

LEAVENWORTH CITY COUNCIL
Study Session Agenda
City Hall - Council Chambers
December 11, 2018 8:00 a.m.

8:00 – 8:15 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.

8:15 – 8:30 Christmas Lighting Update

This time has been set aside for an initial update regarding the Christmas Lighting traffic and parking concerns for 2018. Due to growing traffic concerns from the 2017 Christmas lighting, the City established an “ad hoc” committee composed of the City, Chamber of Commerce, County, WSDOT, WA State Patrol, Chelan County Sheriff, Fire District No. 3, and Emergency Response representatives to meet and devise a coordinated plan for the 2018 event. As a result of that committee, a professional traffic plan was created, a company was hired to implement the plan, a new bus parking and pedestrian configuration plan was designed, and communication channels were established for the agencies involved as well as an overall coordination plan for those agencies was established to be implemented for the Saturday events.

The City is pleased to report, apart from a few glitches, which one would expect for the first implementation, it appears that over the first weekend of the event, real improvement has been made over previous year’s festivals. Traffic seemed to move more smoothly before, during, and (most importantly) after the lighting ceremony; bus parking locations lessened the impact to US 2, and pedestrian traffic crossing US 2 improved. The majority of the overall feedback received has been positive as a result. In regard to the glitches, the City will be in contact with all parties involved to try to remedy those issues in preparation for the weekends to follow.

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

- Email – WSDOT Review

8:30 – 8:50 Lodging Tax Request – Leavenworth Area Promotions

This time is being provided for members of the Leavenworth Area Promotions to present and review their 2019 budget request for Lodging Tax Funds.

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

- 2019 Marketing Report and 2019 Budget Request

8:50 – 9:00 Lodging Tax Request – Upper Valley Park & Recreation Service Area

The Upper Valley Park & Recreation Service Area (PRSA) met on November 21, 2018 and discussed options for the pool resurfacing project that is in need of funding support to be completed in 2019. This project has been on hold, due to a lack of funding, for approximately two years. As the Council is aware, the voters of the PRSA did not approve a levy increase in August 2018 that would have provided the necessary funding over a three-year period to complete the resurfacing project and build further reserves for additional capital improvements. The total estimated cost of the project is \$150,000; a current quote is provided.

The Board is asking that the City Council consider assistance for the project funding with a commitment of 50% of the project costs, either from the City's Lodging Tax Fund or General Fund, that would be 50% matched by the PRSA. However, in order for the PRSA to match their portion of the project, they are additionally requesting a temporary three-year loan to be paid back in equal installments, plus interest, with payments occurring by December each year for 2020 through 2022. At this time, the anticipated budget for the Pool is projected to have a healthy fund balance over the biennium that supports annual operations with a minimum of approximately \$30,000. The fund currently has an estimated balance for January 2019 of \$66,000; however, a new capital cost of \$27,000 is needed by the spring of 2019, leaving approximately \$10,000 for the capital reserve and future repayment of the loan. The 2019, 2020, and future annual budgets, *if no additional capital issues arise in the interim*, is anticipated to generate an estimated \$15,000 to \$20,000 annually to pay back the three-year loan as requested; any minor shortfalls could be allocated from the minimum operating reserve that would be built back up between 2023 and 2024.

In order for this project to be completed in the spring of 2019 the PRSA would need to have a firm commitment from the City Council by January to allow for proper timing of bidding procedures and construction completion prior to opening the Pool on Memorial Day weekend. If contractors are not able to complete the project, due to weather in the spring, the project would be anticipated to occur in the fall.

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

- W.M. Smith & Associates – Quote for Pool Resurfacing

9:00 – 9:30 Lodging Tax Funding Allocation

One of the discussion items for the Finance Committee and Economic Development Committee over the past several months is the future allocations of Lodging Tax Funding. Both Committee's have suggested developing a policy that allocates the future assignment of Lodging Tax funds on a percentage basis. As a first step in this discussion, City Staff has reviewed the previous five year funding allocations and provided a draft of the funding allocation to different areas within the Lodging Tax Budget. The four funding areas would be as follows:

1. **Advertising and Promotions:** This includes funding support for Leavenworth Area Promotions (LAP) and direct advertising support for special events.
 - ✓ Direct Advertising
 - ✓ Events

2. **Tourism Operations:** This includes a wide range of services provided by the City, Chelan County Sheriff's Office, and Chamber of Commerce. It includes funding to provide traffic control, additional sheriff officers, partial funding for additional trash / garbage removal, restroom cleaning and supplies, Pacific Security Patrols, and the operation of the Chamber of Commerce Visitor Center.
 - ✓ Visitor Center Operations
 - ✓ Security and Traffic Control
 - ✓ Trash, Flowers, Maintenance of Commercial Area
3. **Capital Expenditures and Debt Service:** The expenditures of these funds are for the construction and building of facilities that either support tourism (parking, restrooms, train station) or facilities that fully or partially enhance/support tourism (Festhalle, skatepark, Front Street Park Gazebo, pump track). Funding is either a lump sum contribution or the commitment of debt service payments over a period of time.
4. **Reserves:** Per the City Council Financial Policy, the Lodging Tax Reserve goal is \$300,000. Those funds are available for emergencies to address issues which negatively affect the City's tourism economy. In addition, the reserve of the Lodging Tax Fund can be used as a holding area for funds not allocated; a savings account for the unexpended funds until the funding amount for a project is available and/or a capital project is identified by the community and approved by the City Council.

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

- Lodging Tax Budget Update
- Five Year Average Lodging Tax Allocations

9:30 – 10:00 Planning Commission 2019 Docket Review

The review of the 2019 Docket is a continuation from the November Study Session. Modifications to the draft were made based on the Council discussion and staff review. Changes are shown in strike-out (red) and underline (blue).

The Planning Commission Docket is a list of planning projects, approved by the City Council, which the Planning Commission and staff use to focus and prioritize work throughout the upcoming year. While the primary purpose of the Docket is to address Comprehensive Plan amendments, per LMC Chapter 21.31, it has been expanded to include code amendments which are also required to be heard by the Planning Commission. By expanding the Docket, the Planning Commission and Council may efficiently prioritize the workload for the year.

The attached draft Docket was developed based on last year's projects and items which were identified by staff throughout the year. New items may be submitted by the public or through the upcoming Planning Commission and Council meetings. Public requests for City sponsored amendments may be submitted for consideration through December 31, 2018. At the close of public requests, the draft Docket will be reviewed at a joint Planning Commission and Council meeting tentatively scheduled for January 22, 2019. The purpose of this meeting is to review and determine which public items, if any, will be City sponsored and to prioritize projects.

Final adoption of the Docket is anticipated in January with a placeholder for any City map amendment applications received by January 31st and any unincorporated amendments received from Chelan County by mid-March.

The draft Docket has been grouped into three sections. The first section lists items that should be completed within the amendment cycle year (2019); the second section includes items which may be completed in the cycle year, as time permits; and, the third section is a list of items/topics that may be considered for future review. The progression of an amendment depends upon complexity and staff workload. Some topics are anticipated to take considerable time and may remain on the "Docket" for multiple years.

To briefly recap the last few years, the 2016 Docket included vacation rentals and housing related questions as the first priority followed by a mix of code amendments, infrastructure planning, and comprehensive planning tasks. To address the housing related questions, the Housing Affordability Task Force developed recommendations for the Council and the City contracted with BERK to complete a Housing Assessment (completed March 2017). For the 2017 Docket, the year was focused on finalizing the Comprehensive Plan update, which required a substantial amount of work and time. For the 2018 Docket, the primary focus has been on reviewing the Housing Affordability Task Force recommendations. This work is on-going and expected to continue into 2019.

At this time, the draft 2019 Docket is being provided for review and general discussion.

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

- Revised Draft 2019 Docket – with changes
- Revised Draft 2019 Docket – clean

10:00 – 10:30 Gray & Osborne, Inc. – Water Plant Assessment Review

This time has been provided to allow Mr. Adam Miller, PE and Mr. Keith Stewart, PE with Gray and Osborne, Inc. to review and update the City Council in regard to the Water Treatment Plant Assessment and Recommendation Report, which Council has contracted their engineering firm to provide to the City. Gray and Osborne, Inc. is a Wenatchee based company and has been involved, through the Department of Health, with other studies and work at the City's Water Treatment Plant.

Today's discussion is to provide an update to the City Council on the findings of the assessment including a review of the process and the steps taken, a summary of the findings, options available, and potential funding programs.

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

- PowerPoint Presentation – Icicle Creek WTP Condition Assessment
- WTP Assessment and Recommendation Report

10:30 – 10:45 Parking Pilot Program

This time is allotted to provide the City Council with information regarding the implementation of a pilot program for employee parking. As the formation of the Parking Stakeholder Group is initiated, City Staff will begin implementing an employee parking program as discussed several months ago. Addressing employee parking was identified as a priority item within the parking study. Listed below are the following guidelines for the pilot program:

1. Reserved parking spaces will be made available in lots P2 and P4.
2. There will be 30 available spaces in P2 and 15 available spaces in P4.
3. Reserved space is issued to individuals, permits may be transferred to different vehicles.
4. Permit must be placed on driver's side of front window. No permit and a citation and/or towing may occur.
5. Permit is purchased and valid for a six (6) month period.
6. Permits will be sold on a first come first served basis; they are available for purchase by employees or employers.
7. Individual signs will be placed at each parking space.
8. Jaeger's Towing signs will be placed in parking lots.

By initiating the program at this time, the Parking Stakeholders Group at a future date can review the procedures and information regarding the program and make changes.

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

- Parking Permit Application Draft 2019

10:45 – 11:00 Council Open Discussion

- Mayor Pro-Tempore and Committee Assignments – Reminder for January

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