been built over the last five to ten years. LEWIS – by using urban villages as examples you came to the conclusion on retail? *Niven* – The report specifically calls out

no structured – you don't want to require structured parking for retail because a larger retail development is more likely to be able to – LEWIS – You cite that as an example in urban villages specifically and she's curious if that's looking at the urban villages specifically. *Slocum* – If you are asking "is the mix of uses in Grand Ridge Plaza a concern to us and therefore we were picking, trying to avoid that, that was not part of it. We were looking at recent retail projects and Grand Ridge Plaza is a recent retail one that had structured parking so we looked at that. Overall there was a concern that retail projects requiring structured parking skewed to larger chains that could more likely be able to afford it than smaller local businesses. We didn't think there was a clear indication that this would not skew the market.

PROBALA – How did you come up with 33%? *Slocum* – looking at projects on the ground. In residential projects we were seeing projects at 30%, some lower. With office projects we were seeing most projects over a certain size were building significantly more closer to 100%.

FAUL – Who would benefit if we went to 25%. *Slocum* – if we set it at 25% required structured parking who would benefit? Probably moderate to larger stores and chains who could afford to build structured parking. FAUL – Let's take the Safeway/Target shopping mall. In mid-summer there may be 40% capacity and Christmas 100%. How would this impact if they were to re-develop to today's standards. *Slocum* – They probably would only redevelop if they could add more retail or mixed uses – they would most likely choose to go to structured parking to increase the density. FAUL – This recommendation is saying we aren't requiring them to have structured parking, but we are requiring residential and office *to have structured parking* minimums. *Slocum* – correct.

PROBALA – If I want to build an office project and I go over the 33% how does the City address it. The City would want to sit down and understand the assumption. Is there another owner to share the cost of the parking? Did they build too small? LEWIS – No exceptions? *Slocum* – correct.

Niven - EcoNorthwest set parameters. *Niven* shared that several projects requiring structured parking such as Costco. Typically structured parking only happens with large project currently. Retailers in the suburbs want to have parking in front of their stores and that's typically surface parking. If we put parameters on retailers, it would most likely stagnate small retailers redevelopment. FAUL – Your recommendation is not to change retail requirements now, and only look at office and residential? *Slocum* – Yes.

MCGAULEY – You want to have structured parking because of the concern of the redevelopment potential of projects. *Slocum* – One of the challenges with the moratorium work plan, the six items is that they are overlapping. We have certain design standards already and they are being looked at. One of the big drivers is are we efficiently and effectively using our land. MCGAULEY – The more relevant question is how do we have less surface parking? You have discussed the lack of density in surface parking. As we move toward encouraging structured parking we should also be looking specifically to discourage certain placements of surface parking. *Slocum* – Explained the minimum density requirements regarding parking. One of the challenges with surface parking is that it thwarts some of the other things the City is trying to do. We have had the tools for three years and they aren't achieving the vision we want. Another challenge is there is a high value placed on streets and greenways. What we're finding is that something gets sacrificed. Surface parking alone won't solve that – we want to add that as another tool to get to the vision. FAUL – We need to strengthen those tools rather than get to it with parking. We are trying to tackle the symptom, not the root cause. We need to be using other parts of the tool kit. LEWIS agrees it does not get to the goal. The first question is how are we parking in Issaquah? You're saying retail won't have to have any accountability. This does not address major parking issues. *Niven* – please elaborate on a parking problem. LEWIS – We want to have less cars on the roads. One option is a Park and Ride which is at capacity by 8:00 a.m. Structures next to

the Library are at max capacity. People leave because parking is unavailable on Friday and Saturday night. We haven't addressed parking in Issaquah as a full package. *Niven* – This is about parking issues in Central Issaquah. *Nevin* – Fehr and Pearce used Atlas as a study because that project generated the concern for parking. If you live in Atlas, and you have a vehicle you get a placard so you can see where they are parking. People are parking on 7th because it's closer to their door. People are parking where they want to in spaces that are unregulated and if the community doesn't like the outcome then the community needs to have a conversation to possibly limit that. The conclusion of the study is that Atlas is right sized parked. PROBALA – Atlas has 300 units but only 200 parking places? – a big difference?

McGAULEY - I don't think we have a parking issue. We have a lack of conveniently available parking which is a different problem. I'd like to see conversation around other tools.

PROBALA – At some point in time will the city look at parking in the downtown area? *Slocum* – Land and Shore Committee said that the kinds of methods to control use of on street parking to be saved for a later time. But they want the moratorium items to be the topic. *Niven* – There is parking issues downtown/old town. People use the parking in that area as a Park and Ride. The Council has asked staff to come back to council with an assessment as to how to add parking spaces to old town. We need to focus on Central Issaquah. *Slocum* Atlas is 1.2 stalls per unit. In 2012 County there was a study of reviewing multi-family parking and how much is provided, how much is used? Generally it's parked at 1.6 stalls per unit, and used at 1.2 stalls per unit.

SALDANHA – is that assigned or unassigned? She suspects it's assigned. Concern in Atlas .75 was a standard that was implemented. It works on an average, but not when you are trying to implement it. *Slocum* – They have both assigned and unassigned. Studies are showing that the number of cars per unit are dropping. SALDANHA does not agree. *Slocum* - They are not owning cars at the same rate. They are relying on other methods. SALDANHA – agree in Seattle with good transportation, but not in suburbs. A concern is there isn't a standard on growth. *Slocum* – We identified how much parking for the structure and we have implemented the uses in the way we intended to. MCGAULEY – nothing today changes retail parking? *Slocum* – Correct. It's how you are parking, not the amount of parking that you are required to provide. WALSH – What is done with a situation that is mixed use? *Slocum* – Example, if you had 50 retail stalls required and 50 stalls required for residential we would have 15 stalls that were required for residential that would have to be in structured parking. The reality is they would probably choose to do some for retail as well because projects are being built that way. That's why the City has set a relatively conservative number. WALSH – structure parking has to happen in floor level amounts. If we are looking at smaller office buildings around the 5,000 square foot mark, if it requires 10-15 parking spots, they are still going to have to build a structured parking floor. *Slocum* – It depends on the method such as underbuilding. An example is Gateway Seniors built half a floor underground for parking and the other half is a pool, etc.

McGAULEY - We don't want a retail building surrounded by a surface parking lot? *Slocum* – probably. *Slocum* – We are continuing to study the VMU (vertical mixed use). Our market isn't quite ready for it. We are targeting certain areas for requiring vertical mixed use. I'm focused on the single story retail. We aren't requiring multi-story buildings.

FAUL – Urban core – when we go higher density, we are not changing the parking requirements in terms of volume? *Slocum* – no. We are ensuring that some portion of the parking for residential projects will be structured we are not changing the requirement for how much parking is required. *Niven* - Zero structured is the requirement now. The percentage of required parking that has to be in the structure is the same no

matter the size of the project. People like to park where it's convenient.

FAUL – Using a hypothetical project of 400 units we are going to lower the structured requirement? *Slocum* - There is no structured requirement. The numbers are what we found during a survey. FAUL We are establishing a structured requirement. *Slocum* – Yes.

LEWIS – How does staff believe that office and residential should be the same? MCGAULEY – thinks the City could be more aggressive on office. *Nevin* – Referred Commissioners to the data points. How far do we want to push the bar? They started with 33% so they could see what the market would bear. If the market is still responding we, it could be raised later.

SALDANHA – Is it on the table to provide solutions to structured parking? Such as city garages?

LEWIS – Does staff support LIDS? *Niven* – LID has to be approved by property owners. LEWIS did not agree. *Slocum* – but owners still need to agree. *Niven* – explained how the LID work. LEWIS – Do we have any? *Niven* - There has been several but not specific to parking. Staff has not discussed doing a LID for parking in Central Issaquah, because we don't think it's the right solution, because we don't think there is parking problem in Central Issaquah. *Slocum* – We encourage parking districts – how do we bring all the different parking and needs together. *Nevin* – Let's assume we want to redevelopment Central Issaquah we could as a city build an infrastructure for incentive for properties to redevelop. *Slocum* – we are taking one small step toward the vision toward the more efficient use of our land. This is the first bite of a larger apple! WALSH – EcoNorthwest goes through case studies for Portland and Redmond and talks about incentives for parking (pages 24, 25.) Are we considering incentives? *Slocum* – there are a few modest ones in place. One is if you have under building parking you can enjoy increased height. WALSH – How successful was this? *Slocum* – Not sure how much of an incentive this was. MCGAULEY – he would love to recommend if we are going to increase all 33% of structured parking underground– give them another 6 feet (12 total) in height. Maybe a requirement that won't prohibit the building. *Slocum* – the existing code has a density bonus provision. Staff had recommended changes to that program just prior to the moratorium. Council is looking at how the moratorium items shake out as to whether this bonus program is kept in place. *Nevin* – The density bonus program of Central Issaquah is actually a dis-incentive at this point so it's been put on hold. Other incentives are being taken into consideration.

FAUL – If we increase structured parking – benefits being environmental, economic and a health benefit. By adding more parking there will be more pervious surfaces, more square feet for more building creating higher revenues, and from a health standpoint we create opportunity for more open space and walkability, so we as a city will be better off by increasing the structured parking. *Slocum* agrees with environmental and health are correct, but is not sure that it would be higher revenue generating because of the higher costs.

MCGAULEY – Taxes on structured parking versus surface parking? General discussion between members regarding density requirements. *Slocum* – Yes that is being taken into consideration economically.

MCGAULEY - I would not oppose this but I don't think the structured parking achieves any of the goals.

FAUL – Why would we go lower? HUNT – Offices wouldn't be building at an infeasible rate. *Slocum* – we can go higher, but we are testing the market at this time. HUNT – if retail were put at 33%, they could have a similar requirements as small offices. WALSH explained reasons shoppers may not shop as much with structured parking. LEWIS – Can the standards be changed? *Nevin* – we talk to businesses every year and they don't tell us they don't have enough parking. Other things drive their needs in Central Issaquah. Parking

is a concern for the businesses in Old Town. Federal Way is the only other city proposing structured parking and Council has not approved yet. Issaquah is the pioneer for structured parking which is one reason we are taking a conservative approach. WALSH – What are other cities doing for structured parking? *Nevin* – Redmond, they have mandated mixed use for six blocks. The cities that have certain focus of development activity, they are getting the structured parking because of the densities such as downtown Bellevue. PROBALA – are there areas of the Central area that you can require retail on the bottom. *Slocum* – that is a separate work plan item for the moratorium and it is being looked into.

FAUL- if Atlas is at 100% occupant capacity, would their parking structure and lot become completely full? *Slocum* – We don't think that's what will happen based on the studies that King County has done on comparable locations and projects. We are seeing a lot of on-street parking near Atlas for convenience.

FAUL – having higher structures with parking underneath, would be more convenient to the owner. PROBALA – can you require the higher you go that it goes above the 33% that it has the parking in it. *Nevin* – There is a lot of balance and things to take into consideration – optimizing all the variables. There will be a counter balance – higher rents, higher floors, etc.

SALDANHA – it would be helpful to have data with the assumptions. *Nevin* – Based on land values and construction costs, EcoNorthwest says that's the 25-50% numbers which is a wide margin but a good metric. *Slocum* – Even if we had a great model and every project analyzed, we may still not get the right number. SALDANHA – You can benchmark it against similar cities. There is a lot of data without consistency. WALSH – agrees there isn't a lot of data to make the decision. What about other cities? *Nevin* – this is what we have – other cities have other economic factors than Issaquah does. SALDANHA – the benchmark doesn't need to be in this state. You should look at more than this area. LEWIS – agrees the city needs to look at other cities. *Nevin* - our office market is influenced by Bellevue, Redmond, Seattle, I-90, and our location, and Puget sound. It does no good to look at Irvin, Silicon Valley. *Nevin* explained how EcoNorthwest came to their conclusions. The analysis that was done is as good as it can be. The best we can do is pick a number we are comfortable with and test it. FAUL asked about the tax revenues after a number of years. *Nevin* explained tax exemptions. Council is hesitant to put incentives in place for development to happen in Central Issaquah. FAUL explained his thoughts on incentive investments with structured parking, the developer gets an extra floor, after a certain number of years, it gives more revenue. *Nevin* – There have not been added incentives included in the moratorium thus far. The Commission could propose an incentive.

PROBALA opened up Audience Comments at 8:19

Christy Triple Rowley Properties 1595 NW Gilman Boulevard, Issaquah

With the Central Issaquah Plan in the urban core the vision always was, how do we overcome the sea of parking that we have on the valley floor which was 75 percent. It's not the best use of land. Having a connected community is important. She agrees with the recommendation of keeping the standards of parking the same. Think about tools to help influence the kind of development you want to see today. Structured parking is an important element. Asking staff to consider on its next comp plan discussion, what are tools to enable it to be successful and to see the kind of development we want to see today. Looking at the shared parking agreement, taking the requirement off the title to be recorded because it creates a problem for the developers and looking at parking enforcement or management needs to be part of the conversation.

Mel Morgan – 4018 240th PL SE, Issaquah, WA 98029

– He serves on the development commission and has served on the Central Issaquah task force so I have seen

the vision from the beginning. Land and Shore want you to make a decision on the percentages. We need to be aspirational in what we do. If you look at pages 16 and 17 at the charts showing all 3 of them at 25-50 percent the feasibility flipped over. We have had six projects come through in central Issaquah. He reviewed the information on the chart. 33% is not being very aspirational. 50% is marginal. He thinks it should be set at 50% as a good starting point for residential. For office, it leans more toward 50%. We have 5 buildings over 5,000 square feet. He thinks we should go toward 50%. Retail is tougher since they want close parking. There should be a minimum at 33% if not higher. What do we do with hotels and other types of developments? Springhill Suites was built at 100%.

PROBALA – isn't there requirement for new retail – parking. *Nevin* – Yes, a new retail space would need to meet the parking numbers – certain spaces would need to come with a new business. It's hard to predict retail's future.

Steve Pereira, 170 Dogwood PL, Issaquah, WA 98027

He agrees the numbers seem too low for aspirational standards. Office is already at 100% so that should be the goal. Residential should be 50 percent at minimum. Retail – there will be too much sprawl if there isn't a requirement. Issaquah needs to possibly look at downzoning. You still want a limit on heights of buildings in certain areas. He would like to see a planned place for public comment on the agenda.

Public comment closed 8:32

SALDAHNA – She is comfortable with 50 50 and 33. There needs to be a standard for retail.

WALSH – agrees with SALDAHNA, but with a minimum size requirement on the retail.

FAUL – We can create a motion that we ask the city for what is reasonable for retail structured parking, and they can come up with some cases, and present them to us because we don't have enough data to make the assessment tonight. We have enough to make the assessment on residential, office, retail and hotel. 50 res, 60 percent and 50 office.

LEWIS – Loves how FAUL wants more information, but we should make a recommendation tonight. She is a proponent of moving around the numbers.

PROBALA – The numbers on the slide say 43 percent of the cars. What is happening with the rest of the cars? We want density but openness at the same time. She feels the 33% is too low. She likes the approach from the city to work with the builder. She would rather see structured parking and more parks.

WALSH – Where did hotels fall in the numbers? *Slocum* – The three proposed uses do not cover everything in the city such as hotels and restaurants, schools, industrial and warehouse. SALDAHNA – In terms of hotels it takes care of the rooms but not hospitality. How you define the number of spaces for hospitality is very different for residence or retail. WALSH – It would be helpful to have a list of what this doesn't cover to send back to Land and Shore.

LEWIS – Does staff have any input to a tiered system? *Slocum* – she doesn't have a concern they may have different requirements.

Members discussed the different percentages and required spaces and square footage options between

themselves and staff.

Nevin - You could say there is no surface parking lot larger than 20 stalls (pick a number). Staff was clear they took a conservative approach. The public suggests you be aspirational.

FAUL – How to come up with a number for retail? *Nevin* – he explained consequences if structured parking was required for retail.

SALDANHA - We need to be aspirational for the future or we as a city will pay for it later. She is not willing to accept zero for retail for larger businesses. 50 50 33 and leave cap on the size to mid-size and above.

LEWIS – No one seems to have a problem with the definitions of parking structure. No one seems to want to change the Findings of fact. I'm going to make an amendment that we adopt the Central Issaquah development and design standard as written with the change Jennifer to Section B.1 being 50 percent, Number 2 being 50 percent and Number three being 33 percent. FAUL – I would like to challenge the 33 percent and leave that up to another Commission like the Development Commission to be able to understand on a case by case basis – (interrupted) LEWIS – I'm going to make a motion – PROBALA – the Development Commission bases their decision on what is there – FAUL – Here's the problem – we aren't experts in the retail, and we don't have enough information about retail to make a good decision tonight. We do about the other two. Retail is too complex. It's an important decision to get right.

LEWIS – I would like to make a motion for the numbers I suggested to move forward on the three areas we were asked to evaluate. PROBALA – There's a motion on the floor. SALDANHA seconded. LEWIS – you can't second as you are an alternate. PROBALA – If there are not enough regular members here, the alternates can vote. They fill in for the regular member. There's a motion on the floor and it's been seconded. All those in favor – LEWIS – I'm recommending on the size that we keep it as staff has recommended at the 5,000 square feet. No other changes.

Slocum – So there is no minimum for retail and service right now. And since we didn't recommend a percent and the question is are you recommending a requirement for 33 percent structured for projects above 5,000?

LEWIS – My amendment specifically puts 5,000 across the board on both residential and retail. Anything over 5,000 square feet is subject to the percentages of structured parking. *Slocum* – So you would add 5,000 square feet to the residential? LEWIS – Anything over that, correct. That's not what we proposed. I will leave no gross square foot on residential uses and add a 5,000 square foot to retail so any business under 5,000 square feet of retail space is not subject to the 33 percent. FAUL – would your motion include hotel and commercial? LEWIS – It is not specified by staff so I'm deferring that is not included. PROBALA – the motion has been moved and seconded. Please read the motion.

Slocum – I believe that ***the motion is to increase the office percentage from 33 to 50 percent, otherwise unchanged. Increase the residential percentage to 50 percent otherwise unchanged, and add a percentage retail surface use of 33 percent for projects above 5000 square feet.***

FAUL – I would like to make an amendment to the motion that retail be further evaluated because the complexity of retail and I don't believe that requiring structured parking at 5,000 square feet is going to be profitable. LEWIS - That's not an amendment, that's a position which I respect. FAUL – I'd like to make an amendment that we approve the residential and the office and we table the retail. *Slocum* – I'm hearing FAUL

ask that retail service be left unchanged with no requirement because he would like further study. PROBALA – Approve the retail with no requirements with the assumption or recommendation that it has further evaluation by staff to determine if there is a more appropriate way to do this. FAUL – I propose that we ask City staff to reevaluate the retail requirements. PROBALA – the caveat in this is that we leave the retail at zero percent and recommend they continue – FAUL – So I make the motion to – LEWIS – You make the amendment – FAUL – I make the amendment to the motion that we leave retail at zero percent and ask City staff to assess – *Slocum* – You are putting forward an amendment to the motion to leave the retail recommendation unchanged, and ask staff to make a future recommendation on the appropriate level of retail parking. FAUL - want to continue with the amendment within one year. LEWIS – Point of order, the amendment can't challenge the actual motion so right now the motion is for 33 percent but the amendment is to bring it down to zero percent. PROBALA – You can vote down the amendment then you go back to your motion and what will happen is you will approve the motion based on the amendment. Does anyone second it? WALSH – Second. Voting on the amendment to leave it at zero and recommend staff comes back for further evaluation. *Niven* – And if I could suggest an amendment to the amendment because you guys figured out where you wanted office and residential to be because you wanted aspirational standards and what I heard was you needed more information to find that aspirational level for retail. I would suggest you throw that aspirational word in for us to come back with an aspirational standard for retail.

FAUL – I'd like to make an amendment to add the word aspirational to that within one year. PROBALA – Does the second agree with the change? WALSH – yes. PROBALA – So we are going to vote on the amendment. Amendment passes.

PROBALA – Now we will go back to the original motion which now includes the amendment that was passed. So the motion was 50, 50, and zero with the aspirational recommendation for staff. Motion carries.

ELECTION OF VICE CHAIR

SWEDBERG Nominated FAUL as Vice Chair and he accepted.

SALDANHA nominated WALSH and she accepted.

Members voted for FAUL as Vice Chair.

GOOD OF THE ORDER

NEXT MEETING tbd

ADJOURNMENT

The meeting adjourned at 9:26

Respectfully Submitted,

Sherry Smith
Recording Secretary