



**CITY COUNCIL
AGENDA BILL**
City Council Regular Meeting - 07 Nov 2016

NEW
AB 7215 -
Consent
Calendar

**9th Major Amendment to the Issaquah Highlands
Two Party Development Agreement - Polygon
Northwest Requesting Major Modification for
Transfer of Development Rights**

Proposed Council Action:
Refer to UVDC & Council Land & Shore Committee

DEPARTMENT OF	Development Services, Keith Niven
COUNCIL COMMITTEE LIAISON	n/a
OTHER COUNCIL MEETINGS	n/a
EXHIBITS	A. Request Letter B. Map C. Affordable Housing Proposal

POLICY & BUDGET INFO

		Expenditure Required
Comp Plan Policy Nos.	GMA-2, LU-A2, LU-A3, LU-A4, LU-A13, LU-C2, LU-G2, LU-G3, LU-H5, H-A2, H-A3, H-A6, H-A9	\$ 0
Consistent:	Yes	Amount Budgeted
Other Policies	n/a	\$ 0

SUMMARY STATEMENT

On June 22, 2016, the City received a request from Polygon Northwest (Exhibit A) to transfer development rights to an Issaquah Highlands property, which requires a major modification to the Issaquah Highlands Development Agreement.

If approved, Polygon Northwest could utilize 100 Transfer of Development Rights (TDR) certificates it purchased from Regal Bank – which helped preserve forested land on Park Pointe – to use within its Westridge Development project (Exhibit B). This development should not be mistaken for the Shelter Holdings land, which is located closer to Highlands Drive.

The additional TDRs would increase the number of residential units allowed onsite from 265 to 365.

To meet the Issaquah Highlands 30% affordable housing requirement, Polygon has also submitted a proposal to develop 25 affordable units for ownership and a five-member group home on a parcel of City-owned land in the Issaquah Highlands (Exhibit C).

The Highlands development agreement may not be modified or amended without express written approval of the City and the partnership. As part of Exhibit A, the master developer, Port Blakely Communities, Inc., acknowledged it has no objection to Polygon's request for the increase in residential units.

Per the development agreement, changes in the maximum number of residential units authorized for a project is considered a major modification that requires an amendment to the development agreement (Appendix M), as well as City Council approval (Appendix L).

To adopt a development agreement amendment:

- 1 State law requires a public hearing.
- 1 Council action must occur via resolution or ordinance.

Additionally, a SEPA determination will be required prior to incorporation of these units into Issaquah Highlands. To date, the SEPA Checklist has not been submitted for review by the City.

The draft resolution and proposed amendment (Exhibit D) has yet to be prepared, and is anticipated to be presented to Council Land & Shore Committee and included in the returning agenda bill as part of required public hearing.

The Administration recommends review by the Urban Village Development Commission (UVDC) in advance of council committee deliberations. The UVDC is familiar with urban village requirements, and currently reviewing land use applications on nearby properties. The applicant has agreed to discuss the proposal with the UVDC.

Consistency With Comprehensive Plan:

GMA-2. Encourage development in urban areas where adequate public facilities and services exist or can be provided in an efficient manner.

LU Policy A2 Ensure that all development is consistent with the City's vision through the implementation of the Land Use Code, critical areas regulations and other development regulations.

LU Policy A3 Encourage efficient use of land by allowing clustering of buildings within developments, consistent with the City's development and design standards, to provide the maximum consolidated pervious surface, open space, efficient extension of urban services, and protection of critical areas and their buffers.

LU Policy A4 Continue to implement off-site transfer of development rights, on-site density transfers and variances to protect the property rights of landowners with critical areas; and as an incentive for protecting forested hillsides that are not defined as Steep Slopes by the Land Use Code.

LU Policy A13 Use innovative land use tools such as Transit-Oriented Development, Transfer of Development Rights, Development Agreements, Inclusionary Housing, Form-Based Code etc., to optimize community benefits.

LU Policy C2 Focus future growth in:

- a. areas with no or minimal environmentally critical areas;
- b. vacant platted lots in areas with existing public facilities;
- c. areas where infill and redevelopment can occur with less environmental impacts due to the degree of existing development; and
- d. areas where clustering development can protect environmentally critical lands and preserve and protect remaining forested hillsides.

LU Policy G2 Support principles of Smart GrowthTM, providing assistance to the business community and training for the local workforce in ecosystem friendly practices and other programs.

LU Policy G3 Encourage elements of the social environment including affordable housing by promoting community participation in the implementation of the Strategic Work Program and other programs.

LU Policy H5 Continue the use of transfer of development rights (TDR) on a site-specific basis. The sending and the receiving sites shall follow the process of review as established in the Issaquah Municipal Code.

H Policy A2 Promote a variety of housing types, and lot sizes citywide and within new planned developments, such as townhouses and row houses, smaller single-family homes on lots smaller than 6,000 square feet, and multifamily.

H Policy A3 Encourage housing in mixed use areas that support pedestrian activity, and at densities that support transit and reduce Single Occupancy Vehicle trips.

H Policy A6 New higher-density housing should be located within walking distance of commercial centers and transportation services and serve as transitional areas between commercial and lower density, single-family housing.

H Policy A9 Locate housing away from environmentally sensitive areas.

Administration's Recommendation:

The Administration recommends adoption of the 9th Major Amendment to the Issaquah Highlands Two Party

Development Agreement following review by the Urban Village Development Commission and the Council Land & Shore Committee.

Update:

n/a

Alternative(s):

- 1) Deny the request.
- 2) Remand to the Administration for additional evaluation.
- 3) Approve without referral to Committee.
- 4) Do not refer to the Urban Village Development Commission for recommendation.

RECOMMENDATION

Administration / Development Services Department:

MOVE TO:

Set the related public hearing for the Council meeting of Jan. 17, 2017; and, Refer AB 7215 to the Nov. 15, 2016, Urban Village Development Commission and the Jan. 6, 2017 Council Land & Shore Committee for review and recommendation; returning to the full Council on Jan. 17, 2017 for consideration.



JohnsMonroe
MitsunagaKoloušková

Robert D. Johns (*Retired*)
Michael P. Monroe
Darrell S. Mitsunaga
Duana T. Koloušková
Vicki E. Orrico
Trisna W. Tanus

June 22, 2016

Keith Niven
Director, Development Services
City of Issaquah
1775 12th Ave. NW
Issaquah, WA 98027

Via email: KeithN@issaquahwa.gov

Re: Issaquah Highlands Development Agreement
Request for Major Modification for TDRs

Dear Keith:

On behalf of our client, Polygon Northwest, we hereby submit this request for a Major Modification of the Issaquah Highlands Development Agreement. We are requesting this Major Modification to increase the maximum number of residential units in the Issaquah Highlands by 100 units, pursuant to Appendix M, Section 3.1 of the Development Agreement and Issaquah Municipal Code Section 18.10.2050(B)(2)(b). This request pertains to the application of 100 TDRs to the Polygon Westridge development, increasing the Westridge Development from 265 to 365 residential units. Pursuant to the Development Agreement, the Major Modification must be approved by the City Council.

The Master Developer under the Development Agreement, Port Blakely Communities, Inc., has acknowledged below that it has no objection to Polygon's request for the increase in residential units.

Please let me know if you have any questions or need additional information. Thank you.

Sincerely,

Vicki E. Orrico
Direct Tel: (425) 467-9968
Email: Orrico@jmmklaw.com
www.jmmklaw.com

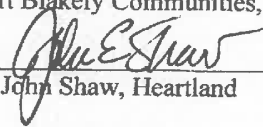
cc: N. Abdelnour

June 22, 2016

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Port Blakely Communities, Inc., as the Master Developer under the Issaquah Highlands Development Agreement, hereby confirms that it has no objection to Polygon Northwest's request for a Major Modification to the increase the number of residential units in the Issaquah Highlands by 100 units to enable Polygon's use of 100 TDRs.

Port Blakely Communities, Inc.

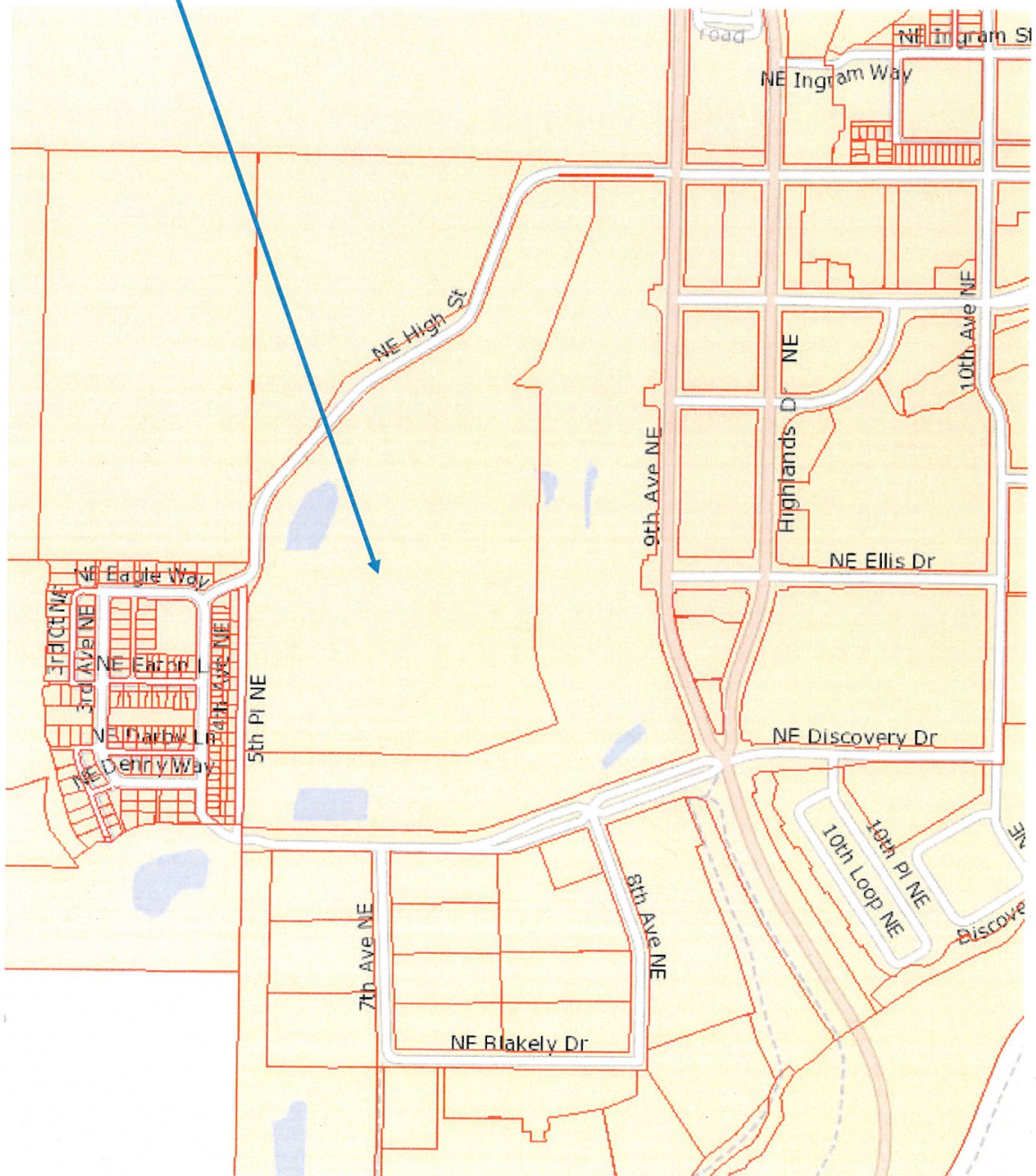
By 
John Shaw, Heartland

Its Authorized Agent

1608-30 Niven Letter Requesting DA Modification for TDRs 6-17-16.docx

JOHNS • MONROE • MITSUNAGA • KOLOUSKOVA • PLLC

Transfer of Development Rights property



POLYGON NORTHWEST COMPANY

September 23, 2016

Mr. Keith Niven
Economic and Development Services Director
City of Issaquah
PO Box 1307
Issaquah, WA 98027

RE: Issaquah Highlands TDR Reception; Affordable Housing Component

Dear Mr. Niven,

As we have discussed, Polygon intends to apply for approval to transfer 100 Transfer Development Rights (TDR) units into the Issaquah Highlands Urban Village. We hold a certificate issued by the City for these units that were transferred from the 101 acre Park Pointe Property during its preservation efforts. These 100 units will be used on our property in the Highlands for a townhome project that will be similar to the Brownstone Townhomes we recently completed in the Highlands Town Center.

A Major Modification to the Highlands Development Agreement will be required to receive the TDRs. While the 100 TDR units do not carry an affordable requirement, the Highlands Development Agreement does require 30% affordable housing. In our discussions, you indicated that the City has a parcel adjacent to our Forest Ridge community that is marked for affordable housing, known as "Tract D", and the City may be interested in partnering to construct such a project. The City would provide the land and Polygon would develop and construct the housing. The respective income levels will be as required by the Development Agreement.

Our proposal is to provide 25 units in a stacked flat configuration (four buildings), and a 5 member group home in a single family style residence. The for-sale units in the stacked flat buildings will be heavily weighted to two-bedroom units, for family accommodation. The group home will accommodate 5 members with an additional suite for a full time live-in family manager, similar to the group home we participated in located on 25th and NE Logan within the Highlands.

We propose to limit the height and bulk of the buildings to fit within the existing community. A conceptual sketch of two five unit buildings is attached, as is an aerial image of the Tract and surrounding neighborhood.

Our proposed schedule is to start construction on the 100 TDR units and the affordable units in early 2018. We would like to move forward on this proposal in concert with our Major Modification, and would like to take the next steps to formalize an agreement.

Thank you for your time and consideration; we welcome the opportunity to bring more quality affordable housing to Issaquah.

Sincerely,



Richard Rawlings
Manager Architecture & Planning
Polygon Northwest Company

cc: Nick Abdelnour, Director Land Acquisition & Entitlement
Polygon Northwest Company



Milbrandt Architects, Inc., P.S.
 25 Central Way, Suite 210, Kirkland, Washington 98033 Phone: 425-454-7130 Fax: 425-456-1208 Website: <http://www.milbrandtarch.com>

Forest Ridge
 A 30 Unit Development
 Issaquah, WA

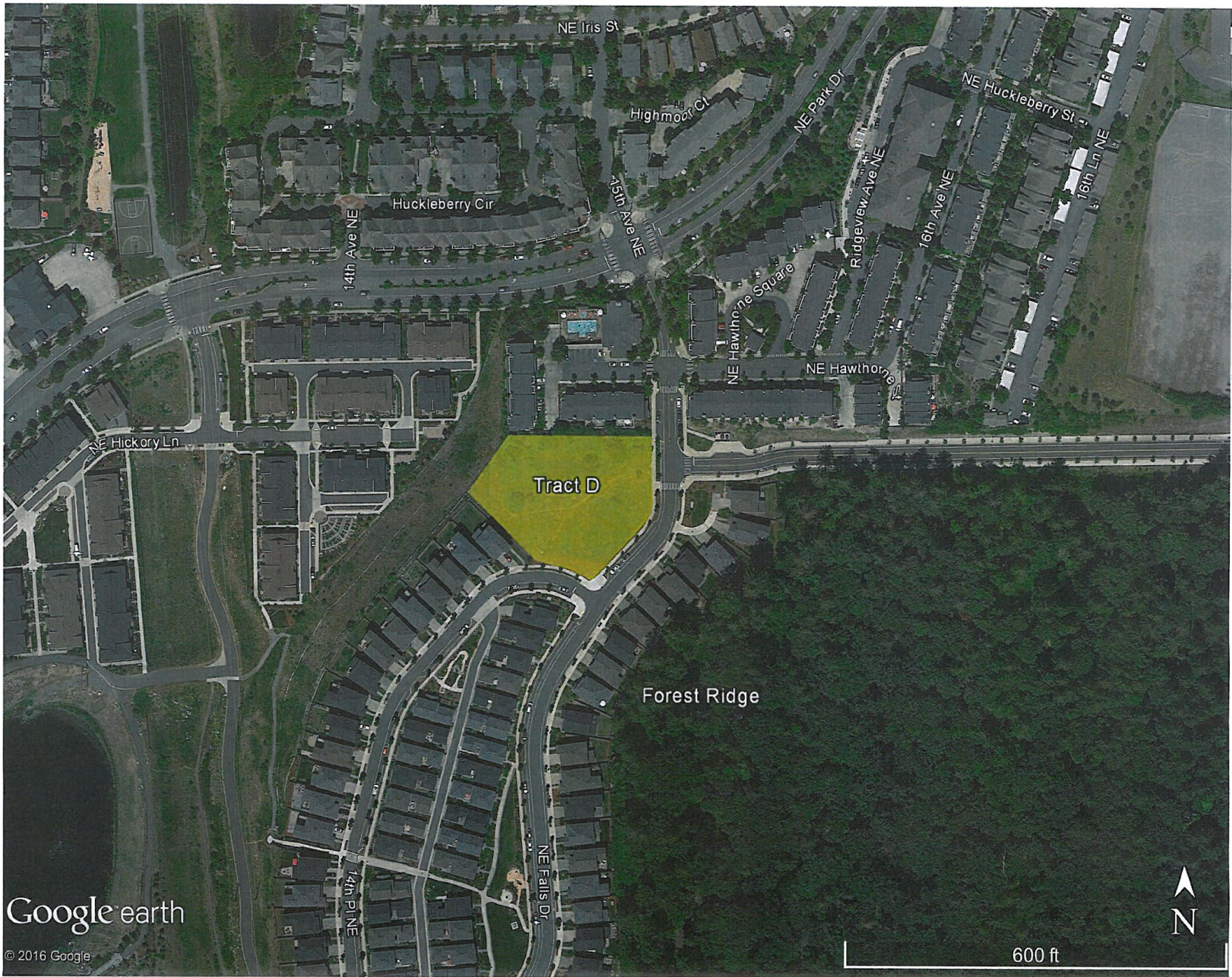
Polygon Northwest Company

ELEVATIONS
 Buildings 1 & 2

Scale: 1/4" = 1'-0"	Drawn by: BW/AC/EE	Date: 9-14-10	Scale Printed: 9-23-10
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Sheet No.:
E1

Tab No.:
 14-32



Google earth

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600 ft