

LEAVENWORTH CITY COUNCIL
Study Session Agenda
City Hall - Council Chambers
November 12, 2019 8:30 a.m.

8:30 – 8:45 Chamber Report

This time is provided for a Chamber of Commerce representative to provide an update to the City Council on items of interest to the Chamber and City.

8:45 – 9:05 Chamber Contract Review

This time is provided for the discussion with the Leavenworth Area Chamber of Commerce to discuss the renewal of their contract agreement with the City of Leavenworth. The City currently has a three-year agreement with the Chamber of Commerce.

The current contract runs for three years (April 1, 2017 – March 31, 2020) and provides the Chamber with 18.5% of the lodging tax funds collected within the City from the previous calendar year. The term of expenditures (budget) on an annual basis is from April 1 through March 31. The funds are expended by the Chamber under RCW 67.28.1816. The funds are paid to the Chamber on a quarterly basis after a report by the Chamber is provided and reviewed by the City. The primary expenditure of these funds is for the operation and maintenance of the Chamber's Visitor Center.

In 2017, the City Council, expressed a desire at that time, that the funds provided by the City focus more on tourism support; the contract and budget presented at that time did reflect a higher percentage of City funds going toward the operation of the Visitor Center and less City funds being used for festivals or advertising.

The Chamber of Commerce has provided a proposed budget and will have a presentation and discussion on their contract.

The following items are included under **TAB A**:

- 2017 – 2020 City/Chamber Agreement for use of Lodging Tax
- Leavenworth Area Chamber of Commerce Proposed Budget

9:05 – 9:30 Initial Review of 2020 Planning Commission Docket

This time is provided to review the draft 2020 Docket projects for review by the Planning Commission next year. The Docket is intended to provide a priority list of Comprehensive Plan and Development Regulation projects that first address any State requirements followed by priorities of the City Council for Comprehensive Plan and code amendments, studies, or reports. Pursuant to Leavenworth Municipal Code Section 21.03.040, the Docket addresses amendments to the Comprehensive Plan and amendments to Title 17 Subdivisions, Title 18 Zoning, and Title 16 Critical Areas, excluding Chapter 16.04 SEPA. Additional actions may be requested by the City Council.

The Docket is compiled throughout the year with input from the Planning Commission, the City Council, the public, and City staff. The draft is reviewed publicly each November/December. Residents are encouraged to participate in the Docket process by providing suggested amendments to the Comprehensive Plan and the Development Regulations. These suggestions may be informal communication with staff or Council, written emails/letters, or formal application requests with fees.

In January, the City Council will host a meeting with the Planning Commission to review and finalize the 2020 Docket.

The 2019 Docket was divided into three sections. Section one included mandated items and high priority; section two included secondary projects; and, section three included future items. Over the course of 2019, the Planning Commission completed several code amendments, including adoption of standards for cryptocurrency, mandated code and critical area code updates, defining of affordable housing, housing incentives for planned developments, creation of a zero-lot line development option, and permitting a new land use for stacked parking.

As 2019 is winding to a close, the Planning Commission continues to work on Missing Middle Housing, which addresses several recommendations from the Housing Task Force. Items not addressed in 2019 from sections one and two, include the 20-year Transportation Element, residential parking and access (alley use), lot standards, multifamily boundaries and, peak hour traffic in the Comprehensive Plan.

For the 2020 Docket, there are new mandated or grant funded projects and several 2019 projects that have been regrouped to consolidate the Planning Commission's review and recommendations. The draft 2020 Docket is presented as a list of projects that have not been prioritized. As part of the review process, the City Council will discuss all of the projects with the Planning Commission at a joint meeting in January. Following the meeting, or as a group at the January meeting, the City Council will prioritize projects to be reviewed during the 2020 calendar year.

This time is provided to review the draft, consider additions or changes, and start discussion about the priority of each item.

The following items are included under **TAB B:**

- Draft 2020 Docket Items
- Process Outline

9:30 – 9:40 Water Utility - Leavenworth Municipal Code Changes

The Finance Department has completed a recent review of the Leavenworth Municipal Code (LMC) in regard to utility related billing procedures to ensure ongoing compliance with local and State laws. In reviewing each of the utilities code language, staff has identified specific changes needed to water related items. Most of the changes are minor in nature and are generally “housekeeping” corrections to match current practices with code language. One additional item being recommended for inclusion is Item A. 1. within section 13.04.070 regarding billing adjustments. This recommendation comes from past situations that have had financial impacts to the water fund when errors are found in excess of three years; this new language would limit error refunds to both the City and the customer. This item has been reviewed by the City Attorney and

is recommended for inclusion to limit future potential liabilities, which also concurs with State law. Staff is scheduling a public hearing for this item at the November 26, 2019 meeting and will present the final ordinance at that time.

The following item is included under **TAB C**:

- Redline changes to various sections of LMC 13.02 and 13.04 regarding the Water Utility

9:40 – 10:00 2020 Rate & Fee Schedule Review Changes

This time is for the Council to review any further recommendations for changes to the Rate & Fee Schedule prior to the planned adoption at the December 10, 2019 meeting. Current changes are the same as previously provided at the October Study Session, with exception to the following additions:

- Building Permit Fees (page 4) now provides the 1997 Uniform Building Code Table 1-A. This is intended to improve transparency of the fee calculation method.
- Council recommended a \$15 flat fee for late charges on utilities – identified within each utility (Note: City only charges one late fee for all utilities combined but is included in each section for cases where a customer only has one particular utility at any given time).
- Cemetery Fees (page 30) includes new language to cover the addition of staff time to assist customers with services regarding planning, site review, and coordination with individuals and/or funeral homes. Prior to Ward's Funeral Chapel closing, those services were handled by Ward's and billed to the customer's by Ward's. City staff has filled this void for some customers as the funeral homes in Wenatchee are not providing the same individualized service assistance that was provided by Wards Funeral Chapel. These services would be covered by the new fee. There would not be a charge for general questions and/or explanation of services, charges would only be for coordination of services, advance planning for the event, site review, etc.

At this time, staff is also working on developing the planned build-out of the remaining cemetery section, which will require an in-depth review of costs versus available locations for sale. Much of the work has been completed for the areas that are already developed; however, staff will need additional time to determine the use of the undeveloped portion of the cemetery, which is estimated to be about 40% or 3 acres of the 7.4 total acres. Once this is determined, the Finance Department will need to then calculate the suggested prices based on a target fund balance for future full build-out and ongoing maintenance costs. This may take several months; a recommendation for rate adjustments are anticipated to be ready by mid-year 2020. At this time, the Council is being provided a spreadsheet for review of cemetery fees that are currently charged at locally operated cemeteries: Leavenworth, Cashmere, Cle-Elum, and Wenatchee. Staff would recommend that Council consider the difference in the current Leavenworth rates compared to the other communities and to consider, at a minimum, an increase in the cemetery rates that is commensurate.

- Other Licenses / Permits (page 36) Vehicle and Non-Motorized Vehicle Clarifications.

The following items are included under **TAB D**:

- Redline Rate & Fee Schedule
- Spreadsheet – Cemetery Rates for Leavenworth, Cashmere, Cle-Elum, and Wenatchee

10:00 – 10:25 Hazard Mitigation Plan

This time is provided for the City Council to review and discuss the Chelan County Hazard Mitigation Plan (CCHMP) adoption. In the summer of 2018, Chelan County and the Cities of Cashmere, Chelan, Entiat, Leavenworth, Wenatchee, and nine Districts (Fire and conservation) pooled resources and began to draft a uniform hazard mitigation plan to meet the federal mandates in the Disaster Mitigation Act of 2000. This work was completed the summer of 2019 and sent to the Washington Emergency Management Division (EMD) and then to the Federal Emergency Management Agency (FEMA) for a “pre-adoption review”. Both agencies have now approved the pre-adoption draft and it is ready for local adoption.

The City Council reviewed the draft document during the June 11, 2019 Study Session. On July 1, 2019, the staff recommended one change to the draft L-5 action to read as (new shown in underline): “Coordinate with Washington State Department of Transportation and other agencies to designate alternate evacuation routes, including but not limited to connections between Titus Road and Chumstick Hwy.” The consultant indicated that the change would be included in the final draft but it was not in the pre-adoption review draft; therefore, the attached resolution notes the change.

The CCHMP is grouped into two volumes; Volume 1 is the Countywide assessment and policies and Volume 2 represents each of the annexes’ (city and district) assessments and policies. By approving the plan, the City will be eligible to apply for and receive various grants. The grant funds are made available to states and local governments and can be used to implement the long-term hazard mitigation measures specified within the City before and after a major disaster declaration.

The CCHMP is considered a living document, such that, as awareness of additional hazards develops, and new strategies and projects are conceived to offset or prevent losses due to natural disasters, the CCHMP will be evaluated and revised on a continual 5-year time frame.

The following items are included under **TAB 4 (evening meeting)**:

- Electronic Copy of the CCHMP is available at: <https://cityofleavenworth.com/city-government/development-services-department/community-planning-documents/>
- Resolution 21-2019
- Fact Sheet provided by Pertee

10:25 – 10:55 Lodging Tax Budget Request – Leavenworth Area Promotions (LAP)

The Leavenworth Area Promotions, LAP Committee will be making a presentation regarding the committee’s funding for the 2020 Budget Calendar Year. The LAP Committee’s primary focus is the branding and promotion of Leavenworth. The Committee is made up of three Chamber of Commerce Representatives, three Lodging Association Members, and two members of the City Council. Annually, the LAP Committee holds their budget retreat in October and provides a budget

recommendation to the City Council. Today, Ms. Jessica Stoller along with other members of the LAP Committee will provide an overview for the Committee's recommended 2020 Budget.

Lodging Tax and LAP History:

The Lodging Tax Budget receives funding from the taxes collected from overnight stays. The tax rate has been set at a special rate of 5% by the City of Leavenworth.

The Washington State "Lodging Tax" was originally established for King County in the late 1960's as a way to pay for the construction of the Kingdome. Under the original legislation creating the tax, the State returned \$0.02 (two cents) of the State's sales tax collected on lodging in King County to fund Kingdome construction (a "tourist related facility"). In the mid-1980's, cities throughout Washington became eligible to receive the 2% lodging tax, with the stipulation that it be used for construction and maintenance of "tourism related facilities."

In the mid-1990's, the State allowed certain cities to raise the lodging tax collected at the local level. Under this legislation, the City of Leavenworth (at the request of the Leavenworth Lodging Association) adopted an additional 1% lodging tax in 1993 and increased it again to 3% in 1997. As a result, the current "hotel-motel" or lodging tax is 5% (2% returned from the State and 3% collected locally).

In the mid-1990's, the City Council created two committees, which included members from the Chamber of Commerce, Lodging Association, and City Councilmembers, who advised the City on the expenditure of the lodging tax funds. The "2% Committee" made recommendations to the City on the use of the basic 2% tax for tourism-related construction and maintenance projects, such as the improvements to Front Street Park or the development of a Visitor Center/Heritage House. Their focus stemmed from the original legislation for that tax. When the State Legislature broadened the use of this tax in the mid-1990's, Leavenworth began to use the funds for the Chamber of Commerce operations. The Autumn Leaf Festival, Salmon Fest, Cascade Loop Association, the maintenance of public restrooms, and the Leavenworth Visitor's Guide were all funded with these funds in the year 2000.

The "3% Committee," known as LAP was implemented in 1997 and recommends expenditures on the 3% tax and is focused on promotions; examples of uses include media advertising, brochures, radio advertising, an Internet Web Camera, horse harnesses, the Leavenworth sign for the beverage wagon, and additional Chamber staff time to handle the results of LAP advertising.

At this time, the State no longer requires an advisory committee for the City of Leavenworth or makes the distinction between the uses of the 2% and 3% lodging taxes. When the formal agreement expired in 2000, the 2% and 3% Committees recommended to the Council that they be combined into a single committee that would review both construction and advertising/promotion uses of the tax. The structure today is the Leavenworth Area Promotions (LAP) Committee; they focus their resources on tourism and promotion that is funded through an allocation of the Lodging Tax Funds authorized by the City Council. In addition, the Chamber of Commerce operates the Visitor Center, which is funded partially by an allocation of the Lodging Tax Fund, under an agreement between the Chamber of Commerce and the City Council. The additional dollars within the fund are allocated by the City Council to support festivals, improve tourist related facilities through capital expenditures, fund tourist related required maintenance such as the downtown flowers, restrooms, and additional security or deputy patrols. A final item within the Lodging Tax

Fund identified by the Council was to establish a fund reserve, which could be used in times of “Emergency” as determined by the Council.

Included within the packet material is the LAP Marketing Budget Plan. The plan provides for three options and an 8% media increase costs which covers the cost of annual increases in promotion cost. This covers the cost of increase from 2019 and 2020. The LAP budget was flat for 2019. Option #1 and Option #2 provide added expenditures for website improvements, social media and internet promotions. These will be explained in more detail as part of the LAP Budget Presentation and Discussion.

The following item is included under **TAB F:**

- Leavenworth Area Promotions Marketing Budget Plan 2020

10:55 – 11:05 Wastewater South Interceptor

This time has been set aside to update the Council on the Wastewater Collection System Improvements South Interceptor Project schedule. Currently, the design plan for the project is at 75%. The project includes replacement and upsizing of the south interceptor sewer main beginning at 8th Street adjacent to Post Hotel and continuing eastward to the Wastewater Treatment Plant. The replacement will include several areas of conventional open trench replacement, as well as other areas where the “pipe bursting” technique will be employed. This technique involves pulling or bursting a new, larger line through the existing line without excavation and will be utilized in areas where minimum disturbance is required. In addition to the design, all right-of-way (ROW) requirements must be met for the Rural Development (RD) funding to proceed. This will require a survey of the existing replacement sewer main route easement and the adjoining properties. The City has received proposals for the survey work and is currently securing a contract with the lowest bidder, Erlandsen Company. That work should be completed by the end of November.

The City Administrator has been in contact with the property owners impacted by the project and on October 28th the location of the sewer main, man holes, and route were marked by Varela and Associates (City project engineers) to enable those property owners affected by the project to visually see the location of the work in relation to their properties. In addition, a public meeting open house will be held on November 13, 2019 at 3:00 PM in the City Hall Council Chambers to discuss the project. Varela and Associate engineers will be in attendance to explain the project and answer any questions.

Currently, the City Council is scheduled to be asked, at the regular December 10, 2019 Council Meeting, to approve the authorization to go to bid on the project, pending Rural Development Funding and City Attorney approval.

The following items are included under **TAB G:**

- South Interceptor – Engineers Estimate
- Assumed Existing Easements Exhibit 1
- Existing Parcel and Easement Information Exhibit 2
- 75% Collection System Improvement Project Design

11:05 – 11:20 Waste Assessment

This time is provided to review and discuss a proposal for a Solid Waste Assessment of the City's Commercial solid waste stream. In August of this year, the City Council authorized the publishing of a Request for Proposal for a Solid Waste, Recycling, and Organics Waste Assessment Study for the Commercial Sector. The City received two proposals for completing the assessment. Council Members Neighbors and Lundgren, Public Works Director Herb Amick, Chelan County Solid Waste Coordinator Brenda Blanchfield, and Waste Loop Executive Director Ariana Jones evaluated the initial proposals. After the initial evaluation, interviews were conducted with the two proposers, Green Solutions and Impact Bioenergy, Inc.

The proposal submitted by Green Solutions is the recommendation being forwarded for approval by the evaluation committee. The Committee scored the proposal provided by Green Solutions as more complete, and the assessment and process more robust and clearly presented. Green Solutions has completed a number of solid waste assessments and is very well known, and has an excellent reputation in working with other public agencies on these types of projects.

After meeting with the evaluation team, Rick Hlavka of Green Solutions was asked to provide a final scope of work, which is provided within the packet material. The proposed cost of the assessment is \$35,250 from Green Solutions. The proposal for Impact Bioenergy was \$23,700. The evaluation committee is recommending moving forward with the proposal from Green Solutions because of the experience of Green Solutions and the fullness of the proposal. Green Solutions is proposing to sort 12 – 15 samples on two different days along with dumpster inspections and checking on cardboard contamination. Impact Bioenergy would sample four waste generators. The committee recognizes that the more robust assessment will provide the City with more statistically relevant data that can be used by the City and businesses moving forward.

The outcome of this assessment will provide the City and the commercial businesses with information and data regarding the make-up of the solid waste stream generated in the commercial district. The City is currently spending approximately \$900,000 annually for the collection and disposal of solid waste. These numbers also include the operation of the recycling facility and costs of the street side garbage container maintenance. The management and handling of solid waste is becoming a significant issue in terms of costs and also in terms of regulations in regard to how the City handles and disposes of the solid waste stream.

The Solid Waste Assessment will provide the City with information and data on how to address issues regarding the handling of solid waste moving forward:

- Having hard data on what is in the City's commercial waste stream will allow smart investments in the appropriate programs and technology to handle those wastes. The study itself will help to create interest and momentum in alternative ways to deal with the waste.
- Recycling and composting programs create more jobs and other economic benefits than landfilling the same amount of waste, at a lower overall cost than landfilling. There is the potential for new programs to create a few jobs and other benefits in Leavenworth. These are not necessarily City programs; the information will be available to others within the community to assess the viability of start-up options in handling different parts of the solid waste stream.

- Depending on the programs implemented, this is a step in the direction of the City moving toward a sustainability goal. The Downtown Steering Committee has wrestled with implementing a curbside recycling program for the last several years. While they recognize that the effectiveness and compliance of recycling street side in the commercial area is very low; they also recognize that tourists coming from the Seattle and Portland areas have an expectation to see recycling available and having recycling available plays a role in the branding of Leavenworth.
- There is the potential for this study to “pay for itself”, partly or wholly, by uncovering effective cost-saving measures. The disposal of solid waste continues to increase over time; both the cost of disposal and the cost of collection. Separating out, or reducing a percentage of the overall volume or weight may provide a cost saving, or hold the line on future increases. The study provides the first set of data points to help focus where those efforts should be placed for waste reduction or recycling.

Funding for the assessment could be provided from three sources. The Garbage Fund, General Fund, and Lodging Tax Fund. The Garbage Fund revenue is generated by the commercial rate payers of the City and would be a likely source of funding. The General Fund could be used, as sales tax revenues is primarily generated by visitors, which the waste assessment study seeks to address. A percentage could also be funded through the Lodging Tax fund, as noted above the sustainability branding of Leavenworth can be tied to the tourism marketing of Leavenworth. The recommendation of the administration, provided that the City Council is in favor of moving forward with the assessment, would be to fund the study from all three sources.

The following item is included under **TAB 7 (Evening Meeting)**:

- Exhibit A: Scope of Services for the Commercial Waste Assessment, Green Solutions

11:20– 11:30 Council Open Discussion

The remainder of this time slot allows for Council discussion of items not on the agenda.