CITY OF ELLENSBURG

Minutes of Council Meeting, Special Session

Date of Meeting          March 10, 2008
Time of Meeting          7:00 p.m.
Place of Meeting         Council Chambers, 501 North Anderson Street

Councilmembers Present: Bassett, Bottcher, Miller, Niner, O'Brien, Tabb and Mayor Lillquist

Others present were City Manager Barkley; City Attorney Pidduck; Public Works Director Akers; Energy Services Director Titus; Parks & Recreation Director Case; Deputy Clerk Keno; and approximately 26 members of the audience.

The agenda for the special meeting includes: 1) A letter of interest regarding rail system; 2) Discussion regarding West Ellensburg Park Property; and 3) Request to set special meeting dates.

LETTER OF INTEREST REGARDING RAIL SYSTEM

Louis Musso, Executive Director of the Cle Elum Downtown Association, plans to participate in “Railroad Day” in Washington, D.C. this week and requests the City of Ellensburg’s support as he advocates for responsible expansion of rail services and capacities in Kittitas County. A draft letter was distributed to Council for consideration.

Authorize Mayor to sign letter to Louis Musso, Executive Director, Cle Elum Bassett

Downtown Association, regarding rail transport. Affirmed

DISCUSSION REGARDING WEST ELLENSBURG PARK PROPERTY

John Akers, Public Works Director, briefed Council on the commitments already made to the West Ellensburg property.

Carol Ready, SCW Resource Conservation & Development Council (RC&D) representative, presented an overview of the proposed Reecer Creek Floodplain Restoration project. This project is a key component of the City’s stormwater management plan, is integral to connecting recreation resources at Irene Rinehart Park and West Ellensburg Park to urban development on the west and northwest side of Ellensburg, and makes substantial contribution toward achieving environmental and wildlife habitat goals. Ms. Ready discussed her involvement with the Yakima Tributary Access & Habitat Program (YTAHP), outlined the types of projects they do and emphasized its cooperative approach. Council asked questions of Ms. Ready and staff regarding walking trails, youth fishing, wetlands mitigation and flood control.

The Dolarway Improvement Project is scheduled to be built in 2009 with significant roadway improvements along the north edge of the property. The City will be able to subdivide along that northern edge and market those lots. In answer to Council inquiry, if revenue forecasts hold up the
City should be able to fund the LID improvements. Public Works Director Akers discussed funding for the project.

Parks & Recreation Director Case outlined the work done to date on West Ellensburg Park and discussed recent grant funding received as well as projects planned for the future. In answer to Council inquiry, there are no plans to extend the park to the south. Council asked questions of Director Case. Energy Services Director Titus discussed expansion of the solar site. CWU has applied for a grant for expansion of the solar project.

City Manager Barkley presented an overview of the property and the City’s intentions for the property since its purchase to the present time. The Council has received interest from parties interested in purchasing all or part of the 100 plus acres constituting the area south of the developed West Ellensburg Park segment that is earmarked for industrial or mixed use. Most recently, Mark Anderson of Anderson Hay and Grain has expressed interest and appears ready to make an offer for all or part of the property. Over the past couple of years, the City has received statements of interest and offers from several parties to purchase the southern portion of the West Ellensburg property, including offers from Jack Piper, Doug Stalder and Ron and Mark Anderson.

The Council has a number of choices. The City has embedded purchase, engineering, planning, and interest costs in the entire property. The amount outstanding on the bonds issued to finance the purchase of the property is $1,595,000.00. Whatever else the Council may decide, staff strongly urges the Council to consider retirement of this debt as a key component of any plan. Debt service for 2008 will be $183,530.

The property has been earmarked for “economic development,” which has been generally understood to mean developing the property in a way that produces or supports the creation of family wage jobs. General discussion has included the application of three general criteria to future decisions regarding the disposition of the property: 1) retire outstanding debt; 2) use or dispose of the property in a way that adds to the local economy in a long term, sustainable fashion; and 3) honor a fiduciary duty to our taxpayers to receive reasonable value for the property if sold.

Council is free to sell all or part of the property. The City is required to get fair value for the property; however, it is not bound to sell it to the highest bidder. The property is currently positioned so that any number of lot configurations or sizing can be accomplished without requiring subdivision. There are enough contiguous lots to allow for multiple lot line adjustments. The Council can also retain and develop all or part of the property for industrial or mixed use development as a city project, as a cooperative project with another public or private entity, or through a development agreement with the Ellensburg Business Development Authority. It is recommended that no matter what path the Council chooses, the property first be rezoned to conform to the Comprehensive Plan and be consistent with the desired future use.

Council opened the meeting for public comments.
Mark Anderson, President and CEO of Anderson Hay and Grain spoke about the basis behind his company’s offer two years ago to purchase the property. Mr. Anderson believes he needs only half of the property at this time for his business. He believes selling the property to his company would be a good balance between Anderson Hay’s interests and the community’s interests. Council asked questions of Mr. Anderson. Anderson Hay is interested in the lower part of the property neighboring its business for the relocation of its container handling facility. The business is not currently in the City limits. Anderson Hay is interested in a mutual commitment with the City which may result in conversations about annexing into the City. Council asked questions of staff. Council requested an overlay map of the street system east of the BPA easement. Council asked questions of Mr. Anderson regarding fumigation and third interchange and requested combined maps of the West Ellensburg property from staff. Anderson Hay is currently maxed out where they are located and really need to expand into adjacent land.

Susan Grindle, Interim Administrator for the Economic Development Group of Kittitas County, spoke about light industrial development for the West Ellensburg property and the role the EBDA would like to play in that development. If Council approves development of the West Ellensburg property in partnership with EBDA they will hire staffing with the skill set to administer the project. Doug Ryder, EBDA Board member, discussed options for the property ranging from rezoning and selling all of it to the City holding all of it and having the EBDA market it. EBDA requests a commitment from the City in the next 30-60 days so it can gear up for the skill set necessary. Council asked questions of Mr. Ryder.

Council discussion.

Desmond Knudsen, EBDA board member, spoke in favor of supporting local business, paying down City debt and economic development.

Pat Kelleher, spoke about the property tax the City could be receiving if the property was in private hands.

Bob Hansen, Ellensburg Chamber of Commerce President, spoke in support of revisions to the City’s light industrial zoning classification and moving the undeveloped West Ellensburg property to the EBDA for marketing and development. The Chamber is in favor of the City doing what it can to help Anderson Hay.

Debbie Strand advised Council the City should not try to develop the property. The private market can develop the property and the City should use its public development authority, the EBDA, to market and develop the property.

Further council discussion.

Jack Piper stated the City does not have the key experience or drive to develop property. He does
not want the City developing property with his tax dollars.

Ben Williams spoke in favor of having the EBDA market the north properties and solar project expansion.

Council and staff discussed options. Council requested information on the number of businesses that have gone through the Business Incubator since its inception, including former and current tenants, and whether the former tenants have remained in business in Ellensburg.

Direct staff to bring back to Council a proposal for a co-commitment between Anderson Tabb Hay and the City regarding the purchase of the south portion of the West Ellensburg property.

Table motion. Niner

Defeated(Yes-Niner, Miller, Bottcher)

Vote on main motion. Affirmed(No-Niner, Miller, Bottcher)

Direct staff to proceed with a rezone of the surplus City-owned West Ellensburg property Tabb to light industrial.

Council requested a comprehensive plan map be permanently placed in the Council Chambers for reference purposes.

Withdraw motion. Tabb

Direct staff to bring back a proposal that would rezone the West Ellensburg Tabb property consistent with the comprehensive plan. Affirmed

Direct staff to confer with the Planning Commission to bring back a recommendation Niner on how to rezone the property in the flood control and habitat restoration area and West Ellensburg property expansion area. Affirmed

Direct the Ellensburg Business Development Authority to come back to Council with Miller a proposal as to how to deal with development of the middle and north portions of the West Ellensburg property. Affirmed

REQUEST TO SET SPECIAL MEETING DATES
Staff requests Council set special meeting dates with Carol Morris, Association of Washington Cities (AWC) land use attorney, for Thursday evening, March 27th and Friday morning, March 28th. The evening meeting would be AWC land use training open to the city and additional governmental entities. The morning meeting would be with the Ellensburg City Council for discussion of the SEPA process as administered by the City of Ellensburg.

Council/staff discussion.

Establish Thursday, March 27, 2008 at 1:00 p.m. for a special meeting with Carol Lillquist Morris, AWC land use attorney, for discussion of the SEPA process as administered by the City of Ellensburg and establish Thursday, March 27, 2008 at 7:00 p.m. for AWC Affirmed training.

**ADJOURN** Adjourn at 11:09 p.m. Miller

Affirmed

_________________________________
Mayor

ATTEST: __________________________

City Clerk