



MINUTES

SPECIAL JOINT MEETING PLANNING POLICY (PPC) & ECONOMIC VITALITY (EVC) COMMISSIONS Tibbets Manor 6:00 p.m. – Wednesday, November 15, 2023

1. Call to Order

The hybrid meeting was called to order at 6:08 p.m. by Economic Vitality Commission CHAIR REICHLEY.

Commissioners Present: PLANNING POLICY COMMISSION
Chair Voiss, Commissioners Altimore, Kennedy, Krass, Milligan, and Patterson

Excused Absent: Vice-Chair Bader and Commissioner Esemuede

Staff Present: Christen Leeson, Senior Planner
Stephen Padua, Long Range Planning Manager

2. Public Comments (General) (00:01)

- **Jessica Roe**, Land Use Attorney *with* McCulloch Hill, thanked Commissioners and staff for work on the Pioneer Program, and expressed support for the options presented in the staff memo to jumpstart housing.
- **Brian Runberg** described the metrics needed to achieve affordable housing and expressed support for either Option one or two.
- **Josh Friedmann** (virtual), Lawyer *with* Hillis Clark in Seattle, recommended Option one and especially Option two as bold steps that will make the most difference in providing units going forward.
- **Gage Stromberg** (virtual) *with* SRM Development stated that to bring affordable housing to Issaquah, there must be underwriting by lenders for construction loans,

permanent financing, and investors. A project must make economic sense and affordable housing will not be built without the Pioneer Program.

- **John Schwartz** (virtual) *with* Schwartz Company in Seattle described current projects in regional cities and suggested impact fee reductions for a limited time.

3. Agenda Items

- a) **Welcome & Introductions (I)** (00:20)
Presented by:
Chris Reichley, Economic Vitality Commission Chair
- b) **Pioneer Program (D)** (00:25)
Presented by:
Jen Davis Hayes, Economic Development Manager

Hayes presented the program.

EVC COMMISSIONER TAYLOR asked how the tax exemption arrived at eight years. Hayes replied that there is a state program at eight, twelve and twenty-year lengths and that the eight-year rules align with the goals of Issaquah.

PPC COMMISSIONER KRASS asked if there is data on the potential number of renters, supply versus target, and how lucrative options would be from a developer perspective. Hayes replied to the first question that there is more need in the 50-80% AMI and employees who commute from outside Issaquah to work in Issaquah are the group being focused on.

A discussion among Commissioners regarding required percentages and feasibility occurred. Participants did not identify themselves for the recording.

Davis stated that input heard is that more data will be needed to be brought back to further the discussion, but meanwhile, asked for any comments and questions regarding the options.

PPC CHAIR VOISS stated that the primary goal is to spur development with affordability second. After the pilot Pioneer Program sunsets, the current zoning will revert. CHAIR VOISS stated support for Option two as a template to move forward. Hayes replied that more data points will inform any future regulatory changes.

PPC COMMISSIONER KRASS asked if a hypothesis is that if nothing is done, nothing will be built. PPC CHAIR VOISS replied not a hypothesis but reality.

PPC COMMISSIONER KRASS stated that a great plan not implemented is not good and stated support for Option two.

EVC COMMISSIONER asked how the city will accommodate additional people from an infrastructure standpoint, and where funding will come from. Padua replied that zoning has been determined based on extra development. The expectation is that there will be more development, creating more capital need, and what kinds of projects will be needed are

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determined through the Capital Improvement Plan (CIP) including utility improvements and impact fees. Leeson replied that water and stormwater plans have been updated and consider the capacity for both residential and commercial growth. Regional growth centers qualify for more infrastructure funding through grants. Developers pay impact fees to invest as well.

PPC COMMISSIONER MILLIGAN asked for clarification regarding impact fees. Hayes replied that impact fees are waived only for affordable units. COMMISSIONER MILLIGAN asked for clarification regarding the impact of additional residents in cost, for example to schools. Hayes replied that other cities have completed full analysis of revenue including land, property taxes, construction permit fees, online and local sales tax collected, and impact fees.

PPC CHAIR VOISS stated that people are most concerned regarding schools and emergency services.

Hayes asked if there were specific data requests for the next meeting toward the recommendation to Council as well as specific requests for Council.

EVC COMMISSIONER asked for clarification regarding yields.

Leeson asked that questions or comments be directed to her or Padua following the meeting.

EVC COMMISSIONER asked if a combination could be looked at regarding limits. Hayes replied that the more data points that can be found, the more momentum can be achieved.

PPC COMMISSIONER KRASS suggested minimum and maximum limits to concerns.

EVC COMMISSIONER stated agreement with the number of projects concept to spur more competition. The commissioner replied that if Multi-Family Tax Exemptions (MFTE) will be on the table later this will spur development, and that affordability is not the main goal but that getting projects started helps the economy regardless. Leeson replied that MFTE is not guaranteed to occur. PPC CHAIR VOISS stated liking the idea of projects versus numbers and not liking timelines. The commissioner stated that city risk must be capped and not open ended, and investment versus cost must be balanced.

PPC COMMISSIONER MILLIGAN stated support for the idea of capping the number of units, and that the objective is to kickstart development, incentive given to those who act soon.

The commissioner stated that units need to mitigate the impact on surroundings.

Padua asked for more discussion regarding geography, where more projects should be focused to balance development for regional growth centers. The commissioner replied that there would be less impacts further from water, and that a light rail transit center needs to be considered. Hayes replied that while projects will take time to finish, discussion regarding the issues will be occurring.

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EVC Commissioner asked if the team has reached out to Value Properties who own a major portion of the urban area, and Hayes replied that only urban core and mixed- use zones will be impacted.

PPC CHAIR VOISS stated agreement that there will need to be geographic separation that staff will determine, and that the idea is to spur development.

EVC Commissioner asked if there is an indication of landowners in the salmon area less interested to sell to a developer. Hayes replied that several properties have been sold such as Cascade Business Park, Hobby Lobby shopping center, and Red Robin, and explained that TOD is the Transit Oriented Development project facilitated by the King County Housing Authority. The commissioner asked for more clarification regarding landowners willing to sell, and Hayes replied that some areas are warmer than others.

PPC COMMISSIONER MILLIGAN asked for the growth target and Leeson replied that residential is 3,500 units. PPC COMMISSIONER MILLIGAN asked for clarification regarding the proportion to target that the pilot would achieve, and Leeson replied less than 20%.

PPC COMMISSIONER PATTERSON asked for clarification that a large percentage of the urban core is parking lots or impervious surface, and Leeson replied 75%. PPC COMMISSIONER PATTERSON asked for clarification that redevelopment would mean developing parking lots and Leeson replied yes. PPC COMMISSIONER PATTERSON stated that if the goal is to grow in the area, then supporting two in each area, and CHAIR VOISS replied that this would be arrived at by staff.

EVC Commissioner stated agreement with CHAIR VOISS that over-regulating should not occur, but that there is an ability to influence or suggest to developers to not add congestion, in example housing units next to Costco on weekends, and build multi-family close to a transit center. Permanent congestion will be a drawback to finding new tenants for those units.

EVC Commission asked if the location of an Option A light rail station would be on I-90, and Leeson replied no, there is no specific location set. The commissioner stated that there has been the suggestion. Padua replied that congestion will become worse with new projects and there is no way to avoid it, and a shift to walkability and transit use will occur, but more development is needed to arrive at that point. Infrastructure needs are being examined.

EVC CHAIR REICHLEY asked that Commissioners continue to review the subject and return to the next joint meeting in January with further questions and comments.

4. Adjournment (End of Joint Meeting)

The Planning Policy Commission left the meeting at 7:41 p.m.

Respectfully submitted,

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Carolyn Garza, LLC
Recording Secretary