

**SULTAN PLANNING BOARD MEETING
319 MAIN STREET
July 31, 2007**

The meeting was called to order at 7:04 p.m. by Chairperson Latimore

Planning Board members Present: Kurt Latimore, Sarah Davenport Smith, Charles Van Pelt, and Jeff Cofer; Absent: George Schmidt.

Staff Present: Community Development Director Rick Cisar, Public Works Director Connie Dunn, and Planning Commission Secretary Tami Pevey.

COMMENTS FROM THE PUBLIC:

None from the public.

CHANGES/ADDITIONS TO THE AGENDA

PB/M Latimore proposed to move forward the EIS schedule for Mr. Shockey to the top, ahead of the public hearing.

Comprehensive Plan Supplemental EIS Schedule - Reid Shockey

Reid Shockey advised the report will be available for public review on August 15th, for 45 days until October 1st to submit comments on the comp plan to include the supplemental environmental impact statement. An open house will be on August 29th. The planning board will have another opportunity to provide their final comments on EIS before the plan goes to the council in late October for adoption of the plan. On track and the issues with the hearings board have been addressed.

Public Hearing

Continuation of 6-Year Transportation Improvement Plan Public Hearing from July 17, 2007 Meeting

Connie Dunn, Public Works Director, presented the 2008 – 2013 TIP in an effort to have the planning board make a recommendation to the city council. Referred the board members to attachment A showing the changes; as well as attachment G

which was a requested addition. Although many projects were addressed thru public comments the only changed was the Cascade realignment where the language was removed referencing the fire department's concern about the project going through their property.

PB/M Latimore opened the floor to public comment.

Merlin Halvorsen, Snohomish County Fire District 5 – Again reiterating opposition to a road going through their property in reference to the Cascade Road realignment. Looking for clarification on the planning board's decision to clarify if their problem is in fact resolved.

PB/M Latimore opened the floor to planning board questions.

PB/M Van Pelt – is it correct that 330th wouldn't cross.

Connie Dunn, Public Works Director – Yes, it wouldn't cross, but to find another way that would not disturb the fire department's property; considering moving the road east or west so as not to affect it.

PB/M Van Pelt – other property owners wouldn't be happy either.

Connie Dunn – recognize you can't make everyone happy; however there is a need for a traffic flow connector from the east end of Cascade View to US 2.

PB/M Cofer – omitting the language to include 330th specifically; at some point there would need to be a realignment of Cascade View Drive to intersect with Hwy 2. We know we need to do this, we just don't know where.

Connie Dunn – Correct; we're leaving it open on where a street would connect coming up off the east end of Cascade View Drive.

Rick Cisar – Referred the board members with the road going up to the airport, part of the development requirements is vehicle access for the fire department, but as you go north and get to the bottom of the hill they would move the road east; that would be our north south collector. In connection with that there would be an east/west connector going east/west in the industrial park.

PB/M Van Pelt – when it's developed people would be able to come down to Hwy 2?

Rick Cisar – Initially walking, but at some point in the future driving down to US 2 with a bus stop.

PB/M Van Pelt – What timeframe are we looking at?

Rick Cisar – development driven; and sewer capacity is pending. From the top of the hill it will be a paved section, then halfway down the hill the road would change to an impervious surface due to drainage issues.

PB/M Latimore – with the existing language as it is now, if the fire district put forth permit applications would they have to dedicate property for it.

Rick Cisar – would be looking at a binding site plan; probably not because the plan isn't really showing that designation.

PB/M Latimore – Perhaps useful later for the fire department and suggest an inclusion to disallow the use.

Rick Cisar – It all depends on which comes first.

Merlin Halvorson – we seem not to get any clear statements. The question is will the fire department be required to designate property for this element? No clear yes or no yet. They would like to be allowed to do their plan of the building first before being included in that plan.

Steven Fox, Fire Commission Chair – Has been working with the city planning and the council to address their concerns. The planning commission seems to be willing to delete the specific reference to 330th. He presented a topographical map of the area to the board members; Cascade View Drive on the eastern end stops because the slopes run steeply down to the stream. When asked to move the road to the east but see no point due to the geography. Thereby it again forces the road to come back to its original intent. Would like to have it explicitly state that our property at 33021 Cascade View Drive be removed from this proposal; Have asked Mr. Cisar and the city council twice, but no answers back.

On a motion by PB/M Van Pelt, seconded by PB/M Cofer to close the public portion of the public hearing; All in agreement.

PB/M Latimore – in the past comp plan efforts have there been specific parcel references.

Rick Cisar – not that he is aware of.

PB/M Latimore – Is aware the emergency plan is to move services outside of the flood plain; any reference documents of the comp plan that currently acknowledge that site as an emergency site for the fire district?

Rick Cisar – No; water/sewer gives an easement across the property for that purpose.

PB/M Latimore – Current zoning is Highway Development?

Rick Cisar – Yes.

PB/M Latimore – I believe it's our intent not to put a roadway through the fire district's property; any precedent for how that language would be established?

Rick Cisar – Language as far as the corridor alignment so that it doesn't impact that specific parcel; he can have the city attorney clarify or modify that language if that is your desire.

PB/M Van Pelt – make a motion to not have a road put thru there and recommend that to the city council?

PB/M Latimore – by a resolution, or how would we do that?

Rick Cisar – additional motion; motion on overall TIP and then add an additional motion to include addressing the fire department's property.

PB/M Latimore – the transportation element map; is it appropriate to indicate that area on that map? It may be useful in recognizing the cohesiveness of that area.

Rick Cisar – could describe it as being west of that intersection.

PB/M Davenport Smith – When the valuation was done on the rating of projects, was that by staff or a council committee?

Connie Dunn – staff

PB/M Davenport Smith – concerned about the Dyer/Skywall connection; went down and looked at it in person and Mr. Gibson showed her around in person and also explained where the major flooding happens; Skywall neighborhood is more in danger of flooding; however Dyer flooding issue can be taken care of by the storm water project. Skywall area floods so they couldn't get out to access the T28 area and she is not convinced it is a good emergency access route period; thereby feeling it is an irrelevant project.

Rick Cisar – In case of an emergency it would provide two points of access for the Dyer neighborhood. Would be development driven in the event it is necessary. Easement wouldn't allow thru traffic, just emergency access due to flooding or a train wreck.

PB/M Latimore – The TIP putting forth doesn't include either of the two projects addressed, correct?

Rick Cisar – also would be a 45 day window for public comment beyond this point.

A motion was made by PB/M Latimore to put forth this TIP as proposed to the city council with the addition of an indication on the map recognizing the fire district property with the intent of designating that as a cohesive part of land not intended to be included in a right of way.

PB/M Van Pelt – with no intention of a roadway going through that property.

Rick Cisar – any roadway alignment going through.

Connie Dunn - Shall not have a roadway having a negative impact going across this property.

PB/M Van Pelt seconded the motion; All in agreement.

Sewer Rate Increase

PB/M Latimore opened the public hearing at approximately 7:45 p.m. No objections from public to board members present; no objections from board members about their presence.

Connie Dunn presented the background information and introduced Angie Sanchez from FCS Group to present a highlight of the presentation presented on July 17th.

Angie Sanchez presented the rate study update as presented in the agenda packet. Proposed revised methodology would be to update the GFC each year to include future capital approved within the budget year; referenced page 6 and the future calculation examples that shows this updated methodology proposed. Charges are really based on growth projections and estimates were updated to match other current city plans and their estimated growth projections. Page 9 references the projection of an annual rate adjustment being recommended; and it shows there would need to be a rate adjustment each year from 2008 – 2010 to meet the debt service requirements. A rate adjustment would be in addition to the existing adopted rate increases of 3.85% as of 12/1/2007, and 3.7% on 12/1/2008. Angie Sanchez referenced Option 2 and pointed out the significant debt requirements as well as the length of time in order to meet the cash flow needs if this option was chosen. The rate impact is so great in Option 2 the feeling is that the city could not accomplish it without assistance from community stakeholders; presented developer contribution options that could be pursued. Also a question in this option on whether or not the city could meet the debt service coverage requirements.

PB/M Latimore opened the floor to public comment.

Hearing none; Motion by PB/M Van Pelt, seconded by PB/M Davenport Smith to close the public hearing; All in agreement.

PB/M Van Pelt – typical 2007 rate?

Angie Sanchez – additional is \$2.70 the first year; \$2.20 the second year.

PB/M Van Pelt – takes place the first of January.

Connie Dunn – effective 12/1/2007, so will be on the January 1st bill.

PB/M Davenport Smith – the 5% increase is in addition to the 3.5% and 3.7% already in place; are we really asking the rate payers to increase the bill by 8.5%?

Angie Sanchez – yes, it would be.

PB/M Latimore – What is the likelihood of developer's response?

Rick Cisar – trying to set up meetings; a few have expressed an interest in the system.

Angie Sanchez – At the first public meeting there appeared to be developer interest; It is more tangible now and there are guidelines in terms of the magnitude so it should help improve communications.

PB/M Van Pelt – all dealing with waste water, not storm water?

Connie Dunn – will not change storm water utility rates; have taken that all into consideration.

PB/M Latimore – Option 1 pg 9, net cash flow after rate increase has dipped into the negative.

Angie Sanchez – correct.

PB/M Latimore – the general fund would have to fund the difference?

Angie Sanchez – the sewer fund; revenue from rates generated a reserve that will take and cover the deficiency in 2008.

PB/M Davenport Smith – the developer contributions; this is scheduled to go to city council August 9th.

Connie Dunn – August 21st first reading; September 14th is the second reading of the ordinance.

PB/M Davenport Smith – is there a push for staff or committees to meet with the developer groups to get a better potential?

Connie Dunn – Yes, August 9th meeting would have a discussion so a decision could be made to have staff move forward on getting commitments.

Rick Cisar – recommended in motion to increase the rates based on the study; recommend expanding to include developer contributions.

PB/M Latimore – putting forth option 1, while recommending they pursue option 2 as an alternative?

Connie Dunn – accepting the entire rate study and recommending that the council work from there.

PB/M Davenport Smith – how do we compare with other cities in terms of our rates?

Angie Sanchez – Can come back with and provide it as a comparison, however, probably in the middle. Carnation estimated at \$80/\$85 dollars. Sultan definitely not the highest; however once Sultan bridges the gap between the current cash flow and generate the development; the build it and they will come theory, but Sultan doesn't have the money to build it and we need to find out how to meet our financial requirements to accomplish that.

PB/M Davenport Smith – in relation to business owners; they pay per ERU for connection, but a monthly fee is calculated differently.

Connie Dunn – calculated on their water usage; charged for overage on water, also charged on sewer.

Angie Sanchez – many times people like to have it based on volume as have more control.

PB/M Latimore – plan seems in accordance with sewer plan discussed earlier, population forecast, and is a necessary increase. On a motion by PB/M Latimore, seconded by PB/M Van Pelt the planning board recommended to the City Council the increases in the sewer general facility charge and rates as recommended by Financial Consulting Solutions Group (FCS) Inc. in order to fund the Wastewater Treatment Plant upgrade; All in agreement.

COMMITTEE REPORTS AND STAFF PRESENTATIONS

Transportation Element Financial Chapter - Eric Ireland

Eric Ireland presented the Transportation Element Financial Chapter 7 that is now complete; He gave a background on why this chapter and the entire transportation element is necessary. The current financial picture shows that the city will have a transportation funding shortfall of \$16 million between now and 2025. He gave ways to handle the funding in balance and further advised the board that there has been no adjustment to traffic impact fee rates since 1995 when the transportation element was implemented; it is recommended to increase the traffic fee impact rate to \$7,021 for additional PM peak hour trips generated by development.

PB/M Latimore – the recommended increase from 1,837 to between 7,000 and 13,000 is for PM peak.

Eric Ireland – That is per PM peak trip generated from new proposed development.

PB/M Latimore – new single family residential homes; how many PM Peak trips per home, two?

Eric Ireland – 1.02 trips in the PM generated from a single family unit.

PB/M Latimore – So that essentially would translate to 7 to 13,000 per residential unit.

Eric Ireland – based on the traffic impact fee rate report, yes; folded back into the transportation element to an increase the rate to \$7,021 for PM peak trips. What you see in the impact fee rate report is a range based on the city ordinance for calculating that rate.

PB/M Van Pelt – that fee is paid at the time the house is built.

Rick Cisar – paid at the time of the building permit.

Eric Ireland – That rate applies not only to residential development, but commercial development and the impact fee is calculated from that.

Traffic Impact Fee Analysis Report - Eric Ireland

Eric Ireland gave a description of the traffic impact fee as described based on RCW 82.02.050 and the designated criteria for use of the funds. The impact fee report gives an updated impact fee rate based on the new information provided in the draft transportation element. The rate calculated to just over \$12,000 for additional pm peak trips. Transportation grant revenue forecasts were included in the report as an average 15% minimum. A survey of 14 cities around Puget Sound is included in the report as a comparison. Inflation indexing also considered and realized that the current rate has lost over 40% of its purchasing power. With all of these issues combined the city now has a clear picture of the funding needed to complete the projects on the transportation list through the year 2025.

Rick Cisar asked Eric Ireland to explain how the traffic impact fee credit program might work.

Eric Ireland described the methodology to create an adjustment for commercial type developments to be granted as a credit based on the property tax it would generate after being developed. Referenced page 3 of the agenda packet and referenced SMC 16.112.050 which grants the ability to give a credit and how to accomplish the credit amount in reference to impact fees.

PB/M Latimore – someone proposing intensive retail such as a supermarket that would generate high PM peak trips; that would be someone where this credit would be granted.

Eric Ireland and Rick Cisar in agreement.

PB/M Van Pelt – Is there any way that the city can collect from the county due to county folks coming through the city.

Rick Cisar – considered and have received some funds from a developer in the county.

Connie Dunn – yes.

Rick Cisar - We could receive some additional credits and requested Eric Ireland to explain.

Eric Ireland – The way the impact fee rate is calculated on the forecasted cost of growth related transportation and transportation projects; a local urban access roadway is not a growth related cost, it just provides basic access to property. A growth related cost is one that provides a city wide benefit, such as a bike path; as well as a project located on a transit route such as a bus stop. If a developer came in and built the street to a minor arterial standard, the cost to provide improvements would be costs that would be credited to the traffic impact fee that the developer would be required to pay. Referenced the 3rd street project and the element of a bike path would create a way for impact fees to fund that part of the project.

PB/M Latimore – were you surprised at 7,000?

Eric Ireland – the total cost of projects recommended in the plan is significant because most of the area has no roadways or county roadways not even built to county standards. Above the average, but the rate hasn't been adjusted in years so wasn't too surprised when it was mapped out.

Rick Cisar – is it your recommendation that we consider an annual update as allowed by our current ordinance?

Eric Ireland – because it does allow it, yes, because you want to be able to make sure you are adjusting for inflation and not losing potential money you could be collecting.

Rick Cisar – same situation occurred with the sewer fund and the park fund.

Eric Ireland – it is good to do incremental adjustments as they are easier than a significant rate increase.

PB/M Davenport Smith – if it is already in our ordinance that we can adjust for inflation, why haven't we?

Rick Cisar – presented to council several years ago, but they took no action to increase the fee.

PB/M Davenport Smith – inflation based on construction costs or consumer inflation?

Rick Cisar – construction costs; conducted a study similar to Eric in 2000 and the fee went up substantially which caused concern to the council.

PB/M Davenport Smith – With our storm water utility we decided to not put the fee in the ordinance and have it separate in the fee schedule, is that a better idea for this, or does the ordinance allow sufficiently?

Rick Cisar – will go back and modify the ordinance to make sure it does allow an annual increase and adopt it into our fee schedule.

PB/M Cofer – That equates to an LOS level of what?

Eric Ireland – Moving from LOS B to LOS D.

PB/M Cofer – and this number represents us operating under LOS D.

Eric Ireland – LOS standard D for traffic, yes.

PB/M Latimore – the road standards that we have that the estimates are based on, would you consider them typical?

Eric Ireland – I don't believe so; the language is pretty standard and having sidewalks on both sides is something this community seems to want in their projects.

PB/M Latimore – do you know anything about the Sammamish number and how they arrived at their figure?

Eric Ireland – do not know; many different ways to calculate the fees. RCW specifies there needs to be a connection, felt this was the fairest way to calculate the impact fee rate.

PB/M Latimore – will move on to public comment?

Eric Ireland – yes, this section is complete and will fold it into the plan that will be open to public for review in August. Complimented the city on their public involvement and the number of public meetings that have been held in regards to this issue.

PB/M Davenport Smith – You're going to update table 8 with the recommendations we made tonight in regards to the references to the transportation projects.

Rick Cisar & Eric Ireland – yes.

PB/M Davenport Smith – When we improve roadways to include bus stops; how does that work with Community Transit, do they chip in a portion of that or does the city impact fees cover that?

Rick Cisar – haven't developed one; when we do will provide that to Community Transit and will have the developer take care of that.

Eric Ireland – pretty simple; just a bench and a shelter and CT has a warehouse of those.

Connie Dunn – deceleration and acceleration is very rough on the concrete, so the city provides a concrete pad for them to start and stop on. CT agrees to those, but they haven't contributed to those.

PB/M Davenport Smith – they've never contributed to communities?

Connie Dunn – asked, but only contribute shelters and benches.

Rick Cisar – will be our first real push to have them provide service on the Sultan Basin Road. Staff wise there is a lot of activity going on up there and it needs to have service there.

ACTION ITEMS:

Approval of the June 26, 2007 Minutes

Connie Dunn – correction on pg 1, opening line under committee reports; he did not present the TIP, presented the Transportation Element.

PB/M Cofer – pg 6, paragraph 6, spoke with Fire Chief Halverson.

On a motion by PB/M Van Pelt, seconded by PB/M Davenport Smith the minutes were approved with the changes recommended; All in agreement.

Approval of the July 17, 2007 Minutes

On a motion by PB/M Daveport Smith, seconded by PB/M Van Pelt the minutes were approved; All in agreement, except for PB/M Cofer who abstained as he was not present at the meeting.

Set Public Hearing for Adoption of Sultan School District #311 Capital Facilities Plan 2006-2011

Rick Cisar discussed the city has been in conversation with the school district in regards to their capital facilities plan; he referenced the last page of the school capital facility plan for the final fee that is being recommended; gave the current fee and the recommendation as referenced. The city collects the fees on behalf of the school district and transfer the fees on a quarterly basis. We collect a \$35 fee for performing this task. The public hearing is set to August 7, 2007 at the next meeting.

PB/M Latimore – don't need a motion for that?

Rick Cisar – already advertised. Advised a copy was sent to the board members early on for their review and asked them to review the fees to ensure our capital facility fee and the school's facility fee match.

PUBLIC COMMENT ON AGENDA ITEMS ONLY

No public comment.

PLANNING BOARD COMMENTS

PB/M Davenport Smith – while at the last council meeting, lawyer for Sky Ridge Development brought a letter to council and staff that the Sky Ridge developers are willing to help out the city financial with future updates; requesting staff provide copies of the letter to the board. Congratulated Eric and Angie for their expertise and hard work.

PB/M Van Pelt – thanked the staff and consultants for coming to talk to us; feels is a heavy load and feels like every time he turns around there is a rate increase; understands wasn't done in the past and is needed.

PB/M Cofer – echoed previous comments to Eric; legible, easy to understand; first look at sewer rate study and as major ERU stakeholder sighs from the burden of an increase; see all these fees coming simultaneously and is a tough pill to swallow. Concerned and all seems high even though we are in the range; look forward to the value in these investments even though it's hard to see since nothing seems to be happening.

Rick Cisar – getting close and explained the progress on several developments and the hold up's they face with various organizations outside of the City.

PB/M Cofer – My understanding is we are treading water until these projects take place; in the meantime the coffers are bare and we are going after people for the almighty dollar.

Rick Cisar – informed the board on some of the things they are to expect at their upcoming meetings.

PB/M Latimore – PB/M Schmidt let us know ahead of time he would be absent so his absence is excused. PB/M Davenport Smith noted she will be gone on August 7th.

Adjournment

On a motion by PB/M Van Pelt, seconded by PB/M Davenport Smith the meeting was adjourned; All in agreement. Planning Board meeting ended at 9:08 p.m.