TRANSPORTATION IMPACT FEES

During the comprehensive plan update process, the City retained the firm of Gary Struthers and
Associates to evaluate transportation impacts associated with planned growth and to review
strategies to address funding of growth related transportation improvements. One strategy involves
transportation impact fees. Gary Norris of Struthers and Associates presented a slide presentation
describing the impact fee methodology as well as a draft ordinance that could be used to implement
impact fees if Council wishes to pursue their adoption. Mr. Norris advised no Eastern Washington
cities currently impose transportation impact fees.

Impact fees were created by the legislature under the Growth Management Act (GMA) of 1995 to
grant counties and cities the authority to assess impact fees for transportation, i.e., public streets and
roads. Traffic impact fees can be used on capital facility plans related to new growth projects and
must be used in conjunction with other funding sources. They cannot be the sole source of funding for
a project and cannot be used for deficiencies already in place in the system. The collected fund must
be spent within six years or the money must be returned to the developer, including interest. In order
for the City to impose GMA impact fees, specific requirements are required. The GMA requires
specific components to be included in calculating the impact fees.

In answer to Council inquiry, the developer is contributing to the entire six-year transportation plan—
not to a specific development. The City has the ability to prioritize project lists as it sees fit (based
upon grants, etc.) The City needs to use the monies collected in the six year time period for
something that moves the project along in the process.

Struthers and Associates calculated the impact fees using a plan-based method which allocates
costs for a specified set of improvements and identifies unused capacity for each route in the study
area. Mr. Norris outlined the eight major steps involved in calculating the traffic impact fee.
Three steps are used to identify the six year share of capital facility cost: 1) Identify the 20-year capital facility cost; 2) Identify system expansion portion of the improvements; and 3) Identify the six year share of the system expansion. The consultant has valued existing unused roadway capacity at $6 million dollars. Total costs are $8.5 million dollars (Six-year expansion costs of $2.8 million dollars plus the value of unused capacity.) Anticipated grant revenue is $7.6 million dollars. In answer to Council inquiry, grant funding is based on the City’s continued ability to get grants as in the past. The consultant believes any anticipated drop in grant funding would result in a 30-40% reduction in revenue. The fee calculation also includes credit from available funding sources such as outside funds (grants) and City revenue. Estimated City revenue for the next six years is $1.8 million dollars. Total credits are calculated to be $7.9 million dollars; the charge basis is 362 based upon six year growth in afternoon peak hour trips (pht). The cost basis is $636,268 (costs minus credits) which is then divided by 362 to reach the traffic impact fee of $1,758 per PM peak hour trip.

The draft ordinance includes a challenge process for the developer as well as language allowing Council to review impact fees at any time and make adjustments to fees. The proposed draft has had legal review in other cities as far as formulation. Council asked further questions.

Council took public comment from the audience. Helen Wise, Pat Kelleher, Bob Hansen and Robert Terrell spoke.

Staff recommends a series of meetings with interested stakeholders to review the draft ordinance for potential modifications before requesting further action from the Council. Staff hopes to have a proposed ordinance for Council in four to six weeks. Council briefly discussed the possibility of not adopting impact fees for light industrial zoning.

AGREEMENT BETWEEN THE CITY OF ELLensburg AND THE ELLensburg NOON RotARY REGARDING INFRASTRUCTURE IMPROVEMENTS AT ROTARY PARK

As a continuation of the working relationship between the City and the Ellensburg Rotary Club, the Rotary Club has proposed to construct a full-sized baseball field and landscaping improvements at Rotary Park. The proposed Agreement creates a relationship between the City and Rotary Club, wherein the City agrees to reimburse the Rotary, through a grant from the Recreation and Conservation Office, for park improvements. The proposed project includes funding from the City, a Recreation and Conservation Office Grant in the amount of $150,000.00, a contribution from Kittitas County in the amount of $60,000.00, a $25,000.00 donation from Fairpoint Communications and considerable donated labor from the Rotary Club. Director Case noted the maximum reimbursement under Exhibit “A” of the Agreement should be $34,440.00 instead of the $15,000 erroneously listed. Construction of the improvements is anticipated to begin no later than June 13, 2008 and be completed no later than May 1, 2009.

Approve the agreement between the City of Ellensburg and the Ellensburg Rotary Tabb
regarding infrastructure improvements at Rotary Park.

Council asked questions of staff.

Call for the question. Tabb

Vote on motion. Approved

**ORDINANCE NO. 4518 – 2008 SUPPLEMENTAL BUDGET**

Ordinance No. 4518 provides for supplemental appropriation and revenues in the General, Street, Sales Tax Reserve, Police Equipment Reserve, Parks Acquisition, CHIP, GO Bonded Debt, Capital Projects, Utility Deposits, I-Net, Water, Sewer, Sewer Construction, Shop, and Information Technology funds. Ordinance No. 4518 was given first reading at Council’s June 2, 2008 regular meeting.

Move second reading and adoption of Ordinance No. 4518. O’Brien

**AN ORDINANCE AMENDING THE 2008 ANNUAL BUDGET OF THE CITY OF ELLENSBURG AS SET FORTH IN ORDINANCE NO. 4501.**

Bassett(yes)

Bottcher(yes)

Niner(yes)

O’Brien(yes)

Tabb(yes)

Lillquist(yes)

Motion approved.

**PROPOSAL FROM THE ELLENSBURG BUSINESS DEVELOPMENT AUTHORITY BOARD FOR WEST ELLENSBURG PROPERTY INDUSTRIAL DEVELOPMENT**

At the February 19, 2008 meeting, City Council directed the Ellensburg Business Development Authority (EBDA) to come back with a proposal for the industrial development of city-owned property adjacent to Rotary Park in West Ellensburg. The EBDA Board has worked for several months to put together a proposal and is seeking authority from the Council to play a lead role in industrial development of the property. The Board would like to assist the City with other citywide economic development efforts as well.

Doug Ryder, EBDA Board member, outlined the goals for the West Ellensburg Light Industrial
Development. Major goals include: 1) Retire $1.6M Bond Debt and annual service debt of $183,530; 2) Create local family-wage jobs from businesses established in the industrial park; 3) Support a stable, sustainable more diversified local economy and employment climate; 4) Promote the retention and expansion of existing businesses; 5) Encourage and nurture both small and larger new business development; and 6) Pre-permit property to reduce the time it takes for a business to get up and running.

In order to achieve these goals the EBDA recommends Council grant it authority to: 1) Complete the rezone process; 2) Plat and pre-permit the land; 3) Establish an overlay zone targeting specific industries encouraged to locate here; 4) Generate funding to extend roads and utilities to turn-key sites; and 5) Offer improved land for sale, lease or build to suit.

The EBDA is proposing a three-phase approach to develop the property. Under Phase I, the EBDA endorses the Anderson Hay Company proposal to purchase the 45 acres south of the ballfields and use part of the proceeds to pay down the City’s bond debt. Another portion of the proceeds from this sale should be used to establish an Economic Development Fund for match purposes to obtain federal and state grants to develop infrastructure for the remaining land. The market value of unimproved light industrial property is estimated at $.75-$1.00 per square foot which puts the estimated value range of this acreage at $1.5-$2 million dollars. Outstanding bond debt on the property is $1,545,000 and annual debt service is $183,530.

Phase II includes the 25 acres along Dolarway Road and includes modifying the creek reconfiguration to minimize impact to the industrial area and provide fill material to raise the area out of the flood plain. Phase II will include minimal costs for road and utility extensions. The acreage in this phase will be developed in 1 to 5 acre improved sites with an estimated value of $175,000 to $875,000 per parcel. The proceeds would be used to pay off the balance of the bond debt and provide matching funds for Phase III and future economic development purposes.

Phase III consists of the 50 acres south of the park. This section will be quite expensive to develop due to road and infrastructure costs. The EBDA envisions a dual purpose parking lot on the south border of the park that could be used for employee parking by day and park overflow parking on evenings and weekends. Three-acre improved sites could be sold at an estimated value of $390,000 to $525,000. Five-acre improved sites could be sold at an estimated value of $650,000 to $875,000. Unimproved land sold in 20-acre or larger parcels is estimated at $32,000 to $44,000 per acre.

Council asked questions of the EBDA and staff. A possible 400 foot expansion area next to Rotary Park for future park expansion was briefly discussed.

In summary, under the proposal: 1) The Dolarway property will be developed on a schedule to be coordinated with road and bridge improvements along with the Reecer Creek work; 2) The 50 acres south of the ball fields will be developed as a third phase using proceeds from the Dolarway project and seeking federal and state funds; and 3) EBDA proposes the City establish an Economic
Development Fund using proceeds in excess of bond payback costs.

Council took public comment from the audience. Pat Kelleher, Fritz Glover, Beverly Heckert and Desmond Knudson spoke.

Move to direct staff to create a contract with the Ellensburg Business Development O'Brien Authority for Council review to include elements of the overlay zone and definitions.

Council discussion.

Vote on motion. Approved

CONSIDERATION OF SPECIAL MEETING DATE FOR BUDGET RETREAT

Council considered possible dates for scheduling the budget retreat.

Motion to set June 30, 2008 from 1-5 p.m. for a budget retreat. Bassett

Affirmed

ADJOURN Motion to adjourn at 10:01 p.m. Tabb

Affirmed

Mayor

ATTEST: ____________________________

City Clerk