

CITY OF NORTH BEND  
CITY COUNCIL WORKSTUDY NOTES  
**April 23, 2024**  
City Hall, 920 SE Cedar Falls Way, North Bend, WA

Mayor Pro Tem Gothelf called the meeting to order at 7:00 p.m.

Councilmembers Alan Gothelf, Heather Koellen, Christina Rustik, Suzan Torguson and Errol Tremolada were present. Councilmembers Elwood and Joselyn were excused.

**Staff Present:** Mayor Mary Miller, City Administrator David Miller, Finance Director Martin Chaw, Community & Economic Development Director Rebecca Deming, Administrative Services Director Lisa Escobar, Deputy Public Works Director Tom Mohr, Economic Development Manager James Henderson, Human Resource Manager Erin Mitchell, Deputy City Clerk Jennifer Bourlin and IT Manager Phil Davenport (remote).

**Guests Present:** Todd Chase and Devin Tryon from FCS Group.

### **Fiscal Sustainability Alternative 2**

Finance Director Martin Chaw explained the purpose of this session was to recap and review key findings from the February 27, 2024 Workstudy presentation of the Fiscal Sustainability Session #1, discuss Economic Development Opportunities and preliminary Fiscal and Economic Impact Analysis.

Mr. Chaw explained the study conclusions at this point were that additional revenues would be needed to keep pace with forecasted growth of 4.4 % per year and limitations to revenue consisted of the following: State law limitations on property tax, minimal population growth, and minimal new businesses. He noted the level of building activity was slowing as the City was approaching buildout of existing land.

Mr. Chaw explained Economic Development was cited as the number one priority to the community to provide more dining and shopping opportunities. North Bend's proximity to I-90 and outdoor recreation options created unique development opportunities.

Mr. Chase with the FCS Group reviewed the fiscal analysis of impact fees and reviewed additional revenue and costs; ongoing revenue and cost to serve new residents and accommodate new jobs. He reviewed impact fee methodology, long-term net fiscal impact per capita, economic development opportunities on the westside of North Bend, eastside of North Bend and the Urban Growth Area. He included buildout of development opportunities, capital improvement costs (total costs and share), buildout of net annual fiscal impact, buildout of impact fees and general facility charge revenue.

Mr. Chase reviewed the following key findings and conclusions: both residential and commercial development would be needed to pay for capital and operating expenses,

short-term impact fee revenues and cost highest with urban growth boundary expansion; provided net increase in utility rate revenue needed, long-term positive balance required a strategic approach, economic development opportunities were not mutually exclusive, the City can pursue all three.

Mr. Chase continued the discussion with reasons of why the City must act. He noted residents want an added variety of businesses, a quality community, and the City was required to comply with the State mandated Growth Management Act. Additionally the region would continue to grow and need to pay for the Waste Water Treatment Plant debt service or there would be a need to raise sewer rates significantly on existing residents. He stated the City can increase the opportunities for residents to do their shopping in the City, market to tourists to dine, stay and spend in the City and establish North Bend as “business friendly” to expand and enhance our outdoor brand and small town feel.

Mr. Chase concluded by discussing light industrial development and answered additional questions from Council.

### **Complete Streets Corridor Plan**

Community and Economic Development Director Deming started the discussion by reviewing each of the Complete Streets Corridor and William H Taylor “WH Taylor” Park plans including the estimated design and construction costs regarding each section to prioritize how to allocate the remaining \$1.2 million left of decision card funds.

Regarding William H Taylor park; the City received a grant from Puget Sound Regional Committee that would cover design for both McClellan St and Ballarat Ave S. Ms. Deming continued with grant information and funding components for Complete Streets and WH Taylor Park.

Councilmembers reached a consensus to contract for services for 10% conceptual design of the Plaza, as the priority, and no additional funds for the Train Depot. The Train Depot remodel was receiving funding of \$350,000 from ARPA funds, McClellan was funded for design with a grant from Puget Sound Regional Council in the amount of \$1,273,000, and the Railroad Realignment was funded by a Department of Transportation grant for \$2,721,000.

Ms. Deming concluded by informing Council that projects using ARPA funds need to be contracted by the end of 2024. City Administrator Miller added that they need to be contracted but the funds do not have to be spent.

### **Adjournment**

The Workstudy closed at 8:53 p.m.

ATTEST:

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Alan Gothelf, Mayor Pro Tem

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Jennifer Bourlin, Deputy City Clerk