CITY OF ISSAQUAH
PLANNING POLICY COMMISSION
MINUTES

March 22, 2018

City Hall South
Council Chambers

135 Sunset Way
Issaquah, WA 98027

PPC MEMBERS PRESENT	STAFF PRESENT
Joan Probala, Chair	Keith Niven, Econ. Dev. & Planning Director
Ron Faul, Vice Chair	Trish Heinonen, Long-Range Planning Mgr.
Joy Lewis	Christen Leeson, Senior Planner
Troy Rahmig	
Jon Stob	**OTHERS PRESENT**
Lindsey Walsh	Mary Lou Pauly, Mayor
AJ McGauley, Alt.	Mel Morgan, Jr., Development Commission
	Arthur Sullivan, ARCH

CALL TO ORDER
PROBALA, Chair, called the meeting to order at 6:30 PM. She outlined how tonight's meeting will proceed, and introduced Mary Lou Pauly, Mayor, who has asked to make a few comments tonight. PAULY said her main purpose in coming tonight is to recognize the great work PPC did in 2017 and which has continued into 2018. She characterized their efforts in commission meetings, public hearings, joint meetings with other boards and commissions, and work sessions as an amazing amount of quality work. She thanked PPC members for all their work.

She said she also wanted to let PPC know that in 2017, her observation was that different meetings had different feelings in terms of form and engagement. She continued it would be great for you to decide as a group how best to set up for your meetings, and said she wanted to let PPC members know that you have options. She also said she was pleased to see thoughtful deliberations, and that no one expects unanimous decisions. Even when an issue is complicated, she said, you can keep asking questions until you are clear and your questions are answered. The work you did here is not in isolation and it does not end here, she continued; it directly informs what the Council does and is often the public hearing on important issues. She said she also hopes to close the loop better with PPC about what happens to the recommendations PPC forwards to Committees and Council. We owe you that explanation, she added. She concluded her remarks by thanking PPC for the huge amount of work done in 2017 and wished them a great year in 2018.

PROBALA thanked PAULY for coming, and also extended thanks to the Task Force members and others who have been instrumental in working on the neighborhood visions.

APPROVAL OF MINUTES
MOVED BY FAUL, SECONDED BY WALSH that minutes of the PPC meeting on February 22, 2018 be approved as presented. MOTION CARRIED UNANIMOUSLY.

MOVED BY WALSH, SECONDED BY RAHMIG that minutes of the PPC meeting on February 28, 2018 be approved as presented. MOTION CARRIED UNANIMOUSLY.

MOVED BY RAHMIG, SECONDED BY STOB that minutes of the PPC meeting on March 8, 2018 be approved as presented. MOTION CARRIED UNANIMOUSLY.

DISCUSSION: CENTRAL ISSAQUAH DISTRICT VISIONS AND GREEN NECKLACE (R)

Niven made staff's presentation. He referred to the final version of the district visions in the agenda packet, and said unless there are specifics that PPC members feel are missing, staff does not plan to go through it again tonight. He discussed the missing green necklace piece, and said the final version can refer the reader to "see the final Parks Strategic Plan." McGAULEY recommended that at least the legend be included that shows the numbers of the necklace pieces and what the map symbols indicate. Niven made a note of it. LEWIS agreed. She said the labels 1-A and 1-B look confusing in lower-case, and suggested they be modified to improve legibility. Staff made a note of it. WALSH suggested changing the colors on the Central Issaquah Neighborhood map so that each neighborhood is differently colored or differently shaded. Staff will make that change.

Niven briefly went through the remaining pages in the document. WALSH suggested moving the map up in the document; continue the colors of the map in the introduction into the maps for each neighborhood; and use some photos as examples in the narrative for each of the neighborhoods. STOB agreed, and said it would help visual thinkers to get a feeling for each neighborhood. Staff made a note of it. McGAULEY suggested a modification to the sentence beginning "Inviting green spaces, more urban social gathering spaces…" in the third paragraph on page 6 of 44.

Niven said an updated, edited version will be attached to an agenda bill which will be presented to the Land and Shore Committee on April 19. PROBALA asked that the final edited version be posted to the website so that PPC members can access it. Niven offered a printed version for anyone upon request.

PUBLIC HEARING: PROPOSED AMENDMENTS TO CENTRAL ISSAQUAH DEVELOPMENT AND DESIGN STANDARDS CHAPTER 4.0, ZONING DISTRICTS, USES AND STANDARDS SUMMARY, REGARDING HOTELS AND STORAGE UNITS (R)

Heinonen made staff's presentation. She gave some background on why these two changes are being proposed. McGAULEY noted that the code speaks to "enclosed self-storage," and asked does that mean that non-enclosed self-storage is not permitted in the City's code for Central Issaquah. Heinonen replied that is correct.

She continued with the chart on page 29 of 44, which shows the results of the proposal to restrict new hotel development to the Pickering neighborhood within Central Issaquah only, and to allow new self-storage facilities only in East Lake Sammamish Parkway SE or 221st Place SE. She clarified that the restriction on hotels would apply only to *Village Residential*, *Mixed Use* and *Intensive Commercial* zones within Central Issaquah, not to any areas outside Central Issaquah or within urban village designations. She displayed the charts on page 30 of 44 that confirm that other zones in the City would not be affected.

McGAULEY asked about guest houses and bed and breakfasts, and asked if they are still permitted. Staff replied yes, but they are not being included in this code change proposal. Heinonen said an addition to an existing hotel would require a process to seek the expansion of a nonconforming use, and gave more details about how existing hotels that wanted to expand would be affected.

PROBALA opened the meeting for public comment at 7:01 PM.

Derek Doke, 238 246th SE, Sammamish, and property owner in Issaquah, described his history of working with the City to develop properties in Issaquah. He said his concern is that this restriction will create a heavy concentration of storage units on only one side of the City, specifically the north side, and residents of the areas around Gateway and Gilman also need storage. Storage rates are already high, he continued, and by limiting the location of new units the City will put a monopoly on the existing units, which will push rates even higher. This is a supply and demand issue, he said, and gave data about demand under current conditions. With the City's emphasis on developing smaller, more urban housing in the core, he continued, demand for storage will increase. Self-storage has a place in the way people live now, and modern storage facilities can look like apartments or lodges and blend in well with the community. He said getting across the freeway is already difficult for people, and limiting more units

to the north side will make it difficult for people who don't live on that end of town to access their storage.

Mel Morgan, Development Commission member, said he has concerns about trying to limit hotel development to the Pickering neighborhood only. He continued he doesn't quite understand the rationale for not wanting to include new hotels in mixed-use Central Issaquah areas outside Pickering. He noted that hotels often want to be sited where there is some nightlife and access to restaurants, and a hotel in the Pickering area will primarily have good access to the Costco campus, some retail franchises, and not much more. He concluded he doesn't quite understand why the City would want to limit development of new hotels to just that one area.

David Kappler, 255 SE Andrews, said on the storage issue, he thinks the City should have a good reason for limiting them, and so far, he hasn't heard it. If the problem is that self-storage facilities are perceived as being ugly, then that concern should be addressed rather than limiting where they can be located. He noted that self-storage facilities don't generate much in the way of traffic or parking, and while he had reservations initially about the facility on Newport, it actually looks pretty nice and now he doesn't even notice it when he drives by. On the issue of limiting hotels to the Pickering neighborhood, he said he favors allowing the market to determine where new hotels are located.

Hearing no additional requests to speak, PROBALA closed the public hearing at 7:09 PM.

Commissioner Discussion
PROBALA asked staff for any comments. Niven explained why Pickering was selected for future hotel development, and described the feedback that was received from local hotels about who their guests are. He said Pickering was selected because of a belief that the majority of hotel stays in the City are business-related, although the data indicates that is not entirely accurate. He said sometimes businesses locate where land is plentiful and less expensive, which is another part of the equation. There is also some thought that hotels in Pickering might mean that Costco visitors could use Uber or a taxi from the airport, and not need to rent a car because the hotel would be so close to Costco headquarters.

McGAULEY asked would this proposed change block the potential of a new hotel proposed for the location behind Fred Meyer. Niven replied yes. He described where the five existing hotels are located in the City, and said a piece of property in the Highlands was sold to a hotelier, but it is unlikely that a hotel will be built there now. WALSH asked could Polygon put a hotel on one of the sites across the street in the Highlands. Niven replied yes.

STOB said he's not sure he's in favor of limiting development to just one neighborhood, and would be more in favor of having a broader target for where we would want to see a new hotel built. FAUL clarified how the existing capacity of hotel rooms in Pickering is being used now. He continued a hotelier would most likely build where it would be most profitable for them, which may not meet the City's needs for more capacity in Pickering. WALSH said the existing hotel in Pickering could be redeveloped into a larger facility. McGAULEY noted that hotels often use shuttles, which eliminates the argument that having a hotel near Costco could cut down on rental cars from the airport. If we want the whole Central area to be vibrant, having both business and leisure visitors who will spend money in, say, the Gilman neighborhood is important, he stated. RAHMIG asked whether there are other instances in the code where the City dictates where specific businesses can be located. Niven replied yes, and used marijuana shops as an example.

The Commission discussed allowing hotels in any of the Central neighborhoods. FAUL said it could always be changed if allowing hotels only in Pickering proves problematic. He argued in favor of restricting new hotel development close to Costco so visitors can walk rather than use rental cars or shuttles. McGAULEY disagreed. LEWIS said the argument needs to be more about how we want our space to develop rather than how visitors may or may not use hotels. WALSH said some people may

choose to stay in Bellevue because of the lack of the kind of hotels in the City that they prefer. STOB said of the five zoning districts where they are now allowed, the only one that doesn't make sense is residential. LEWIS said in the previous discussion about this, she didn't see a problem with hotels in the Fred Meyer area, so she was a little surprised to see this restricted to just Pickering. McGAULEY agreed, and said he has no problem with new hotels going into mixed-use neighborhoods. The Commission discussed allowing the market to dictate where hotels should be permitted and where hotels are likely to be developed, based on availability and cost of land.

MOVED BY FAUL to approve the City's recommendation to limit development of new hotels to the Pickering neighborhood only. MOTION FAILED for lack of a second.

MOVED BY McGAULEY, SECONDED BY RAHMIG that no amendment be approved, and that no change be made to the existing zoning with regard to development of new hotels in central Issaquah. MOTION CARRIED BY MAJORITY VOTE (FAUL voted in the minority).

Niven continued staff's presentation on the self-storage issue, and said one perspective is to think about storage facilities in terms of whether they add to the vibrancy of a neighborhood. He asked Commissioners to consider whether they might want to favor limiting self-storage to certain parts of Central Issaquah, and said the Administration is recommending limiting them to parcels fronting East Lake Sammamish Parkway SE or 221st Place SE only.

PROBALA said we have to look at the vision we want for our neighborhoods, and ask whether this would add to what we are envisioning. McGAULEY said he favors banning storage units in all neighborhoods as being inappropriate, "blank" buildings that do not add to the vibrancy of neighborhoods. WALSH said we have said we favor more smaller housing units, which will in turn create more density, but those people will also require storage. McGAULEY said his impression is that storage units do not need to be within a few minutes' walk of an urban amenity such as a transit facility because people visit their storage units only infrequently. WALSH suggested self-storage could be first-floor development in lieu of retail in multi-story housing and commercial facilities.

FAUL spoke about vendors who sell in Costco who might need storage near Costco headquarters. Niven said there are a wide variety of vendors who want to sell goods at Costco, and clarified plans for additional display space at Costco headquarters. He also described existing storage space that is located near Costco that could be used by Costco vendors.

Niven clarified that as proposed, self-storage development would be allowed only in one part of the Eastlake neighborhood. McGAULEY said he would like to see it banned from all of Eastlake. LEWIS agreed. WALSH said so no new storage areas could be built in Central Issaquah. Niven said new storage units would be allowed in Talus, Highlands, and the Service district and Old Route 10 districts.

FAUL asked could Costco still build additional storage. Niven replied yes, as part of its development agreement, and also as accessory to another use. WALSH said Rowley could also build storage under its existing development agreement. Niven agreed.

WALSH said her understanding is that when the moratorium is lifted, it's possible that multiple developers could all want storage facilities to be permitted and built. Niven said that is not possible to predict. LEWIS said putting them in Central Issaquah is diluting what we have said we want for our central City. STOB said he doesn't think a vibrant community is necessarily mutually exclusive from self-storage facilities. PROBALA said we already have six such facilities.

WALSH asked for clarification of "only as accessory to permitted use." Niven said that means that storage couldn't be the primary use, but it could be part of, say, a commercial development if it was a minor component of that use. McGAULEY said he would be okay with allowing that language, and not singling out a specific part of Eastlake and designating it for storage.

LEWIS said there are places near the core on which additional storage could be built without being located in Central Issaquah. The Commission considered Old Route 10 and Service districts as options. Niven said the Administration's position is to limit it as specified in the proposal. He summarized PPC's thoughts as limiting it to mixed use zones; allowing storage in a different area than urban core, destination retail, or mixed use; and allowing additional storage as accessory to another use.

MOVED BY McGAULEY, SECONDED BY FAUL that development of new self-storage facilities be prohibited in all Central Issaquah zones except intensive commercial, and be excluded except as accessory to another use in the other Central Issaquah zone. DECISION WAS SPLIT, with three votes in favor (WALSH, FAUL, and LEWIS) and three votes against (RAHMIG, PROBALA, and STOB).

PROBALA spoke of the need for residents all over the City to have access to storage that is convenient. RAHMIG said it concerns him that people need so much storage. That said, he said he doesn't like having the City limit the investments that a self-storage business owner might want to make in our community. STOB agreed. He said he doesn't feel he understands the economics of the self-storage business thoroughly enough, or has enough data on the needs of people in our community and their need for proximity to their storage, to make a recommendation.

WALSH asked what would be the consequences of delaying action on this item. Staff gave the timetable for bringing this item to Council in May, and the Commissioners debated whether additional discussion at a future meeting would provide greater understanding of the issue.

PROBALA re-opened public comment at 8:08 PM.

Derek Doke clarified that the majority of storage is of the 5 x 8-foot size, and is used for storing holiday decorations and equipment for activities such as hunting, fishing, and scrapbooking. Large storage spaces are not as frequently requested as smaller ones, he noted. He said the cost of providing subterranean parking in an apartment building is just too high to put storage on the ground floor normally used for parking. He said providing storage for rent in an apartment is not seen as desirable by tenants, and tends to go unrented. It is also very expensive for a developer to include storage within an apartment building, and the storage units take up a lot of space.

Hearing no additional requests to speak, PROBALA re-closed the meeting for public comment at 8:12 PM.

PROBALA said she would rather see a well-kept, attractive storage building with landscaping than to see a lot of smaller facilities dotted throughout the City. LEWIS asked how has the City handled storage units in mixed-use zones to date. Heinonen said she doesn't believe there has been an application in Central Issaquah yet. WALSH expressed concern that multiple applications for storage facilities may come to the City as soon as the moratorium is lifted. Niven said it isn't possible to determine that. Demand exists, he continued, and a developer would have to meet that demand by looking elsewhere to develop a facility, such as in the Highlands, Talus, in intensive commercial zones both inside and outside of the central core, or in other cities like North Bend.

PROBALA said she is looking at this from the standpoint of our work on district visions, thinking about where storage facilities would best fit in our City.

MOVED BY LEWIS, SECONDED BY MCGAULEY to preclude all storage within Central Issaquah, including removing the provision in the proposed amendment that it be limited to East Lake Sammamish Parkway SE and 221st Place SE only. DECISION WAS SPLIT with three votes in favor (WALSH, LEWIS, and FAUL) and three against (STOB, RAHMIG, and PROBALA).

MOVED BY LEWIS, SECONDED BY FAUL that the PPC's discussion and split vote be forwarded as its recommendation to Council, with both majority and minority views expressed. MOTION CARRIED BY UNANIMOUS VOTE OF ALL COMMISSIONERS PRESENT.

PUBLIC HEARING: PROPOSED AMENDMENTS TO ISSAQUAH MUNICIPAL CODE REGARDING ACCESSORY DWELLING UNITS (R)

Leeson made staff's presentation. She described how accessory dwelling units (ADUs) are defined, and showed images of typical units (detached, basement, and over-garage). She summarized the work done on the City's housing strategy work plan in 2017, and said this amendment is part of the first strategy, which states "Remove barriers to facilitate the construction of ADUs (e.g., processing and cost)."

She continued her presentation on the policy issues and/or questions; the benefits of ADUs; existing code for ADUs; what the phrase "the door may be located on the front or side, but must be screened" means; and potential barriers and solutions (page 34 of 44). She also discussed the process required to change the code that regulates ADUs in the City, and walked the Commission through the code changes (pages 35-40 of 44). She noted this item will go to Land and Shore Committee on April 16, and to Council on May 7 for approval.

PROBALA opened the meeting for public comment at 8:37 PM.

Connie Marsh, Squak Mountain resident, said the River and Streams Board considered the ADU issue at its meeting a few days ago, and from listening to that discussion she is concerned that ADUs not be allowed in areas that are classified as 100-percent critical areas. She said she is also concerned that extension of dwellings to accommodate an ADU should also not be allowed to expand into a critical area to do so. She said we want to encourage ADUs, but not at the expense of the environment.

Hearing no other requests to speak, PROBALA closed the meeting for public comment at 8:39 PM.

FAUL said he is concerned about parking situations created by ADUs, and referred to an ADU in his neighborhood where the ADU resident parks illegally. He said parking can become a serious issue when you are adding more residents to a neighborhood by allowing ADUs. Also, he continued, how will heat from an existing home be extended to an ADU if it is located, say, in a basement. Leeson replied heating would be part of the Building Department's purview. She continued every ADU is required to have one additional parking spot, and every single-family dwelling unit is required to have two off-street parking spots, for a total of three. She clarified that if a paved driveway is long enough, a driveway and a garage can qualify as meeting the three-spot requirement. FAUL asked about fire protection, and said his recollection is that firewall protection is required for ADUs created in structures with daylight basements. Leeson replied no firewall is required between the two units if one of the units is owner occupied. FAUL said if an owner put in an ADU and then moved out, could they then move and rent both units. Leeson said one unit of the structure must be owner occupied. If the owner decided to sell, she continued, they would have to let any future buyers know about the ADU, and the new owners would then be responsible for compliance with the City's codes and standards.

Arthur Sullivan, ARCH (A Regional Coalition for Housing), agreed, and said one of the primary purposes of recorded agreements between the City and a residence with an ADU is to clarify that one of the units must be owner occupied.

LEWIS asked what are the options for grandfathering existing ADUs. Leeson said all ADUs, existing or planned, would be required to come up to code. LEWIS said her concern is with vulnerable populations that may not be able to afford the burden of inspections, putting in new access, changing to bay windows, and so on. Are there plans to help them get into compliance, she asked, and if not, how does this help the City's affordable housing situation. Sullivan replied the new regulations would remove the $500 fee requirement for getting an ADU agreement with the City. The new regulations also offer a one-

time consultation opportunity with the City to help a homeowner figure out what would be required for them to create an ADU at a cost of $250, but that is an optional provision to sit down with someone from the City about their exact situation. There is no explicit fee for ADU compliance, he continued. He said LEWIS raises a good point, but ADUs were specifically created to help provide affordable housing options for people on limited funds. Private funding options are also being studied elsewhere, but we don't have any information about that for you right now.

WALSH said in thinking about removing barriers, is the impervious surface requirement of 50 percent a barrier to the creation of more ADUs. Leeson replied in smaller lots, ADUs can be created in basements or over garages, or as part of the structure that already exists. She added the requirement for an impervious walkway doesn't count toward the impervious surface percentage. Heinonen said the City tried to give a range of options so that small lots can participate, such as putting in an ADU that is detached, above the garage, or part of the house already. Sullivan said practically speaking, he has a collection of about 40 slides of typical ADUs, and only one or two are detached. Most are above garages or are part of structures because the cost is so much less than adding to the main structure. Leeson noted that the City is considering a revision to that 50-percent requirement in Olde Town as part of the Olde Town Subarea Plan update.

McGAULEY said the idea is that ADUs won't significantly change the bulk of buildings that already exist in a neighborhood, so in the case of large family homes, the footprint of the structure isn't likely to change. He said he would like to revisit the parking issue, and said he doesn't think having an ADU should change the parking requirement for a single-family home. He said if someone adds a bedroom to their home, they aren't required to provide another parking spot, and suggested that the "one additional parking spot" requirement for ADUs be dropped. WALSH said she tends to agree, and her concern is that the cost of providing another parking spot could be a barrier. Niven said the "bedroom" analogy isn't exactly applicable, because with an ADU there are two households where there used to be one. He said the City has heard concerns from single-family homeowners that ADUs will cause parking issues. There are already areas in the City where all onstreet parking is in use, he continued, and scarcity of parking could be exacerbated by adding ADUs. In other areas, plenty of parking is available, he added.

Sullivan said the newer compromise for ADU standards is "one more parking space than is required by code." So this actually represents a shift from a protectionist-orientation that discourages ADUs to allowing more flexibility for ADUs to develop by making clear guidelines. He said from his personal experience, ADUs are often used by students and young people, or by nannies, and most often add another vehicle to a household, so it is not the same as adding another bedroom.

WALSH asked for clarification that the "vast majority" of existing ADUs in the City would already be in compliance. Leeson replied that is correct; a couple of ADUs have been required to designate another parking space, but not many. Sullivan said the requirement to add a parking space has not come up in other Eastside jurisdictions as a significant barrier. Leeson added most Eastside jurisdictions also require an additional parking spot for an ADU.

WALSH asked whether any City neighborhoods use a "park by residential permit" system to ensure parking is available for residents. Niven said no. He referred to the citywide 24-hour parking limit but said it is not enforced. He continued the City is doing a parking study in 2018 to look at Olde Town and study transit parking locations, which could potentially lead to enforcement of time-limited parking.

MOVED BY RAHMIG, SECONDED BY WALSH that PPC forward amendments to IMC 18.04.100-1: Levels of Review; IMC 18.06.130 Table of Permitted Land Uses; IM 18.07.450 Accessory Dwelling Units; and IMC 3.64.010 Fees Imposed regarding Accessory Dwelling Units to the City Council with a recommendation to approve. MOTION CARRIED BY UNANIMOUS VOTE OF ALL PPC MEMBERS PRESENT.

Planning Policy Commission
3-22-18

AUDIENCE COMMENTS
None.

OTHER/ADJOURNMENT
Heinonen noted the next PPC meeting is scheduled for April 12, 2018, and the subject is the Talus Development Agreement rezone proposal. With no additional business to conduct, the meeting was adjourned by PROBALA at 9:06 PM.

Respectfully submitted,

Susan Lowe
Recording Secretary

(Note: Alternate Members did not vote at tonight's meeting as there was a quorum of Regular Members present.)