



Wednesday, January 26, 2011

City Council miffed about the TIFs

Vince Lovato
Editor

Wednesday, January 26, 2011

CHELAN -- Consultant, Perry Shea made a presentation to the Chelan City Council members Jan. 13 asking them to consider adopting a Traffic Impact Fee to help fund \$3.2 million worth of traffic safety projects.

While most council members understood the need to collect fees from businesses and building projects that add a financial burden to the city to maintain and improve roads, most were staunchly against the method and the amounts proposed.

Shea, of Olympia-based Shea-Carr-Jewell, said the state law allows cities to collect Traffic Impact Fees, referred to as TIFs, and a chart he presented showed nine cities that collect between about \$700 per square foot to more than \$4,000 per square foot for businesses and developments.

Using a chart, Shea, whose firm also served as a consultant on the Johnson Avenue pedestrian safety project that includes roundabouts, suggested that the city could have collected about \$850,000 from Walmart when it opened a few years ago. The city could collect about \$121,000 from a new 3,500-square-foot restaurant.

Bank Manager Russ Jones sardonically calculated that the city could legally collect a few thousand dollars from a lemonade stand.

Councilman Mike Cooney owns a coffee bar in downtown Chelan.

"I don't see anybody coming in and opening a new business," Cooney said. "I see people going to the outskirts of town."

Councilman Stan Morse said he would never vote for such a fee.

"It's the wrong time for it," Morse said.

"Then how do you modify the rate?" said Public Works Director Dwane Van Epps. The city uses a traffic impact collection method authorized by the State Environmental Policy Act and managed by the Department of Ecology.

But Van Epps said the fee is relatively low and doesn't take into account the differences in traffic businesses and neighborhoods can create.

"We need to find some other way to spread this around," Morse said.

The city's attorney, Allan Galbraith, suggested the council could adopt the TIFs but assign a low per-square-foot fee and increase it as the economy recovers.

The presentation drew a long line of local business owners who made strong statements at the speakers podium.

"You have to use the taxes you've already collected," said businessman Frants Holm-Nielson. "If you don't have the money, you just can't do it, just like a small business owner. You will kill downtown."

Lake Chelan Chamber of Commerce Director Michael Steele delivered a letter to the council members in advance of the meeting detailing how local businesses already contribute to the city coffers by generating jobs, retail sales taxes, bed taxes and by creating ancillary service businesses.

Developer John Eberle said adopting the TIF, "sends the wrong message" to businesses who might move here.

"Everyone's on the edge of what will or won't make sense," he said. "It's a tough job to attract business opportunities here. A new business that comes in can pay its own way the way it's already being taxed."

One home contractor said the proposed TIFs would add more than \$10,000 to the cost of every home built. Real Estate broker Al Lorenz said if the council adopted the fees he would become rich because he sells land in Manson.

"I just hope you don't throw out the baby with the bath water," Van Epps said. "This is the right tool at the right time."

He suggested the council host a workshop to discuss the issue, but Morse was having none of it.

"Dwayne, you have one 'no vote' from me and I'm not going to let you grind us down," Morse said.

The council did decide to discuss the issue in a workshop but not necessarily to discuss the TIFs.

Contact Vince Lovato at editor@lakechelanmirror.com or 509-682-2213.

They said it

"You have to use the taxes you've already collected," said businessman Frants Holm-Nielson. "If you don't have the money, you just can't do it, just like a small business owner. You will kill downtown."