CITY OF ELLENSBURG
Minutes of Council Meeting, Special Session
Date of Meeting August 22, 2011
Time of Meeting 7:00 p.m.
Place of Meeting Council Chambers, 501 North Anderson Street

Roll Call was answered by Councilmembers Bottcher, Elliott, Lillquist, D. Miller, F. Miller, and Mayor Tabb

Absent: Arango

Others present were Acting City Manager Pidduck, Energy Services Director Titus, Community Development Director Smith, Public Works Director Akers, Deputy Clerk Keno and eight members of the audience.

Grant Councilmember Arango an excused absence for this evening. F. Miller

Approved

Request to Authorize the Mayor to Sign a Letter of Commitment for Application for Department of Energy Grant

Ellensburg is one of four local jurisdictions selected to participate on a Washington State team to fulfill the requirements of a grant called The Sun Shot Initiative: Rooftop Solar Challenge. The purpose of the grant is to pursue standardized, streamlined permitting and interconnection for rooftop solar photo voltaic (PV) installations. The grant amount for the City of Ellensburg is $50,000 less a cost share of $6,500 (total of $43,500 in grant funding). The funding is for an initial 1 year phase. A second and third year will be optional, although at this time the funding is uncertain. To continue on with the grant submittal process the Department of Commerce has requested a letter of commitment from the City.

Motion to authorize the Mayor to sign a letter of commitment for the Department Elliott of Energy Sun Shot Initiative: Rooftop Solar Challenge.

After questions and discussion, Council suggested wording and letterhead changes to the letter of commitment on page 6 of the agenda packet.

Vote on motion. Approved

Discussion with the Ellensburg Business Development Authority Regarding the Development and Marketing of the City Owned Dolarway Lots

Ron Cridlebaugh, Director of Economic Development for the Kittitas County Chamber of Commerce
and representing the Ellensburg Business Development Authority (EBDA) reviewed the history and mission of the EBDA and outlined the organization's analysis of and recommendations for the Dolarway industrial property. The property consists of four lots of record along Dolarway Road.

Mr. Cridlebaugh stated an option available, although not recommended by the EBDA would be for the EBDA to own the property and sell it. The downside to this option is the City would no longer have a voice in what happens to the property. Acting City Manager Pidduck pointed out the 24 acres is bonded property.

The Authority reviewed several industrial properties for sale or available in the City and UGA. The average price per square foot of those properties was $3.82. Industrial property reviewed in surrounding areas averages $1.00 per square foot. In answer to Council inquiry, all the property reviewed was zoned Light-Industrial and the price per square foot of the most expensive property is ready to build on. The EBDA recommends the City have its property professionally appraised.

The Development Authority’s analysis of these properties revealed relatively little industrial zoned property for sale with very few sales occurring in the last few years. Ellensburg and Kittitas County compete for business with surrounding counties with property in Kittitas County priced very high compared to the competition. Also, price and availability of property plays a big role in attracting new business. The EBDA feels to spur sale/development of the Dolarway property it would need to be priced below the existing available property in Kittitas County.

Based upon its research EBDA has identified three options to develop the lots.

1) Sell the property and let the marketplace determine when and what gets developed on the property. There are approximately 24 acres and at $1.00 per square foot it would bring in just over $1 million in gross revenue.

2) Develop the property to create the maximum number of jobs and highest tax base.

3) Develop the property to target specific industries.

The pros and cons of each option were discussed. Option 1 could potentially be the quickest way to recapture the City’s investment with the least amount of effort and risk. However, current economic conditions do not support a demand for I-L zoned property. Option 2 may have the possible highest return on investment with better long term tax benefits to the City but it may take awhile to sell and the current I-L zoning code is not flexible. Option 3 would make it easier to focus marketing efforts with the TIP study targeting specific industries for the property. If the City can attract one industry it will be easier to get other businesses to form an industry cluster. The downside is this option may take the longest time to sell the property.

Priority industry sectors identified in the TIP strategies report include: 1) Professional services; 2) Transportation and Logistics; 3) Agriculture and natural resources; 4) Light industrial and 5)
Renewable energy.

Council requested the EBDA provide information on what priority industry sectors would cost the City in terms of infrastructure costs, etc.

The Development Authority is recommending Council target specific industries but allow any appropriate business to purchase and build on the lots. After a specific time frame, if those efforts are unsuccessful then the City should attempt to sell the property to a developer. In answer to Council inquiry, the time frame could be three to five years.

Council discussed site plans for a master business park, a professional services incubator and pre-permitting. Council requested EBDA advise the City of proposed deficiencies it perceives in the proposed land development code update.

Council consensus was to look at blending options 2 & 3, along with interest in pre-permitting and a possible master site plan based on form-based land use codes.

In answer to questions concerning the Dolarway Road project, staff indicated adequate utility systems are being built in for future build out. Eight inch stubs will be included in each parcel.

**ADJOURN** Motion to adjourn at 8:35 p.m. F. Miller

Approved

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Mayor

ATTEST: ____________________________________

City Clerk