Review of Economic Development Priorities, Visioning and Funding with the Ellensburg Business Development Authority

The purpose of the special meeting is a discussion between City Council and the Ellensburg Business Development Authority Board to consider elements and funding options for inclusion in the City’s economic development strategy. With the probable loss of the City’s ability to fund economic development using the Electric Utility Rural Economic Development Revolving Fund (EUREDRF) mechanism provided in RCW 82.16.0491 Council requested a review of economic development issues and funding options.

City Manager Akers reviewed the agenda report and packet materials including background information supplied by the EBDA: History and Purpose; Current Operations; Incubator, Airport and Geddis Building Tenant Listings, budget materials for 2013-2014; 2009 Economic Development Strategic Plan; and correspondence between the EBDA’s attorney, Chuck Zimmerman, and the Washington State Auditor’s office.

A General Fund distribution matrix prepared by Finance Director Pascoe was also distributed.

Director of Economic Development Bowen gave a powerpoint presentation on the EBDA’s history and purpose, successes, management and operations.

The parties discussed the issue of outstanding payments to the EBDA. The contract specifies annual payments of $70,000 plus $30,000 in project funding. The City has paid $55,000 to date on the contract. The project funding portion could be foregone for the end of year. Staff is recommending Council make the decision not to use the $30,000 in the contract and amend the contract to less than $70,000. If the $30,000 earmarked for painting/sprinklers for the Geddis Building is removed with the
EBDA’s consent that would leave $15,000 owing to the EBDA which could be paid out of the Geddis Bulding maintenance account. The painting project could be performed by the City.

The parties discussed funding levels and options for funding. Some Board members were in favor of the transfer of “surplus electric utility funds” option discussed in Attorney Zimmerman’s October 6, 2014 letter. City staff has concerns with this option based on the State Auditor’s October 17, 2014 response letter. Additionally, the public perception of declaring funds as surplus when the City wants to adjust gas and electric rates needs to be considered.

Councilmember Morgan arrived at 6:21 p.m.

After discussion, Council consensus was to direct staff to work with the EDBA to secure funding to EBDA for 2015 and to discuss actual expenses.

At the November 17, 2014 regular meeting Council will consider an amendment to the current contract for EBDA funding as well as a resolution repurposing the outstanding debt. Actual costs need to be determined. Staff will propose a funding package to carry the EBDA through 2015. A likely option for the funding package may be the General Fund distribution matrix.

Council requested the Board provide an update of its achievements from the goals and recommendations made in the 2009 Strategic Plan report.

Council discussed the need to identify what it expects from the EBDA. Council inquired what portion of the EBDA’s eight full time employees are covered by the City’s $70,000 contribution.

**ADJOURN** Motion to adjourn at 7:52 p.m. Tabb

Approved

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Mayor

ATTEST: ________________________________

City Clerk