

MINUTES OF 2/3/11 SPECIAL CITY COUNCIL MEETING  
City Hall, 135 East Johnson Avenue, Chelan, Washington

ELECTED OFFICIALS PRESENT: Mayor Goedde; Councilmembers Cooney, Harper, Lingard, McCardle, Morehouse, Morse. Absent/Excused: Isenhart.

STAFF PRESENT: Clerk Liles, Public Works Director VanEpps.

At 6:00 p.m. Mayor Goedde called to order a special meeting of the Chelan City Council to consider imposition of a proposed Traffic Impact Fee Program (TIF) for the City of Chelan.

Van Epps explained that this special meeting was scheduled in response to Council's consensus following discussion on the proposed TIF Program on January 13, 2011 to further consider the program in a workshop setting. Van Epps explained that tonight's objective is to answer any questions and provide any information that Council requests concerning the TIF, with the ultimate goal being to determine a strategy for getting transportation projects done in a timely manner.

Consultant Perry Shea referred Council to a "List of Potential Transportation Capacity Projects" (Table 1 in the *Transportation Impact Fee Program Draft*) costing \$3.2 million and explained that the projects listed are those that may be eligible for TIF funding. Shea reported that there are twenty additional transportation projects listed in the city's pending transportation plan that cannot be paid for by TIF and must be completed in the next twenty years. Shea pointed out that the City needs to figure out how it's going to pay for all these projects.

Discussion followed concerning the need for improvements and options for funding them. Comments included the following:

Cooney: His understanding concerning this meeting's purpose is to figure out how to pay for transportation improvements if the proposed TIF program is rejected. He is opposed to the program. It's hard enough to start a business in this town without the additional expense. The City is responsible for its infrastructure - making development pay for it only makes sense if development has a direct impact. Development has no direct impact on downtown. The City needs to prioritize its spending in order to pay for transportation improvements. He suggests setting aside money for infrastructure upgrades in a public works fund.

Morse: He is opposed to the proposed TIF program and also questions the need for the proposed improvements since traffic isn't a problem nine months of the year. All residents should share the cost of street improvements, not just newcomers and/or developers. The City could save enough money over the next twenty years to pay for the projects on the TIF list if Council would eliminate non-essentials from the budget. The City spends too much money on consultants. He would like Council to review the budget over the next year to see how funds are currently being spent. The City needs to reassess what it has and what it is entitled to, and it needs to live within its means.

Harper: He acknowledges the need for improvements and a plan to pay for them, but doesn't have the answers. Council has been talking about improving the SR150/No-See-Um Road intersection for the entire fifteen years he's been a member, and it still hasn't been done because the City can't afford it. He doesn't know how to pay for the project - just that it will be painful and the fix won't be the "Cadillac" version. He doesn't want whoever is sitting in his place fifteen years from now to still be talking about improving that intersection. He isn't sure the cost of improvements can be borne by developers; neither can he, as a citizen, afford to pay \$15 for a cup of coffee to help pay for road improvements.

Mayor: He doesn't believe growth will occur at the rate projected by the consultants. He is concerned that the TIF program would deter development. There are other ways to pay for transportation improvements. For instance, AWC is trying to get utility and gas taxes increased, and Leavenworth recently voted in a tax hike to increase revenues. A local gas tax could be levied and those people here during the summer would help pay. People who use the roads should pay for them.

Morehouse: The problem has been ignored for years and is growing. It is the City's responsibility to keep traffic flowing. The choice is, do developers and new arrivals pay for the impact of development or do the people who have lived here for years pay. The City already has a system for collecting hookup fees from developers to help pay for water and sewer infrastructure, so there is precedent for development paying for development's impact. In his opinion, that is perfectly fair. A combination of solutions may be needed.

Lingard: Council directed the consultants to develop and present a TIF program. The results are unacceptable, but the City can be selective in its choice of projects. It is up to staff to prioritize the projects and council to find the money to pay for them. The City needs to keep applying for grants, and it needs consultants to get projects grant ready

McCardle: She is concerned about TIF's impact on downtown business. More information is needed about alternatives and the money they would bring in. The City hasn't increased property taxes in years – it could take the 1% property tax increase to generate additional revenue. A short term plan is needed to fund emergency projects and a long term plan for the others.

Van Epps explained that currently 75% of the city's property tax revenue and all of its fuel tax revenue go to street projects - there is a lot of competition for use of a finite amount of money. It has been Council's policy to make development pay for development, but he is sensing a policy shift.

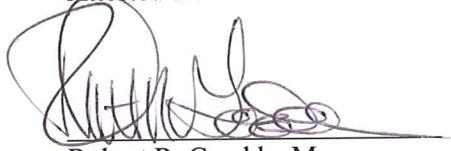
Six people from the audience spoke, all in opposition to the proposed TIF program.

Council consensus was to request that staff report back with a list of transportation improvement funding options and the revenue they would generate. Morehouse asked that TIF be included in the requested list.

Prepared by:

  
Linda Allison-Liles, City Clerk

Attested to:

  
Robert R. Goedde, Mayor