

**CITY OF ISSAQUAH
PLANNING POLICY COMMISSION
MINUTES**

May 10, 2018

City Hall South
Council Chambers

135 Sunset Way
Issaquah, WA 98027

PPC MEMBERS PRESENT	STAFF PRESENT
Carl Swedberg, Acting Chair	Trish Heinonen, Planning Policy Manager
Lindsey Walsh	Christen Leeson, Senior Planner
AJ McGauley, Alt.	Lucy Sloman, Land Use Manager
Joy Lewis	Kurt Seemann, Engineering Manager
PPC MEMBERS NOT PRESENT	OTHERS PRESENT
Joan Probala	Zach Lell, City Attorney's Office
Ron Faul	
Jon Stob	
Troy Rahmig	

SWEDBERG, Acting Chair, called the meeting to order at 6:36 PM.

APPROVAL OF MINUTES

MOVED BY WALSH, SECONDED BY LEWIS that minutes of the PPC meeting on April 26, 2018 be approved as presented. MOTION CARRIED UNANIMOUSLY.

PUBLIC HEARING: PROPOSED AMENDMENTS TO ISSAQUAH MUNICIPAL CODE REGARDING EXPIRATION OF TALUS DEVELOPMENT AGREEMENT, REMAND OF THE ZONING FOR PARCEL 9 (R)

Staff Presentation

Lell made some preliminary comments on PPC's role in taking action on the proposed amendment to the Issaquah Municipal Code (IMC) regarding the expiration of the Talus Development Agreement, specifically as it relates to Parcel 9. He addressed whether or not these proceedings are considered quasi-judicial, and referred to a case just settled today by the State Supreme Court (*Schnitzer West v. City of Puyallup*) that could have a bearing on these proceedings. In light of the ruling in that case, which the City Attorney's Office has not yet had an opportunity to examine, he continued, it is our recommendation that Commissioners undergo a brief appearance of fairness proceeding tonight that staff will conduct.

Sloman reviewed what constitutes a quasi-judicial proceedings process, including an explanation of both procedural and substantive due process. She displayed questions intended to determine whether Commissioners could be fair and impartial in considering the proposed amendment. SWEDBERG asked what is considered "near the subject property," and Sloman replied within 300 feet. All Commissioners answered "no" to all of the questions.

She also asked whether any Commissioners have had any ex parte communications on the proposal. WALSH disclosed she had a prior conversation with Councilmember Chris Reh, knowing that this issue was coming to PPC, as part of her research prior to tonight's meeting; however, she has not reached any conclusions or yet made a decision. All other Commissioners answered "no."

Sloman asked whether there were any challenges to WALSH's or any other Commissioner's continued involvement in this matter. G. Richard Hill, McCullough Hill Leary, counsel for Parcel 9's property owner, said to him, the fact that WALSH disclosed her conversation with Councilmember Reh satisfactorily addresses the fairness question. However, he continued, because Councilmember Reh has a stated position, he would ask that WALSH and the other Commissioners do not have any additional ex parte conversations or meetings. There were no other objections. Lell noted that anyone can rebut WALSH's disclosure during public comment.

Sloman continued her presentation with a diagram of the process on this item followed to date, including meetings held; the Council's decision to remand further discussion of zoning for Talus Parcel 9 to UV-SF (Urban Village-Single Family) instead of UV-MF (Urban Village-Multi Family) to PPC; the goals for ending the Talus Development Agreement (DA); land use, height, and density regulations in the DA adopted and proposed Replacement Regulation zoning; and the history of Parcel 9 from 1999 to 2014.

McGAULEY asked would the result of the plat be a maximum of 90 property units under either MF or SF. Sloman replied yes. Right now, the proposal is to have a zoning cap of 90 units, she added; however, we don't know what will happen for certain given the stabilization situation. WALSH said so this amendment does not address lot lines. Sloman replied that is correct. Under UV-MF, the property owner can build stacked flats, attached units, or detached units; it is a broader range of uses than UV-SF. UV-SF would only allow detached units on individual lots, and these uses are consistent with the property under the original DA. She continued concerns have been raised by some in the community about allowing a broader range of uses than would have resulted from the plat. She continued under UV-MF, the maximum height allowed would be 60 feet, the same as in the Talus DA, whereas UV-SF would allow a maximum height of 45 feet, but the number of units allowed would be capped at 90 in either case. She continued with more context for Parcel 9, including a diagram of the parcels in this area, and showed which parcels have been built and which have not.

Staff displayed a short video clip from the City Council's March 19, 2018 meeting at which this issue was discussed before being remanded to PPC.

Public Comment

SWEDBERG opened the meeting for public comment at 7:18 PM.

Brookie Scholl, 522 Timber Creek Drive NW, Issaquah, President/Treasurer of Talus Residential Association, distributed written comments. She described the community's fears as (1) concern that the 90 mountainside townhomes could turn into a 60-foot tall monstrosity at the top of Talus Drive; (2) that the allowance of 90 units will increase; and (3) that the slide on Parcel 9 will influence the property owner to build as quickly and cheaply as possible. To ease our fears, she continued, we are requesting that PPC ask the owner of Parcel 9 to disclose what they intend to build when the parcel has been stabilized.

G. Richard Hill, representing the Owner of Parcel 9, said the proposed downzone to UV-SF is of grave concern to the property owner because we don't know "what the world will look like" when the stabilization walls are complete. The proposed down-zoning would reduce the allowable height and increase setbacks, and deprives the owner of contemplating any multifamily options. He continued the property owner is asking the City to postpone the public hearing until the *Schnitzer* decision, just handed down today, can be analyzed. That decision makes it clear that if the rezone process is site-specific, then the City is obligated to a Level 6 review process. In addition, he

continued, staff has not yet had an opportunity to review the decision and evaluate the burden of proof or changed circumstances that could apply to the proposed amendment. He concluded if the City Attorney advises PPC to proceed with its public hearing and recommendation tonight, then the property owner asks PPC to “stay the course” and uphold the recommendation it made last September when it recommended that Parcel 9 be zoned UV-MF.

Connie Marsh, Squak Mountain resident, said this issue is the one of most concern, in her opinion, that has resulted from ending the Talus and Highlands DAs. She said this issue is creating a lot of community concern, and while the City and PPC are free to zone it as they choose, the community expectation is that it should be zoned as they were told it would be in the original DA. She said her preference would be to have PPC go with community expectations in this case.

Hearing no additional requests to speak, SWEDBERG closed the public hearing at 7:29 PM.

Commission Discussion

McGAULEY asked about the concern expressed during public comment about an increase in the allowable units. Sloman replied this process would not change the entitlement. However, any property owner could come back to Council at a later date and ask for an increase, she added.

LEWIS asked staff whether they have encountered any new information since they originally recommended that this parcel be zoned UV-MH. Sloman replied no. This is coming to PPC because the Council wanted it to take another look in view of some community concerns, and because there was a direct request made to Council to consider UV-SF. LEWIS said her recollection was that this received a split decision at Council. Sloman replied the split decision was not whether to approve the proposed amendment, but rather whether to remand it back to PPC for more discussion. She continued the crux of the issue is that the preliminary plat has been approved, and the final plat has not; had the final plat been approved, this parcel would have been zoned SF. LEWIS said she would encourage Mr. Hill and the property owners to communicate their intentions for the property to the community, as it would help the situation to have full communications.

The Commissioners continued to ask staff about why this issue was not made clearer in PPC’s discussions last September. Sloman said one of the challenges with the complexity of ending the Talus DA is that staff made its best effort to bring forth all the issues that seemed significant, and Parcel 9 didn’t come up as one of those issues. She explained that if the slide had not take place, the zoning would have gone to UV-SF.

McGAULEY noted in his comments at the March 19 Council meeting, Councilmember Reh referred to the issue of home ownership versus apartment rentals. It appeared his problem was not so much with the bulk of the building but rather the relative undesirability of rentals versus home ownership. Sloman replied the issue of ownership versus rentals is not something the City has a role in, with the potential exception of affordable housing. She said Councilmember Reh did express concern with the potential scale, height, and mass of townhouses versus an apartment building, so his concern was about both ownership and form.

LEWIS asked for clarification of the Level 6 review referred to in Mr. Hill’s comments. Sloman said she isn’t sure what that comment was referring to; the Level 6 review process requires review by PPC and the Council, which we are doing.

SWEDBERG said the question seems to be whether we should hold this issue in abeyance until the *Schnitzer* decision can be analyzed, which seems prudent. The Councilmembers briefly

discussed how to proceed. Lell noted PPC's recommendation is irrespective of how the *Schnitzer* case affects this issue; the conclusion for the site-specific concern will apply. He continued if PPC wants to make a recommendation tonight, the City Council can address how *Schnitzer* applies when it addresses this issue again. WALSH clarified so Council can review the legal recommendation and PPC's recommendation at the same time. Lell replied yes, and added the substantive decision will be Council's.

Commission Recommendation

MOVED BY WALSH, SECONDED BY McGAULEY that PPC recommend approval of Agenda Bill 7524 to the City Council with the proposed zoning of UV-MF for Parcel 9. MOTION CARRIED BY UNANIMOUS VOTE OF ALL COMMISSIONERS PRESENT.

MOVED BY WALSH, SECONDED BY LEWIS that PPC direct the Development Services Department to prepare Findings of Fact and Conclusions for review and approval by the Acting PPC Chair affirming PPC's recommendation to recommend approval of Agenda Bill 7524 to the City Council with the proposed zoning of UV-MF for Parcel 9. MOTION CARRIED BY UNANIMOUS VOTE OF ALL COMMISSIONERS PRESENT.

DISCUSSION: PROPOSED 2019-2024 TRANSPORTATION IMPROVEMENT PROGRAM (D)

Commissioners asked for additional detail on the projects in the spreadsheet for the proposed 2019-2024 Transportation Improvement Program (TIP) in the agenda packet, similar to what has been provided in previous years. Seemann said that information was included in the agenda bill, and he will make it available to PPC. He continued his presentation with some background on the TIP; the process followed; why the City does a TIP; and next steps, leading to a public hearing on June 4, 2018 at Council. He said tonight he will focus on the proposed capital project funding requests that appear "above the line" on the spreadsheet, which are not in any particular order, being proposed for 2019-2024.

LEWIS asked about the funding source for #7, 62nd Street SE Improvements. Seemann replied the roughly \$13,375,000 is the result of a joint agreement between Costco and the City, with about a 50/50 split. LEWIS asked why this work is not being moved up in the schedule. Seemann replied primarily due to staffing and funding constraints. The Commissioners asked additional questions about priorities and why some projects are not scheduled to begin until the later years of the six-year TIP period.

LEWIS asked for more details about #18, ITS Camera System Upgrade. Seemann noted this project will help the City manage its signal system, plus it has other functions for safety enhancement, at events, and so on. He continued the City's current system is ten years old and it doesn't integrate well with newer equipment, so this project will upgrade our existing equipment and also add more. LEWIS asked will the upgrade help with traffic timing. Seemann replied yes, although the enhanced function will mostly be for emergency and safety situations.

SWEDBERG asked is the City holding off on the I-90 crossing to see where the ST-3 station will be. He noted that this is a six-year TIP, whereas light rail won't be coming to Issaquah for another 20 years or so. Seemann replied no; the ST-3 decision will require many parties at the table, and in the meantime this proposed I-90 crossing offers the City many advantages.

WALSH asked is the City considering any other intelligent system upgrades. Seemann replied no, they are not in this budget request. He said some newer technology is available but the costs don't seem to be worth the benefits at this time.

LEWIS asked for details about #41, Front Street Streetscape, which appears “below the fold.” Seemann said the funding listed for 2018 is to complete work on the block between Sunset and Alder. The funding isn’t sufficient for all the work that is planned for this project, he continued. To complete that project would take \$400,000 to \$500,000, and staff plans to return to Council to request those funds.

WALSH asked what are the next steps for the TIP, specifically opportunities for the public to comment. Seemann said the best opportunity is at next Thursday’s Council Infrastructure Committee meeting, and then again at the Council’s June 4 public hearing.

Heinonen noted typically PPC gives feedback to the Council on the proposed TIP in the form of a letter, which staff can include based on any comments Commissioners want to make now. Commissioners gave staff the following feedback:

- Move up #12, Front Street-Sunset Intersection project, as much as possible.
- De-prioritize projects that require planning now but won’t be implemented until far into the future. For example, it may be too early to start talking about #16, Gilman Blvd. Improvements. Instead, focus on a project with more tangible results, such as #12.
- Great to see #31, Providence Point, moving onto the list for 2019 after many years.
- The project to improve the City’s camera system, #18, may be more appropriately funded from health and human services funds than transportation improvement funds.
- Like to see #46, East Lake Sammamish Roundabout Modifications, moved up, which would really benefit bikers going through that area.
- In general, it’s good to focus on tangible projects rather than just the big, conceptual projects. The public wants to see work done on smaller projects that can have a big impact on their everyday lives.
- The intersection of the former Tully’s and T-Mobile on East Lake Sammamish Parkway needs to be addressed soon rather than waiting for years while the State Park figures out it’s entrance.
- Make sure the developer’s funding of #38, Three-Trails Crossing Improvements, is used appropriately, without too much disconnect between the project and how the funds are spent. The developer is making improvements to the north side of the street, and the City shouldn’t lose the benefits of that by pushing the improvements to the south side.
- The costs of addressing #33, Black Nugget Road Retaining Wall Repair, would likely be less than the City would have to spend if something catastrophic happened there. [The \$2.8 million request is just enough to keep it functional, not really address the problems.]

PUBLIC HEARING: OLDE TOWN SUBAREA PLAN AMENDMENTS (R)

Leeson made staff’s presentation. She gave a brief history of the Olde Town Subarea Plan Amendments, including major changes that have taken place since PPC first began its review of the document. She also explained additional changes made since its last review, such as adding information about the Treasures and an Action Program. She said staff has recommended to Council that the City fund a fiscal study for implementing the Streetscape Plan.

She continued a land use designation map will be added to the update, and noted two issues that still need discussion by the Commission after its May 24 tour of Olde Town: (1) The southern boundary, which contains a notched-out area based on it not being part of the City’s sewer system years ago; and (2) confirming the appropriate land use designation for the Old Route 10 area. LEWIS asked for clarification that the Route 10 boundary has been determined, and just confirming the correct land use designation remains. Leeson replied that is correct. She said staff can also add any other maps that PPC thinks should be included.

Leeson continued, another new issue that has arisen just today via e-mail is concern about formula, or chain-store, businesses locating in Olde Town. The issue is whether the City should consider some ways to restrict, prohibit, or otherwise control having chain stores locate in Olde Town, and whether that should be part of the update. She asked Lell to comment. Lell said from a legal standpoint, the City has pretty straight-forward zoning powers to restrict what type of business is allowed in a given district, although it has to be able to build a reasonable legislative record for imposing such a restriction, which could include aesthetic concerns.

LEWIS said that would be a very interesting discussion for PPC, and she would also like to hear staff's thinking. WALSH said she would like to see examples of how other cities have approached those kinds of restrictions. She noted that Olde Town does not currently have a grocery store, however, and she would not want to restrict a chain-store grocery store from locating in Olde Town to serve that community.

Leeson asked for other comments on the Olde Town Subarea Plan. LEWIS said she would like to discuss the possibility of designating Old Route 10 as a festival street. She also said she isn't in favor of spending money on studies for projects that are six, eight, or ten years away because conditions can change to the point where the studies are meaningless. She continued she would not put a priority on items that are already being pushed out into those future years. WALSH agreed that considering Old Route 10 as a possible festival street is an idea worth discussing, either as a separate or a second area. She continued her priority is on pedestrian-oriented projects. SWEDBERG said securing funding is a big part of which projects should go forward.

WALSH and LEWIS said the descriptions of the outreach process and the responses in the agenda packet were very valuable. LEWIS suggested blacking out individuals' names in the future.

Public Comment

SWEDBERG opened the public hearing for public comment at 9:08 PM.

Steve Pereira, 170 NE Dogwood, Issaquah, offered comments about his dissatisfaction with the process for providing public comment tonight on the TIP. He gave some comments about #12, Front & Sunset Intersection. He also expressed his concern about the process being followed tonight for reviewing the Olde Town Subarea Update, and said he will reserve his comments until the full presentation is made at the continuation of tonight's public hearing.

Hearing no additional requests to speak, SWEDBERG closed the hearing for public comment at 9:11 PM, noting that the public hearing will be continued to June 14, 2018 at 6:30 PM.

OTHER/ADJOURNMENT

With no additional business to conduct, the meeting was adjourned by SWEDBERG at 9:12 PM.

Respectfully submitted,

Susan Lowe
Recording Secretary

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